City Copy

ORDINANCE NO. O-77-20

AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION FIRE DEPARTMENT STABILIZATION BONDS FOR THE PURPOSE OF FINANCING THE COST OF ACQUIRING A SITE FOR AND CONSTRUCTING AND EQUIPPING BUILDINGS FOR THE HOUSING OF FIRE FIGHTING APPARATUS, AND THE PURCHASING OF FIRE FIGHTING APPARATUS; LEVYING A TAX SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Conway, Arkansas, is a city of the first class (the "City"); and

WHEREAS, by Ordinance No. 0-77-11, duly passed by the City Council of the City, and approved on the 11th day of April, 1977, there was submitted to the qualified electors of the City the question of issuing, under Amendment No. 13 to the Constitution of the State of Arkansas, General Obligation Fire Department Stabilization Bonds in the principal amount of $600,000 (the "bonds") for the purpose of financing the cost of acquiring a site for and constructing and equipping buildings for the housing of fire fighting apparatus, and the purchasing of fire fighting apparatus (the "improvements"), paying necessary expenses incidental thereto and paying the expenses of issuing the bonds; and

WHEREAS, at a special election held May 17, 1977, a majority of the electors voting on the question approved the issuance of the bonds; and

WHEREAS, the results of the election were announced by the Mayor by a Proclamation duly published on May 24, 1977, in a newspaper of bona fide circulation in the City; and

WHEREAS, after due advertisement for the time and in the manner required by law, bonds in the amount of $600,000 were offered for sale on sealed bids on June 21, 1977, and at the sale T. J. Raney & Sons, Inc., Hill, Crawford & Lanford Incorporated and Reynolds Securities, Inc. (the "purchasers") bid and offered the price of par and accrued interest from May 1, 1977 to date of delivery for bonds bearing interest at the rate of 4.80% per annum, plus a premium of $18,614.70, and this being the best bid, the bonds were sold to the purchasers at that price; and

WHEREAS, pursuant to the authorization in the Notice of Sale the purchasers have elected to convert the $600,000 of bonds bearing interest at the rate of 4.80% per annum to an issue of $646,000 of 4%, 4.40%, 4.60%, 4.80% and 3.30% bonds, hereinafter described in detail, and the Council has examined the conversion and has found the same to be within the provisions of the Notice of Sale, and that by virtue of which the City will pay no more and receive no less than it would pay and receive if the bonds were not converted;

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

Section 1. That the improvements be accomplished.

Section 2. That the sale of the bonds to the purchasers and the conversion of the bonds set forth above be, and the same are hereby, approved and confirmed.

Section 3. That under the authority of the Constitution and laws of the State of Arkansas, including particularly Amendment No. 13 to the Constitution of the State of Arkansas, City of Conway, Arkansas General Obligation Fire Department Stabilization Bonds are hereby authorized and ordered issued in the total principal amount of $646,000, the proceeds of the sale of which are necessary to provide sufficient funds for accomplishing the improvements. The bonds shall be numbered consecutively from 1 to 130, inclusive, and shall be in the denomination of $5,000 each, except for Bond No. 9, which shall be in the denomination of $6,000.

The bonds shall be negotiable coupon bonds payable to bearer but shall be subject to registration as to principal or as to principal and interest. Payment of the bonds and interest coupons shall be made at the principal office of The First National Bank of El Dorado, El Dorado, Arkansas (the "Trustee" and "Paying Agent"). Payment of interest, when registered as to interest, may be by check or draft mailed to the registered owner at the address shown on the registration book of the City maintained by the Trustee. The bonds shall be dated May 1, 1977 and shall mature on February 1 of each year, as follows, but are callable for redemption prior to maturity as hereinafter set forth:

YEAR	BOND NOS	AMOUNT
1981	1 - 4	$20,000
1982	5 - 9	21,000
1983	10 - 14	25,000
1984	15 - 19	25,000
1985	20 - 24	25,000
1986	25 - 29	25,000
1987	30 - 34	25,000
1988	35 - 40	30,000
1989	41 - 46	30,000
1990	47 - 52	30,000
1991	53 - 58	30,000
1992	59 - 65	35,000
1993	66 - 72	35,000
1994	73 - 79	35,000
1995	80 - 86	35,000
1996	87 - 94	40,000
1997	95 - 102	40,000
1998	103 - 111	45,000
1999	112 - 120	45,000
2000	121 - 130	50,000

Section 4. That the bonds shall be executed on behalf of the City by the Mayor and City Clerk (with the facsimile signature of the Mayor and the manual signature of the City Clerk) and shall have impressed thereon the seal of the City. Interest coupons shall be executed by the facsimile signature of the Mayor. The facsimile signature of the Mayor on the bonds and coupons shall have the same force and effect as if he had personally signed each of the bonds and coupons.

Section 5. That the bonds and coupons shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF ARKANSAS
COUNTY OF FAULKNER
CITY OF CONWAY
___% GENERAL OBLIGATION FIRE DEPARTMENT STABILIZATION BONDS

No. $5,000
($1,000)

KNOW ALL MEN BY THESE PRESENTS:

That the City of Conway, Faulkner County, Arkansas (the "City"), acknowledges itself to owe and for value received promises to pay to bearer, or if this bond be registered, to the registered owner hereof, the sum of

DOLLARS

in lawful money of the United States of America on the first day of February, 19__, and to pay interest hereon at the rate of ________________________ percent (_______%) per annum from date until paid. Interest is payable semiannually on February 1 and August 1 of each year, commencing February 1, 1978. Payment of principal, and payment of interest when evidenced by coupons, shall be made upon presentation of the bonds and coupons at the principal office of The First National Bank of El Dorado, El Dorado, Arkansas (the "Trustee" and "Paying Agent"). Payment of interest, when registered as to interest, may be by check or draft mailed to the registered owner at his address reflected on the registration book of the City maintained by the Trustee as Bond Registrar.

This is one of an issue of 130 bonds, aggregating $646,000, dated May 1, 1977, and numbered from 1 to 130, inclusive, all of like tenor and effect except as to number, denomination, rate of interest, maturity and right of prior redemption. The bonds are issued for the purpose of financing the cost of acquiring a site for and constructing and equipping buildings for the housing of fire fighting apparatus and the purchasing of fire fighting apparatus (the "improvements"), paying necessary expenses incidental thereto and paying the expenses of issuing the bonds.

The bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas, particularly Amendment No. 13 to the Constitution of the State of Arkansas, and pursuant to Ordinance No. _____ of the City, passed and approved on the ______ day of ____________, 1977 (the "Authorizing Ordinance"), and an election duly held at which the majority of the legal voters of the City voting on the question voted in favor of the issuance of the bonds. Reference is hereby made to the Authorizing Ordinance for the details of the nature and extent of the security and of the rights and obligations of the City and the holders and registered owners of the bonds. The bonds are general obligations of the City, payable from the proceeds of a continuing annual three (3) mill special tax (the "special tax") levied by the City Council under the authority of Amendment No. 13 to the Constitution of the State of Arkansas, and the City hereby pledges its full faith, credit and taxing power, including the special tax, for the payment of the bonds.

The bonds will be subject to redemption prior to maturity (mandatory from surplus collections of the special tax and optional from other sources) in inverse numerical order at a price of par and accrued interest as follows: From surplus proceeds of the sale of the bonds not required for accomplishing the improvements and from surplus collections of the special tax on any interest paying date; from funds from any source on any interest paying date on and after February 1, 1982.

The City has covenanted and agreed that, after a debt service reserve has been established in the amount of $10,000, surplus tax collections, being collections from the special tax in excess of the amount necessary to insure the prompt payment of the principal of, interest on and Trustee's and Paying Agent's fees in connection with the bonds as the same become due, must be used from time to time on each interest payment date as and to the extent available to redeem the outstanding bonds. There will be such mandatory redemption to the extent that the total interest cost to the City for the projected payout on the basis of the mandatory call does not exceed the interest cost that would result from an interest rate of 6% per annum for the period of the projected payout on the money received by the City. In determining the extent of such mandatory redemption, it will be assumed (1) that collections of the special tax will be at the rate of 100%, (2) that the same (1976) assessed valuation will continue and (3) that the principal added by the conversion constitutes interest. Redemption on interest payment dates from surplus tax collections in excess of such mandatory redemption will be optional. Under the law, however, all collections of the special tax must be used for payment of debt service on the bonds at maturity or redemption prior to maturity and can be used for no other purpose.

Notice of the call for redemption shall be published one time in a newspaper published in the City of Little Rock, Arkansas, and having a general circulation throughout the State of Arkansas, giving the number and maturity of each bond being called, the publication to be at least fifteen (15) days prior to the redemption date, and after the date fixed for redemption each bond so called shall cease to bear interest, provided funds for its payment are on deposit with the Paying Agent at that time. In addition, notice by first class mail shall be mailed, fifteen (15) days prior to the redemption date, to the registered owner of each bond registered as to principal or as to principal and interest at the address of such owner reflected on the bond registration book of the Bond Registrar and if all outstanding bonds shall be registered as to principal and interest, then notice by first class mail to the registered owners thereof shall be sufficient, and it shall not be necessary to publish notice of the call.

This bond may be registered as to principal or as to principal and interest and may be discharged from such registration in the manner, with the effect and subject to the terms and conditions endorsed hereon. Subject to the provisions for registration endorsed hereon, nothing contained in this bond or in the Authorizing Ordinance shall affect or impair the negotiability of this bond and this bond shall be deemed a negotiable instrument under the laws of the State of Arkansas and is issued with the intent that the laws of the State of Arkansas will govern its construction.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed, under the Constitution and laws of the State of Arkansas, particularly Amendment No. 13 to the Constitution of the State of Arkansas, precedent 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; that the indebtedness represented by this bond and the issue of which it forms a part does not exceed any constitutional or statutory limitation; and that a tax sufficient to pay the bonds and interest thereon has been duly levied in accordance with Amendment No. 13 to the Constitution of the State of Arkansas and made payable annually until all of the bonds and interest thereon have been fully paid and discharged.

This bond shall not be valid until it shall have been authenticated by the Certificate hereon duly signed by the Trustee.

IN WITNESS WHEREOF, the City of Conway, Arkansas, has caused this bond to be executed in its name by the facsimile signature of the Mayor, the manual signature of the City Clerk and its corporate seal to be affixed and has caused the coupons hereto attached to be executed by the facsimile signature of its Mayor, all as of the first day of May, 1977.

CITY OF CONWAY, ARKANSAS

ATTEST:

By (facsimile signature)
Mayor

City Clerk

(SEAL)

(form of coupon)

No. ______________ $________

On the first day of (February)(August), 19__, the City of Conway, Faulkner County, Arkansas, unless the bond to which this coupon is attached is paid prior thereto or unless the bond is registered as to interest in accordance with the provisions pertaining thereto set forth on the bond, hereby promises to pay to bearer

____ DOLLARS

in lawful money of the United States of America at the principal office of The First National Bank of El Dorado, El Dorado, Arkansas, being six (6) months interest then due on its General Obligation Fire Department Stabilization Bond, dated May 1, 1977, and numbered ______________________.

CITY OF CONWAY, ARKANSAS

By (facsimile signature)
Mayor

On each bond shall appear the following:

CERTIFICATE

This is to certify that this is one of the City of Conway, Arkansas General Obligation Fire Department Stabilization Bonds, dated May 1, 1977, mentioned and described within.

THE FIRST NATIONAL BANK OF EL DORADO
El Dorado, Arkansas

By ______________________________
Authorized Signature

PROVISIONS FOR REGISTRATION AND RECONVERSION

This Bond may be registered as to principal alone on books of the City, kept by the Trustee as bond registrar, upon presentation hereof to the bond registrar, which shall make mention of such registration in the registration blank below, and this Bond may thereafter be transferred only upon an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the bond registrar, such transfer to be made on such books and endorsed hereon by the bond registrar. Such transfer may be to bearer, and thereafter transferability by delivery shall be restored, but this Bond shall again be subject to successive registrations and transfers as before. The principal of this Bond, if registered, unless registered to bearer, shall be payable only to or upon the order of the registered owner or his legal representative. Interest accruing on this Bond will be paid only on presentation and surrender of the attached interest coupons as they respectively become due, and notwithstanding the registration of this Bond as to principal, the appurtenant interest coupons shall remain payable to bearer and shall continue to be transferable by delivery; provided, that if upon registration of this Bond, or at any time thereafter while this Bond is registered in the name of the owner, the unmatured coupons attached evidencing interest to be thereafter paid hereon shall be surrendered to said bond registrar, a statement to that effect will be endorsed hereon by the bond registrar and thereafter interest evidenced by such surrendered coupons may be paid by check or draft of the bond registrar at the times provided herein to the registered owner of this Bond by mail to the address shown on the registration books. This Bond when so converted into a bond registered as to both principal and interest may be reconverted into a coupon bond at the written request of the registered owner and upon presentation at the office of said bond registrar. Upon such reconversion the coupons representing the interest to become due thereafter to the date of maturity will again be attached to this Bond and a statement will be endorsed hereon by the bond registrar in the registration blank below whether it is then registered as to principal or payable to bearer.

Date of Registration	Name of Registered Owner	Manner of Registration	Signature of Bond Registrar

Section 6. That in order to pay the bonds as they mature, with interest thereon, there is hereby levied upon all taxable real and personal property within the City a continuing annual tax of three (3)mills (the "special tax") on each dollar of assessed valuation to be collected annually as long as may be necessary to pay the principal of, interest on and Trustee's and Paying Agent's fees in connection with the bonds. The City Clerk is directed to transmit a copy of this Ordinance to the County Clerk of Faulkner County, Arkansas, to the end that the special tax may be extended on the tax books of the County and collected annually along with the other taxes until the bonds and interest thereon are paid in full or until adequate provision is made for their payment. The City covenants and agrees that all of the revenues from the special tax shall be placed in a separate fund which is hereby created and designated "1977 General Obligation Fire Department Bond Fund" (the "Bond Fund"), in a bank or banks designated from time to time by the City Council of the City holding membership in the Federal Deposit Insurance Corporation, and used solely for the payment of the principal of, interest on and Trustee's and Paying Agent's fees in connection with the bonds. The amount of the deposit in excess of that insured by the Federal Deposit Insurance Corporation must be continuously secured by bonds or other direct or fully guaranteed obligations of the United States of America, except that moneys invested as hereinafter provided need not be so secured. Moneys in the Bond Fund may be invested in (i) direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, or (ii) bank certificates of deposit fully secured by obligations described in (i) above ("Investment Obligations"). Moneys held for the credit of the debt service reserve may be invested in Investment Obligations maturing in not more than ten (10) years. Other Bond Fund moneys may be invested in Investment Obligations which mature or are subject to redemption at the option of the holder at or prior to the date the moneys will be needed to meet debt service requirements on the bonds. All such investments shall be considered a part of the Bond Fund from which made and all earnings and profits credited to, and all losses charged against, such fund. The City covenants that, after a debt service reserve in the amount of $10,000 is established and maintained, all revenues derived from the special tax in excess of the amount necessary to insure the prompt payment of the principal of, interest on and Trustee's and Paying Agent's fees in connection with the bonds as they mature will be used from time to time on each interest payment date as and to the extent available for the redemption of bonds prior to maturity.

Section 7. That for the prompt payment of the bonds, with interest, the City hereby pledges its full faith, credit and taxing power, including the special tax levied in Section 6 of this Ordinance.

Section 8. That in order to pay the principal of and interest on the bonds as they mature and as they are redeemed prior to maturity, there are hereby appropriated the entire proceeds of the special tax levied in Section 6 hereof, and if the proceeds be not sufficient to pay the principal of and interest on the bonds as they mature, then there are hereby appropriated sufficient additional funds out of the general revenues of the City to accomplish the payment at maturity. The principal of and interest on the bonds shall mature according to the following schedule (which schedule also sets out the interest rates for the bonds):

YEAR	AMOUNT	BOND NOS.	INTEREST RATE	INTEREST FEBRUARY 1	AUGUST 1	TOTAL
1978				20,250.00	13,500.00	33,750.00
1979				13,500.00	13,500.00	27,000.00
1980				13,500.00	13,500.00	27,000.00
1981	20,000	1-4	4.00%	13,500.00	13,100.00	46,600.00
1982	21,000	5-9	4.00%	13,100.00	12,680.00	46,780.00
1983	25,000	10-14	4.00%	12,680.00	12,180.00	49,860.00
1984	25,000	15-19	4.00%	12,180.00	11,680.00	48,860.00
1985	25,000	20-24	4.00%	11,680.00	11,180.00	47,860.00
1986	25,000	25-29	4.40%	11,180.00	10,630.00	46,810.00
1987	25,000	30-34	4.40%	10,630.00	10,080.00	45,710.00
1888	30,000	35-40	4.60%	10,080.00	9,390.00	49,470.00
1989	30,000	41-46	4.60%	9,390.00	8,700.00	48,090.00
1990	30,000	47-52	4.60%	8,700.00	8,010.00	46,710.00
1991	30,000	53-58	4.80%	8,010.00	7,290.00	45,300.00
1992	35,000	59-65	4.80%	7,290.00	6,450.00	48,740.00
1993	35,000	66-72	4.80%	6,450.00	5,610.00	47,060.00
1994	35,000	73-79	4.80%	5,610.00	4,770.00	45,380.00
1995	35,000	80-86	4.80%	4,770.00	3,930.00	43,700.00
1996	40,000	87-94	4.80%	3,930.00	2,970.00	46,900.00
1997	40,000	95-102	3.30%	2,970.00	2,310.00	45,280.00
1998	45,000	103-111	3.30%	2,310.00	1,567.50	48,877.50
1999	45,000	112-120	3.30%	1,567.50	825.00	47,392.50
2000	50,000	121-130	3.30%	825.00		50,825.00

Section 9. That the bonds shall be callable for payment prior to maturity in accordance with the terms set out in the face of the bond form in Section 5 of this Ordinance.

Section 10. That the Treasurer of the City is hereby ordered and directed to place on deposit with the Paying Agent, at least five (5) days before the maturity date of any bond or interest coupon issued hereunder, an amount from the funds herein appropriated equal to the amount of such bonds or coupons, for the sole purpose of paying the same, together with the customary Paying Agent's fee. Such deposit shall be at the risk of the City and shall not operate as a payment of the bonds or coupons until so applied. This instruction to the Treasurer is irrevocable and may be enforced by mandamus.

Section 11. (a) If there be any default in the payment of the principal of and interest on any of the bonds, or if the City defaults in any Bond Fund requirement or in the performance of any other covenant contained in this Ordinance, the Trustee may, and upon the written request of the holders of not less than ten percent (10%) in principal amount of the bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the City under the Constitution and laws of the State of Arkansas and under this Ordinance and protect and enforce the rights of the bondholders by acceleration, instituting appropriate proceedings in law or equity or other action deemed necessary or desirable by the Trustee.

(b) No holder of any bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law for the protection or enforcement of any right under this Ordinance or under the Constitution and laws of the State of Arkansas unless such holder previously shall have given to the Trustee written notice of the default on account of which such suit, action or proceeding is to be taken, and unless the holders of not less than ten percent (10%) in principal amount of the bonds then outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted by the Constitution and laws of the State of Arkansas, or to institute such action, suit or proceeding in its name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the cost, expenses and liabilities to be incurred thereon or thereby and the Trustee shall have refused or neglected to comply with such request within a reasonable time, and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trust of this Ordinance or to any other remedy hereunder. It is understood and intended that no one or more holders of the bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Ordinance, or to enforce any right hereunder except in the manner herein provided, that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all holders of the outstanding bonds and coupons, and that any individual rights of action or other right given to one or more of such holders by law are restricted by this Ordinance to the rights and remedies herein provided.

(c) All rights of action under this Ordinance or under any of the bonds secured hereby, enforceable by the Trustee, may be enforced by it without the possession of any of the bonds or coupons appertaining thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name and for the benefit of all the holders of the bonds and coupons, subject to the provisions of this Ordinance.

(d) No remedy herein conferred upon or reserved to the Trustee or to the holders of the bonds is intended to be exclusive of any other remedy or remedies herein provided, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or given by any law or by the Constitution of the State of Arkansas.

(e) No delay or omission of the Trustee or of any holders of the bonds to exercise any right or power accrued upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy given by this Ordinance to the Trustee and to the holders of the bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

(f) The Trustee may, and upon the written request of the holders of not less than ten percent (10%) in principal amount of the bonds then outstanding may, waive any default which shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted under the provisions of this Ordinance or before the completion of the enforcement of any other remedy, but no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

Section 12. That when the bonds herein authorized to be executed have been executed by the Mayor and City Clerk and the seal of the City impressed as herein provided, they shall be delivered to the Trustee, which shall authenticate them and deliver them to the purchasers upon payment in cash of the purchase price of $618,614.70, plus accrued interest from May 1, 1977 ("total sale proceeds"). The amount necessary to provide for the payment of interest on the bonds due on February 1, 1978 shall be deposited in the Bond Fund, the City expressly reserving the right to reimburse the Construction Fund (hereinafter identified) from the Bond Fund in the amount of such deposit.

The balance of the total sale proceeds shall be deposited in a special account of the City hereby created and designated the "Construction Fund" in a bank or banks designated from time to time by the City Council of the City, holding membership in the Federal Deposit Insurance Corporation. The moneys in the Construction Fund shall be used for accomplishing the improvements, paying expenses incidental thereto and paying the expenses of issuing the bonds, with any unexpended balance to be deposited in the Bond Fund.

Moneys on deposit in the Construction Fund in excess of the amount insured by the Federal Deposit Insurance Corporation must be continuously secured by bonds or other direct or fully guaranteed obligations of the United States of America; provided, however, moneys in the Construction Fund that are invested as hereinafter provided need not be so secured. Moneys in the Construction Fund may be invested in Investment Obligations (defined in Section 6), having maturity dates, or subject to redemption at the option of the holder, not later than the date or dates on which the moneys will be needed for accomplishing the improvements.

Section 13. The First National Bank of El Dorado, El Dorado, Arkansas, is hereby designated as Trustee and Paying Agent. It shall only be responsible for the exercise of good faith and reasonable prudence in the execution of its trust. The recitals in this Ordinance and in the face of the bonds are the recitals of the City and not of the Trustee. The Trustee shall not be required to take any action as Trustee unless it shall have been requested to do so in writing by the holders of not less than ten percent (10%) in principal amount of the bonds then outstanding and shall have been offered reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby. The Trustee may resign at any time by ten (10) days notice in writing to the City Clerk, and the majority in principal amount of the holders of the outstanding bonds at any time, with or without cause, may remove the Trustee. In the event of a vacancy in the office of Trustee, either by resignation or by removal, the majority in principal amount of the holders of the outstanding bonds may appoint a new Trustee, such appointment to be evidenced by a written instrument or instruments filed with the City Clerk. If the majority in principal amount of the holders of the outstanding bonds shall fail to fill a vacancy within thirty (30) days after the same shall occur, then the City shall forthwith designate a new Trustee by a written instrument filed in the office of the City Clerk. The original Trustee and any successor Trustee shall file a written acceptance and agreement to execute the trusts imposed upon it or them by this Ordinance, but only upon the terms and conditions set forth in this Ordinance and subject to the provisions of this Ordinance, to all of which the respective holders of the bonds agree. Such written acceptance shall be filed with the City Clerk and a copy thereof shall be placed in the bond transcript. Any successor Trustee shall also become the Paying Agent and shall have all the powers herein granted to the original Trustee and Paying Agent.

Section 14. (a) That the terms of this Ordinance shall constitute a contract between the City and the holders and registered owners of the bonds and no variation or change in the undertaking herein set forth shall be made while any of these bonds are outstanding, except as hereinafter set forth in subsection (b), and the holder or registered owner of any bond may at any time for and on his own behalf or for and on behalf of all bondholders enforce the obligations of the City by a proper suit for that purpose.

(b) Subject to the terms and provisions contained in this Section and not otherwise, the holders and registered owners of not less than seventy-five percent (75%) in aggregate principal amount of the bonds then outstanding shall have the right, from time to time, anything contained in this Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the City of such ordinance supplemental hereto as shall be necessary or desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Ordinance or in any supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any bond issued hereunder, or (b) a reduction in the principal amount of any bond or the rate of interest thereon, or (c) the creation of a pledge of tax revenues other than the pledge created by this Ordinance, or (d) a privilege or priority of any bond or bonds over any other bond or bonds, or (e) a reduction in the aggregate principal amount of the bonds required for consent to such supplemental ordinance.

Section 15. The City covenants that it shall not take any action or suffer or permit any action to be taken or condition to exist which causes or may cause the interest payable on the bonds to be subject to federal income taxation. Without limiting the generality of the foregoing, the City covenants that the proceeds of the sale of the bonds will not be used directly or indirectly in such manner as to cause the bonds to be treated as "arbitrage bonds" within the meaning of Section 103 (c) of the Internal Revenue Code of 1954, as amended.

Section 16. That the provisions of this Ordinance are separable and in the event that any section or part hereof shall be held to be invalid, such invalidity shall not affect the remainder of this Ordinance.

Section 17. That all ordinances and resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 18. 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 19. That is is hereby ascertained and declared that the above described improvements to be constructed out of the proceeds of the bonds authorized hereby are immediately needed for the preservation of the public peace, health and safety and to remove existing hazards thereto. The improvements cannot be made without the issuance of these bonds, and therefore, it is declared that an emergency exists and this Ordinance being necessary for the preservation of the public peace, health and safety shall be in force and take effect immediately upon and after its passage.

PASSED: June 30, 1977.

APPROVED:

[signature]
Mayor

ATTEST:

[signature]
City Clerk

(SEAL)