

ORDINANCE NO. 0-9/57

AN ORDINANCE APPROVING THE ISSUANCE OF HOSPITAL REVENUE BONDS; APPROVING A SUPPLEMENTAL TRUST INDENTURE AND SUPPLEMENTAL LEASE AGREEMENT; DECLARING AN EMERGENCY; AND FOR OTHER PURPOSES.

WHEREAS, the City of Conway, Arkansas (the "City") owns its general, acute care hospital, known as "Conway Regional Hospital" (the "Hospital"); and

WHEREAS, it has been determined that certain expansions and improvements should be acquired, constructed and installed as a part of the Hospital, in order that the Hospital can continue properly to serve the medical and nursing needs of the inhabitants of the City and the surrounding area and that such expansions and improvements should be financed by the issuance of the City's Hospital Revenue Bonds, Series 1992 in the principal amount of not to exceed \$10,000,000 (the "Bonds"); and

WHEREAS, notice of the issuance of the Bonds has been published, in a newspaper of general circulation in the City, at least fourteen days prior to the date hereof, which Notice stated:

1. The purpose of the Bonds is to finance expansions and improvements to the Hospital, including in particular the acquisition, construction and equipping of real and personal property for ambulatory surgery and outpatient facilities, of approximately 20,000 square feet, with parking and other related facilities, and the acquisition and installation of fixtures and equipment for diagnostic and related purposes, with appurtenant and support facilities;

2. The principal amount of the Bonds will be not greater than \$10,000,000;

3. The location of the Hospital is

College and Western Streets
Conway, Arkansas;

4. The Hospital is owned by the City and is leased to Conway Regional Hospital, Inc., an Arkansas nonprofit corporation (the "Lessee"), pursuant to the Lease and Agreement dated as of November 1, 1977, as supplemented; and

5. The Bonds will not be general obligations of the City but will be special obligations, payable solely from revenues of the Hospital.

WHEREAS, pursuant to such Notice, a public hearing was conducted before the City Council of the City on the 20th day of December, 1991, at which hearing no one appeared to object to the issuance of the Bonds; and

WHEREAS, the Bonds will be special obligations only and will not in any event constitute an indebtedness for which the faith and credit of the City are pledged; and

WHEREAS, copies of the Supplemental Indenture and the Supplemental Lease Agreement (all being identified hereinbelow) have been presented to the City Council;

NOW, THEREFORE, Be It Ordained by the City Council of the City of Conway, Arkansas:

Section 1. That, under the authority of the Constitution and laws of the State of Arkansas, including particularly Arkansas Code of 1987 Annotated, Title 14, Chapter 265 (the "Act") the issuance of the Bonds is hereby authorized. The terms and details of the Bonds, including interest rates, principal amount, maturities, purchase price and terms for redemption prior to maturity, shall be presented upon the Bonds having been offered and such terms and details thereby determined. In light of the need to expedite the issuance of the Bonds, for the reasons set forth in Section 9 below, the Mayor of the City is authorized to accept final terms and details of the Bonds, provided that the following conditions are observed:

(a) The principal amount of the Bonds shall not exceed \$10,000,000.

(b) None of the Bonds shall bear interest at a rate in excess of 9.5% per annum.

(c) The purchase price for the Bonds shall not be less than 98% of the principal amount thereof.

(d) The term of the Bonds shall not exceed 30 years.

(e) No Bond shall bear interest at a higher rate than that for a Bond of later maturity.

(f) The Bonds shall be subject to redemption prior to maturity, at a price not in excess of the principal amount thereof (with accrued interest) plus a premium of 3% of the principal amount redeemed, not later than twelve years after issuance of the Bonds.

Pending issuance of Bonds as described above, the City is authorized to issue temporary bonds, in the principal amount of not to exceed \$10,000,000, at a rate or rates of interest not exceeding 9.5% per annum and maturing no later than one year from the date of issue. Any temporary bonds so issued will be paid and retired upon issuance of the Bonds.

Section 2. That the Mayor is hereby authorized and directed to execute and acknowledge the Third Supplemental Trust Indenture (the "Supplemental Indenture") and the Third Supplemental Lease Agreement (the "@@SupplementalLease Agreement"), and the City Clerk is hereby authorized and directed to execute and acknowledge the Supplemental Indenture and the Supplemental Lease Agreement and to affix the seal of the City thereto. The Supplemental Indenture and the Supplemental Lease Agreement are hereby approved in substantially the form heretofore presented, and the Mayor is hereby authorized to execute the Supplemental Indenture and the Supplemental Lease Agreement on behalf of the City, with such insubstantial changes as may be approved by him.

Section 3. That there is hereby authorized, ratified and confirmed the preparation and distribution to various prospective and actual purchasers of the Bonds of an Official Statement and a Preliminary Official Statement, in the name of the City, describing the City, the Hospital and the Bonds and setting forth such other information as may be determined to be necessary or desirable. The Mayor, for and on behalf of the City, is authorized to execute such Official Statement and Preliminary Official Statement.

Section 4. That 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 execution and delivery of the Supplemental Indenture and the Supplemental Lease Agreement, the issuance, execution, sale and delivery of the Bonds, the execution, delivery and distribution of a Preliminary Official Statement and an Official Statement and the performance of all acts of whatever nature necessary, to effect and carry out the authority conferred by this Ordinance. The Mayor and the City Clerk 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, pursuant to the provisions of the Act, competitive bidding is hereby waived.

Section 6. That the law firm of Friday, Eldredge & Clark, Little Rock, Arkansas, is hereby appointed Bond Counsel to the City.

Section 7. That Stephens Inc. is hereby appointed as underwriter for the Bonds.

Section 8. That the City shall maintain, as a part of the minutes of the meeting at which this Ordinance is adopted, for inspection by an interested person, a copy of the Supplemental Indenture and the Supplemental Lease Agreement.

Section 9. That it has been determined that the Internal Revenue Service has proposed the issuance of certain regulations with respect to reimbursement for expenditures made prior to the issuance of obligations the interest on which is exempt from federal income tax, that these regulations have been suspended temporarily but are expected to be proposed during the year 1991 (as originally proposed or with modifications), for effect one month after proposal, and that these regulations could have an adverse effect on the ability of the City to issue the Bonds as obligations the interest on which is exempt from federal income tax. Therefore, an emergency is declared to exist and this Ordinance, being necessary for the public peace, health and safety, shall be in force upon its passage and approval.

Adopted: December 20, 1991.

ATTEST:

Martha Hartwick
City Clerk

(SEAL)

APPROVED:

By

David R. Kinley
Mayor

CERTIFICATE

STATE OF ARKANSAS)
) SS.
COUNTY OF FAULKNER)

I, the undersigned City Clerk within and for the City aforesaid, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 0-9157 of the Ordinances of the City of Conway, Arkansas, entitled: "AN ORDINANCE APPROVING THE ISSUANCE OF HOSPITAL REVENUE BONDS; APPROVING A SUPPLEMENTAL TRUST INDENTURE AND SUPPLEMENTAL LEASE AGREEMENT; DECLARING AN EMERGENCY; AND FOR OTHER PURPOSES"; adopted by the City Council of the City on December 20, 1991, as the same now appears of record in this office.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office on this 20th day of December, 1991.


Mutha Hartwick

City Clerk

(SEAL!)