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**City of Conway, Arkansas  
Ordinance No. O-22-20**



**CERTIFICATE OF RECORD**  
FAULKNER CO, AR FEE \$45.00  
I hereby certify that this instrument was  
Filed and Recorded in the Official Records  
In Doc Num **L202205274** 7 Pages  
RECORDED: 03-23-2022 12:07:14 PM  
CRYSTAL TAYLOR  
FAULKNER COUNTY CIRCUIT CLERK  
BY: DIANA VARNER, D.C.  
**ORDINANCE**

**AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF (1) NOT TO EXCEED \$27,800,000 OF ELECTRIC REVENUE IMPROVEMENT BONDS, TAX-EXEMPT SERIES 2022A, AND (2) NOT TO EXCEED \$14,700,000 OF ELECTRIC REVENUE REFUNDING BONDS, TAXABLE SERIES 2022B, BY THE CITY OF CONWAY, ARKANSAS FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF CERTAIN CAPITAL IMPROVEMENTS BENEFITTING THE CITY'S ELECTRIC SYSTEM; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE PURSUANT TO WHICH THE SERIES 2022 BONDS WILL BE ISSUED AND SECURED; AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT PURSUANT TO WHICH THE SERIES 2022 BONDS WILL BE OFFERED; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT PROVIDING FOR THE SALE OF THE SERIES 2022 BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT; 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 an electric generation and distribution system (the "Electric System") serving the residents of the City, which Electric System is operated and maintained by Conway Corporation, a nonprofit corporation organized and existing under the laws of the State of Arkansas (the "Corporation"), pursuant to a lease from the City and an exclusive franchise to operate the Electric System granted to the Corporation by the City; and

**WHEREAS**, the City is authorized under the provisions of Amendment 65 to the Constitution of the State of Arkansas and Arkansas Code Annotated §§14-164-401 *et seq.* and §§14-203-101 *et seq.* (the "Authorizing Legislation") to issue and sell its electric revenue bonds for the purpose of financing and refinancing the cost of improvements to the Electric System; and

**WHEREAS**, pursuant to Amendment 65 and the Authorizing Legislation, the City has previously issued its \$25,000,000 Electric Revenue Improvement Bonds, Series 2015 (the "Series 2015 Bonds"), of which \$14,150,000 in principal amount remains outstanding, for the purpose of financing various betterments and improvements to the Electric System; and

**WHEREAS**, in order to secure funds necessary (i) to finance certain additional betterments and improvements with respect to the Electric System, including a new Operations Center campus for the Corporation, including, but not limited to, the design, construction and equipping of an office building, warehouse and vehicle maintenance shop, the renovation of

existing building(s), the addition of covered parking for Corporation vehicles and equipment, and associated site work (collectively, the "Operations Center Project"), (ii) to fund a debt service reserve, and (iii) to pay printing, legal, underwriting and other expenses incidental to the issuance of electric revenue bonds for such purposes, the City has now determined to issue its Electric Revenue Improvement Bonds, Tax-Exempt Series 2022A, in an aggregate principal amount of not to exceed \$27,800,000 (the "Series 2022A Bonds"); and

WHEREAS, in order (i) to refund the Series 2015 Bonds and thereby restructure the debt service requirements of obligations secured by revenues of the Electric System, (ii) to fund a debt service reserve, and (iii) to pay printing, legal, underwriting and other expenses incidental to the issuance of electric revenue bonds for such purposes, the City has now determined to issue its Electric Revenue Refunding Bonds, Taxable Series 2022B, in an aggregate principal amount of not to exceed \$14,700,000 (the "Series 2022B Bonds," and together with the Series 2002A Bonds, the "Series 2022 Bonds"); and

WHEREAS, the City has determined to issue and secure the Series 2022 Bonds pursuant to a Trust Indenture (the "Indenture"), by and among the City, the Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), a form of which 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. and Crews & Associates, Inc., Little Rock, Arkansas (the "Underwriters"), providing for the sale of the Series 2022 Bonds; and

WHEREAS, an open public hearing on the questions of the issuance of the Series 2022 Bonds and the financing of the Operations Center Project has been held before the City Council and Mayor of the City on February 22, 2022, following publication of notice of such public hearing in the *Log Cabin Democrat* on February 11, 2022.

**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 (i) the acquisition, construction, equipping and installation of the Operations Center Project and (ii) the refunding of the Series 2015 Bonds are each in the best interests of the City and the customers of the Electric System.

**Section 2.** (a) Under the authority of the Constitution and laws of the State of Arkansas, including particularly Amendment 65 to the Constitution of Arkansas and the Authorizing Legislation, there is hereby authorized the issuance of bonds of the City to be designated as "Electric Revenue Improvement Bonds, Tax-Exempt Series 2022A" (the "Series 2022A Bonds"). The Series 2022A Bonds shall be issued in the original aggregate principal amount of not to exceed Twenty-Seven Million Eight Hundred Thousand Dollars (\$27,800,000), and shall mature not later than December 1, 2046, in the principal amounts and bearing interest at the rates to be specified in the Bond Purchase Agreement. In no event shall the true interest cost relating to the Series 2022A Bonds exceed 4.00% per annum. The proceeds of the Series

2022A Bonds will be utilized to acquire, construct, equip and install the Operations Center Project, to fund a debt service reserve, and to pay printing, underwriting, legal and other expenses incidental to the issuance of the Series 2022A Bonds.

(b) Under the authority of the Constitution and laws of the State of Arkansas, including particularly Amendment 65 to the Constitution of Arkansas and the Authorizing Legislation, there is hereby authorized the issuance of bonds of the City to be designated as "Electric Revenue Refunding Bonds, Taxable Series 2022B" (the "Series 2022B Bonds"). The Series 2022B Bonds shall be issued in the original aggregate principal amount of not to exceed Fourteen Million Seven Hundred Thousand Dollars (\$14,700,000), and shall mature not later than December 1, 2032, in the principal amounts and bearing interest at the rates to be specified in the Bond Purchase Agreement. In no event shall the true interest cost relating to the Series 2022B Bonds exceed 4.00% per annum. The proceeds of the Series 2022B Bonds will be utilized to refund the Series 2015 Bonds, to fund a debt service reserve, and to pay printing, underwriting, legal and other expenses incidental to the issuance of the Series 2022B Bonds.

(c) The payment of the principal of and interest on the Series 2022A Bonds and the Series 2022B Bonds (collectively, the "Series 2022 Bonds") will be secured by a pledge of the revenues of the Electric System as provided in a Trust Indenture to be dated as of the date of delivery of the Series 2022 Bonds (the "Indenture"), by and among the City, the Corporation and the Trustee. The Series 2022 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 Indenture.

(d) The Mayor is hereby authorized and directed to execute and deliver the Series 2022 Bonds in substantially the forms thereof contained in the Indenture submitted to this meeting, and the City Clerk is hereby authorized and directed to execute and deliver the Series 2022 Bonds and to affix the seal of the City thereto, and the Mayor and City Clerk are hereby authorized and directed to cause the Series 2022 Bonds to be accepted and authenticated by the Trustee. The Mayor is hereby authorized to confer with the Trustee, the Underwriters, and Kutak Rock LLP, Little Rock, Arkansas ("Bond Counsel"), in order to complete the Series 2022 Bonds in substantially the forms contained in the Indenture submitted to this meeting, with such changes as shall be approved by such persons executing the Series 2022 Bonds, their execution to constitute conclusive evidence of such approval.

**Section 3.** To prescribe the terms and conditions upon which the Series 2022 Bonds are to be executed, authenticated, issued, accepted, held and secured, the Mayor is hereby authorized and directed to execute and acknowledge the Indenture, by and among the City, the Corporation and the Trustee, 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 the City Clerk are hereby authorized and directed to cause the Indenture to be accepted, executed and acknowledged by the Corporation and the Trustee. The Indenture is hereby approved in substantially the form submitted to this meeting, including, without limitation, the provisions thereof pertaining to the pledge of the Electric System revenues to the Series 2022 Bonds and the terms of the Series 2022 Bonds. The Mayor is hereby authorized to confer with the Corporation, the Trustee, the Underwriters and Bond Counsel in order to complete the Indenture in substantially the form submitted to this meeting with such changes as shall be approved by such

persons executing the Indenture, their execution to constitute conclusive evidence of such approval.

(Advice is given that a copy of the 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 approved a Preliminary Official Statement of the City, including the cover page and appendices attached thereto, relating to the Series 2022 Bonds. The Preliminary Official Statement is hereby “deemed final” within the meaning of U.S. Securities and Exchange Commission Rule 15c2-12. The distribution and use of the Preliminary Official Statement in connection with the offer and sale of the Series 2022 Bonds is hereby approved. 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 Underwriters, 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 of the Preliminary Official Statement submitted to this meeting, and the Mayor is hereby authorized to confer with the Corporation, the Trustee, the Underwriters and Bond Counsel in order to complete the Official Statement in substantially the form of the Preliminary Official Statement 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 2022 Bonds are to be sold to the Underwriters, 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 between the City and the Underwriters, 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, the Underwriters and Bond Counsel 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 defeasance and redemption of the Series 2015 Bonds, the Mayor is hereby authorized and directed to execute an Escrow Deposit Agreement to be dated as of the date of its execution (the “Escrow Agreement”), by and between the City and The Bank of New York Mellon Trust Company, N.A., as escrow trustee (the “Escrow Trustee”), and the Mayor is hereby authorized and directed to cause the Escrow Agreement to be executed by the Escrow Trustee. The Escrow Agreement is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Corporation, the

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

(Advice is given that a copy of the Escrow 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.** In order to provide for continuing disclosure of certain financial and operating information with respect to the Electric System in compliance with the provisions of Rule 15c2-12 of the U.S. Securities and Exchange Commission, the Mayor is hereby authorized and directed to execute a Continuing Disclosure Agreement to be dated as of the date of its execution (the "Continuing Disclosure Agreement"), by and among the City, the Corporation and The Bank of New York Mellon Trust Company, N.A., as dissemination agent (the "Dissemination Agent"), and the Mayor is hereby authorized and directed to cause the Continuing Disclosure Agreement to be executed by the Corporation and the Dissemination Agent. The Continuing Disclosure Agreement is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Corporation, the Dissemination Agent, the Underwriters and Bond Counsel in order to complete the Continuing Disclosure Agreement in substantially the form submitted to this meeting with such changes as shall be approved by such persons executing the Continuing Disclosure Agreement, their execution to constitute conclusive evidence of such approval.

(Advice is given that a copy of the Continuing Disclosure 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 8.** 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 2022 Bonds and to effect the execution and delivery of the Indenture, the Continuing Disclosure Agreement, the Bond Purchase Agreement, the Official Statement, the Escrow Agreement and a Tax Compliance Agreement relating to the tax exemption of interest on the Series 2022A 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 9.** The rates for services of the Electric System previously enacted pursuant to Ordinance No. O-17-57 and Ordinance No. O-19-66 are hereby ratified and confirmed.

**Section 10.** That the City considers this Ordinance to be its declaration of official intent to issue the Series 2022A Bonds and to make reimbursement with a portion of the proceeds thereof for all original expenditures incurred in the acquisition, design, construction, equipping and furnishing of the Operations Center Project between the date that is sixty (60) days prior to the date of this Ordinance and the date a series of bonds is issued for such purposes, plus a *de*

*minimis* amount and preliminary expenditures, as such terms are defined in Section 1.150-2(f) of the Federal Income Tax Regulations.

**Section 11.** Kutak Rock LLP, 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 2022 Bonds.

**Section 12.** 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 13.** All ordinances, resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

**Section 14.** It is hereby found and determined that there is an urgent need to finance and refinance certain improvements and betterments to the Electric System in order to alleviate hardships to the residents of the City, and in order to do so on the most favorable terms, it is necessary to 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 28<sup>th</sup> DAY OF FEBRUARY, 2022.

Approved:

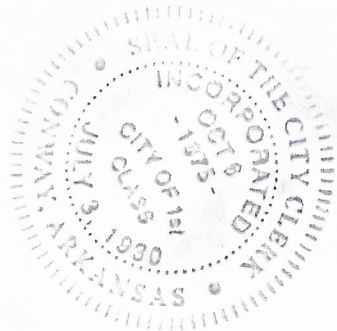


Mayor Bart Castleberry

Attest:



Michael O. Garrett  
City Clerk/Treasurer  
(S E A L)



**CERTIFICATE**

**STATE OF ARKANSAS  
COUNTY OF FAULKNER  
CITY OF CONWAY**

I, Michael Garrett, the duly elected, qualified, and acting: Clerk-Treasurer of the City of Conway, Arkansas, do hereby certify that the attached and foregoing is a true and correct copy of an ordinance presented to the City Council of the City of Conway, Arkansas, at a meeting of that body held on the 28<sup>th</sup> day of February, 2022 same is duly recorded in the minutes of meeting of said Council.

Witness, my hand, and seal of the City of Conway, Arkansas this 3<sup>rd</sup> day of March, 2022.

  
**CITY CLERK-TREASURER**

