

ORDINANCE NO. 0-79-20

AN ORDINANCE AUTHORIZING THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS FOR THE PURPOSE OF PROVIDING PERMANENT FINANCING FOR INDUSTRIAL FACILITIES; AUTHORIZING A FIRST SUPPLEMENTAL TRUST INDENTURE SECURING THE BONDS; AUTHORIZING A FIRST SUPPLEMENTAL LEASE AND AGREEMENT BETWEEN THE CITY OF CONWAY, ARKANSAS, AS LESSOR, AND KIRKWOOD INDUSTRIES, INC., AS LESSEE; AUTHORIZING THE SALE OF THE BONDS; AUTHORIZING AND PRESCRIBING OTHER MATTERS PERTAINING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Conway, Arkansas (the "City"), is authorized and empowered under the provisions of Act No. 9 of the First Extraordinary Session of the Sixty-Second General Assembly of the State of Arkansas, approved January 21, 1960, as amended (the "Act"), to issue revenue bonds and to expend the proceeds thereof to finance the acquisition, construction and equipment of land, buildings or facilities which can be used in securing or developing industry; and

WHEREAS, the City has heretofore issued its Industrial Development Revenue Bonds - Kirkwood Project, Series A, in the principal amount of \$2,000,000 (the "Series A Bonds"), secured by a Trust Indenture dated as of December 1, 1975, by and between the City and First National Bank, Conway, Arkansas, as Trustee; and

WHEREAS, the Series A Bonds were issued for the purpose of financing the costs of acquiring, constructing and equipping an industrial plant at the City (the "Plant"), which is being leased to and is operated by Kirkwood Industries, Inc., an Ohio corporation (the "Company") pursuant to a Lease and Agreement dated as of December 1, 1975, by and between the City and the Company; and

WHEREAS, it is proposed that the City provide permanent financing, through the issuance of additional revenue bonds under the Act, of the costs of acquiring, constructing and equipping

of an expansion to the Plant, consisting of buildings, improvements, machinery, equipment and facilities (the "Project"); and

WHEREAS, pursuant to and in accordance with the provisions of the Act, the City is now prepared to proceed with financing the Project and to issue and sell \$1,000,000 in aggregate principal amount of its Industrial Development Revenue Bonds - Kirkwood Project, Series B (the "Series B Bonds"), to provide such financing; and

WHEREAS, copies of the hereinafter described First Supplemental Trust Indenture and First Supplemental Lease and Agreement have been presented to and are before this meeting;

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

Section 1. That the issuance of the Series B Bonds is hereby authorized. The Series B Bonds shall be issued in the forms and denominations, shall be dated, shall be numbered, shall mature (over a period not to exceed thirty (30) years), shall bear interest (at a rate or rates not to exceed ten percent (10%) per annum), and shall be subject to redemption prior to maturity all upon the terms and conditions recommended by the Company and to be set forth in the First Supplemental Trust Indenture securing the Bonds (hereinafter authorized).

Section 2. That the Series B Bonds be sold to Parham and Company, Inc., Little Rock, Arkansas (the "Purchaser"), for the purchase price of 95.147 cents on the dollar, plus accrued interest, which purchase price is recommended by the Company.

Section 3. To prescribe the terms and conditions upon which the Bonds are to be executed, authenticated, issued, accepted, held and secured, the Mayor is hereby authorized and directed to execute and acknowledge a First Supplemental Trust Indenture by and between the City and First National Bank, Conway, Arkansas, as Trustee, dated as of the date of the Series B Bonds

(the "First Supplemental Indenture"), and the City Clerk is hereby authorized and directed to execute and acknowledge the First Supplemental Indenture and to affix the seal of the City thereto, and the Mayor and City Clerk are hereby authorized and directed to cause the First Supplemental Indenture to be accepted, executed and acknowledged by the Trustee. The First Supplemental Indenture is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Trustee, the Company and the Purchaser in order to complete the First Supplemental Indenture in substantially the form submitted to this meeting with such changes as shall be approved by such persons executing the document, their execution to constitute conclusive evidence of such approval.

Section 4. That there be, and there is hereby authorized the execution and delivery of a First Supplemental Lease and Agreement by and between the City as Lessor, and the Company as Lessee (the "First Supplemental Lease Agreement"), and the Mayor and City Clerk be, and they are hereby, authorized to execute, acknowledge and deliver the First Supplemental Lease Agreement for and on behalf of the City. The First Supplemental Lease Agreement is hereby approved substantially in the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Company, the Trustee and the Purchaser in order to complete the First Supplemental Lease Agreement in substantially the form submitted to this meeting with such changes as shall be approved by such persons executing the document, their execution to constitute conclusive evidence of such approval.

Section 5. That there be, and there is hereby, authorized the preparation and distribution to the Purchaser of the Bonds of an Official Statement (and preliminary Official Statement) in the name of the City, describing the City, the Series B Bonds, the First Supplemental Indenture, the First Supplemental Lease

Agreement, and setting forth such other information as may be determined to be necessary or desirable. The Mayor is authorized to execute such document on behalf of the City.

Section 6. That 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 First Supplemental Lease Agreement and the performance of all obligations of the City thereunder, the execution and delivery of the First Supplemental Indenture and the performance of all obligations of the City thereunder, the issuance, execution, sale and delivery of the Series B Bonds, the execution, delivery and distribution of an Official Statement, and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance. That the Mayor and the City Clerk be, and they 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 7. That the City is hereby involved with the acquiring, constructing and equipping of industrial facilities, and pursuant to applicable laws of the State of Arkansas, including particularly the Act, competitive bidding is waived.

Section 8. That the City Clerk is hereby authorized and directed to file in the office of the City Clerk, as a part of the minutes of the meeting at which this Ordinance is adopted, for inspection by any interested person a copy of the First Supplemental Indenture and First Supplemental Lease Agreement, and such documents shall be on file for inspection by any interested person.

Section 9. That the law firm of Friday, Eldredge & Clark, Little Rock, Arkansas, be appointed to act as Bond Counsel on behalf of the City in connection with the issuance and sale of the Series B Bonds.

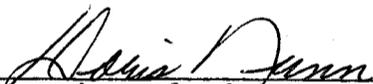
Section 10. That the provisions of this Ordinance are hereby declared to be separable, and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

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

Section 12. That there is hereby found and declared to be an immediate need for the securing and developing of industry in order to provide continued and increased employment and payrolls, alleviate unemployment and otherwise benefit the public health, safety and welfare of the City and the inhabitants thereof, and the issuance of the Series B Bonds authorized hereby and the taking of the other action authorized hereby are immediately necessary for the accomplishing of these public benefits and purposes. It is, therefore, declared that an emergency exists and this Ordinance being necessary for the immediate preservation of the public peace, health and safety shall be in force and effect immediately upon and after its passage.

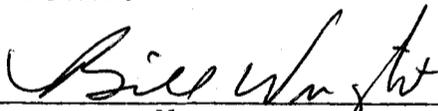
PASSED: May 8, 1979.

ATTEST:



City Clerk

APPROVED:



Mayor

(SEAL)