

ORDINANCE NO. 130

AN ORDINANCE AUTHORIZING THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS FOR THE PURPOSE OF PROVIDING PERMANENT FINANCING FOR INDUSTRIAL FACILITIES; AUTHORIZING A TRUST INDENTURE SECURING THE BONDS; AUTHORIZING A LOAN AGREEMENT BETWEEN THE CITY OF AMITY, ARKANSAS AND BARKSDALE LUMBER COMPANY, INC.; AUTHORIZING THE SALE OF THE BONDS; AUTHORIZING AND PRESCRIBING OTHER MATTERS PERTAINING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Amity, 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, it is proposed that the City provide permanent financing, through the issuance of revenue bonds under the Act, of the costs of acquiring, constructing and equipping certain industrial facilities consisting of buildings, improvements, machinery, equipment and facilities (the "Project"), and that the City loan the proceeds of the bonds to Barksdale Lumber Company, Inc., an Arkansas corporation (the "Company") to finance 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 \$700,000 in principal amount of its Industrial Development Revenue Bonds - Barksdale Lumber Company Project, Series 1984 (the "Bonds"), to provide such financing ; and

WHEREAS, copies of the hereinafter described Trust Indenture, Bond Purchase Agreement and Loan Agreement have been presented to and are before this meeting;

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

Section 1. (a) The City hereby makes the following findings with respect to the issuance of the Bonds and to the Project:

(1) The City has published notice of a public hearing on the issuance of the Bonds. The notice specified:

(A) The Project to be financed is the acquisition, construction and equipment of a celpack wood treatment plant and a hemco high-temp/high-velocity kiln as part of an expansion of the Barksdale Lumber Company plant in the City. The plant is located on State Highway 8 West in the City.

(B) The maximum aggregate face amount of Bonds to be issued with respect to the Project is \$700,000.

(C) The initial owner and operator of the Project will be Barksdale Lumber Company, Inc., an Arkansas corporation. The proceeds of the Bonds will be loaned to the Company to finance the Project, and the Company will be required to repay the loan, with interest, at times and in amounts sufficient to provide for payment of the principal of, premium, if any, and interest on the bonds, as due. The Company is in the pine timber manufacturing business.

(2) The hearing was held at the time and place specified in the notice.

(b) The issuance of the Bonds for the purposes specified in the notice is approved.

Section 2. That the issuance of the Bonds is hereby authorized. The 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 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 Trust Indenture (hereinafter authorized) securing the Bonds.

Section 3. That the Bonds be sold to Stephens Inc. and T.J. Raney & Sons, Inc. (the "Purchasers"), for the purchase price of 97.50% of par plus accrued interest and upon the terms and conditions set forth in a Bond Purchase Agreement between the City and the Purchasers. The Mayor is hereby authorized to execute and deliver the Bond Purchase Agreement on behalf of the City. 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 Purchasers and the Company 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 document, their execution to constitute conclusive evidence of such approval.

Section 4. 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 Trust Indenture by and between the City and The State First National Bank of Texarkana, Texarkana, Arkansas as Trustee (the "Trust Indenture"), and the City Recorder is hereby authorized and directed to execute and acknowledge the Trust Indenture and to affix the seal of the City thereto, and the Mayor and City Recorder are hereby authorized and directed to cause the Trust Indenture to be accepted, executed and acknowledged by the Trustee. The Trust Indenture is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Company, the Trustee and the Purchasers in order to complete the Trust 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 5. That there be, and there is hereby authorized the execution and delivery of a Loan Agreement by and between the City and the Company, and the Mayor and City Recorder be, and they are hereby, authorized to execute, acknowledge and deliver the Loan Agreement for and on behalf of the City. The Loan Agreement is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Company, the Trustee and the Purchasers in order to complete the Loan 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 6. That there be, and there is hereby, authorized the preparation and distribution to various prospective and actual purchasers of the Bonds of an Official Statement in the name of the City, describing the City, the Bonds, the Indenture, the Loan Agreement, and setting forth such other information as may be determined to be necessary or desirable by the Purchasers, the Company and the City. The Mayor is authorized to execute such Official Statement on behalf of the City.

Section 7. That the Mayor and City Recorder, 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 Loan Agreement, the performance of all obligations of the City under the Loan Agreement, the execution and delivery of the Trust Indenture, the performance of all obligations of the City under and pursuant to the execution, delivery and distribution of an Official Statement, the execution and delivery of the bond Purchase Agreement, the performance of all obligations of the City under and pursuant to the Bond Purchase Agreement, the issuance, execution, sale and delivery of the Bonds, 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 City Recorder 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 8. 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 9. That the City Recorder is hereby authorized and directed to file in the office of the City Recorder, 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 Trust Indenture, Bond Purchase Agreement and Loan Agreement and such documents shall be on file for inspection by any interested person.

Section 10. 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 Bonds.

Section 11. 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 12. That all ordinances, resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 13. That there is hereby found and declared to be an immediate need for the securing and developing of

industry in order to provide 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 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 9, 1984.

ATTEST:

APPROVED:

Maurice Hancock
City Recorder

Lennie H. H. H.
Mayor

(SEAL)



CERTIFICATE

The undersigned, City Recorder of the City of Amity, Arkansas, hereby certifies that the foregoing pages are a true and perfect copy of Ordinance No. 130, adopted at a special session of the City Council of the City of Amity, Arkansas, held at the regular meeting place in the City at 7:00 o'clock P.m., on the 9 day of May, 1984, and that the Ordinance is of record in Ordinance Record Book No. 3, at page , now in my possession.

GIVEN under my hand and seal on this 9 day of May, 1984.

Maurice Hancock
City Recorder

(SEAL)

