

ORDINANCE NO. 183 '99 MAY 3 PM 1 42

WASHINGTON CO AR  
K. HARNESS

AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$297,000 OF SALES AND USE TAX CONSTRUCTION BONDS FOR THE PURPOSE OF FINANCING THE COST TO THE CITY OF GREENLAND, ARKANSAS OF CONSTRUCTING IMPROVEMENTS TO THE SEWER SYSTEM OF THE CITY; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Greenland, Arkansas, is a city of the second class (the "City"); and

WHEREAS, by Ordinance No. 181, duly passed and approved by the City Council of the City on the 23<sup>rd</sup> day of January, 1999, the City levied a one percent sales and use tax (the "Tax"), which Tax was approved by a majority of the voters of the City at a special election held February 23, 1999; and

WHEREAS, by Ordinance No. 181, duly passed and approved by the City Council of the City on the 23<sup>rd</sup> day of January, 1999, there was submitted to the qualified electors of the City the question of pledging the tax and issuing pursuant to Amendment No. 62 to the Constitution of the State of Arkansas and under Arkansas Code Annotated §§14-164-301 et seq. ("Act No. 871 of 1985"), Sales and Use Tax Bonds in the principal amount of up to \$500,000 (the "Bonds") for the purpose of financing the cost to construct improvements to the sewer system of the City (the "Sewer System"); and

WHEREAS, the City wishes to issue Bonds at this time in the amount of \$297,000 to construct betterments and improvements to the Sewer System, and the City reserves the right to issue Sales and Use Tax Bonds in the amount of \$203,000 at a later date (\$297,000 and \$203,000 equals \$500,000, the amount approved by the City's voters on February 23, 1999);

WHEREAS, the City has made arrangements for the sale of \$297,000 in aggregate principal amount of Bonds to The Bank of Fayetteville, National Association, Fayetteville, Arkansas (the "Purchaser"), at a price of \$297,000, plus accrued interest, pursuant to a Bond Purchase Agreement between the Purchaser and the City (the "Bond Purchase Agreement") which has been presented to and is before this meeting; and

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

Section 1. That the construction of improvements to the Sewer System be accomplished.

Section 2. That the offer of the Purchaser for the purchase price of \$297,000 in principal amount of Bonds from the City at a price of \$297,000, plus accrued interest, for Bonds bearing interest at the rates per annum, maturing and otherwise subject to the terms and provisions hereafter in this Ordinance set forth in detail be, and is hereby accepted and the Bond Purchase Agreement, in substantially the form submitted to this meeting, is approved and confirmed and the Bonds are hereby sold to the Purchaser. The Mayor and City Recorder are hereby authorized and directed to execute and deliver the Bond Purchase Agreement on behalf of the City and to take all action required on the part of the City to fulfill its obligations under the Bond Purchase Agreement.

Section 3. That under the authority of the Constitution and laws of the State of Arkansas, including particularly Amendment No. 62 to the Constitution of the State of Arkansas, Act No. 871 of 1985, the City of Greenland, Arkansas Sales and Use Tax Construction Bonds, Series 1999 are hereby authorized and ordered issued in the total principal amount of \$297,000, the proceeds of the sale of which are necessary to provide the funds for accomplishing the construction of improvements to the Sewer System, paying expenses incidental thereto, and paying expenses of issuing the Bonds.

The Bonds shall mature on May 1 in the amounts and in the years as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2001	\$ 5,000	4.05%
2002	11,000	4.15
2003	11,000	4.20
2004	12,000	4.30
2005	12,000	4.35
2006	13,000	4.40
2007	13,000	4.50
2008	14,000	4.60
2009	15,000	4.65
2010	15,000	4.75
2011*	16,000	5.15
2012*	17,000	5.15
2013*	18,000	5.15
2014*	18,000	5.15
2015*	19,000	5.15
2016*	20,000	5.15
2017*	21,000	5.15
2018*	23,000	5.15
2019*	24,000	5.15

\* Sinking Fund Maturity Due May 1, 2019

The Bonds shall bear interest from their respective dates and the Bonds shall be issuable only as fully registered Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. Unless the City shall otherwise direct, the Bonds shall be numbered from 1 upward in order of issuance.

Each Bond shall be dated as of the interest payment date to which interest has been paid, as of the date on which it is authenticated, or if it is authenticated prior to a date on which interest has been paid, it shall be dated May 1, 1999. Interest on the Bonds shall be payable on November 1, 1999, and semiannually thereafter on May 1 and November 1 of each year. Payment of each installment of interest shall be made to the person in whose name the Bond is registered on the registration books of the City maintained by The Bank of Fayetteville, National Association, Fayetteville, Arkansas, as Trustee and Paying Agent (the "Trustee"), at the close of business on the fifteenth day of the month (whether or not a business day) next preceding each interest

payment date (the "Record Date"), irrespective of any transfer or exchange of any such Bond subsequent to such Record Date and prior to such interest payment date, by check or draft mailed by the Trustee to such owner at his address on such registration books. Principal of the Bonds shall be payable at the corporate trust office of the Trustee in Fayetteville, Arkansas.

Only such Bonds as shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in Section 5 hereof duly executed by the Trustee shall be entitled to any right or benefit under this Ordinance. No Bond shall be valid and obligatory for any purpose unless and until such Certificate of Authentication shall have been duly executed by the Trustee, and such certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The Trustee's Certificate of Authentication on any Bond shall be deemed to have been executed if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the Certificate of Authentication on all of the Bonds issued hereunder.

In case any Bond issued hereunder shall become mutilated or be destroyed or lost, the City, shall, if not then prohibited by law, cause to be executed and the Trustee may authenticate and deliver a new Bond of like date, number, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated Bond, or in lieu of and in substitution for such Bond destroyed or lost, upon the owner paying the reasonable expenses and charges of the City and Trustee in connection therewith, and, in the case of a Bond destroyed or lost, his filing with the Trustee evidence satisfactory to it that such Bonds were destroyed or lost, and of his ownership thereof, and furnishing the City and Trustee with indemnity satisfactory to them. The Trustee is hereby authorized to authenticate any such new Bond. In the event any such Bond shall have matured, instead of issuing a new Bond, the City may pay the same without the surrender thereof. Upon the issuance of a new Bond under this Section 3, the City may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

The City shall cause books for the registration and for the transfer of the Bonds as provided herein and in the Bonds. The Trustee shall act as the bond registrar. Each Bond is transferable

by the registered owner thereof or by his attorney duly authorized in writing at the principal office of the Trustee. Upon such transfer, a new fully registered Bond or Bonds of the same maturity, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefor.

Bonds may be exchanged at the principal office of the Trustee for an equal aggregate principal amount of Bonds of any other authorized denomination or denominations. The City shall execute and the Trustee shall authenticate and deliver Bonds which the registered owner making the exchange is entitled to receive. The execution by the City of any Bond of any denomination shall constitute full and due authorization of such denomination and the Trustee shall be thereby authorized to authenticate and deliver such Bond.

No charge shall be made to any owner of any Bond for the privilege of transfer or exchange, but any owner of any Bond requesting any such transfer or exchange shall pay any tax or other governmental charge required to be paid with respect thereto. Except as otherwise provided in the immediately preceding sentence, the cost of preparing each new Bond upon each exchange or transfer and any other expenses of the City or the Trustee incurred in connection therewith shall be paid by the City. The City shall not be required (i) to issue, transfer or exchange any Bond during a period beginning at the opening of business 15 days before any selection of Bonds of that maturity for redemption and ending at the close of business on the day of the first mailing of the relevant notice of redemption, or (ii) to transfer or exchange any Bonds selected for redemption in whole or in part.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or premium, if any, or interest of any Bond shall be made only to or upon the order of the registered owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid. Neither the City nor the Trustee shall be affected by any notice to the contrary.

In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any

Bonds shall be a Saturday or Sunday or shall be in the State of Arkansas a legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal need not be made on such date but may be made on the next succeeding business day not a Saturday or Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after the date of maturity or date fixed for redemption.

Section 4. The Bonds shall be executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Recorder and shall have impressed, imprinted, engraved or lithographed thereon the seal of the City.

Section 5. That the Bonds and the Trustee's Certificate of Authentication shall be in substantially the following form and the Mayor and City Recorder are hereby expressly authorized and directed to make all recitals contained therein:

(FORM OF BOND)

REGISTERED

REGISTERED

No.

UNITED STATES OF AMERICA  
STATE OF ARKANSAS  
CITY OF GREENLAND  
SALES AND USE TAX CONSTRUCTION BOND  
SERIES 1999

Interest Rate: \_\_\_% Maturity Date: \_\_\_\_\_ Dated Date: May 1, 1999  
Registered Owner: \_\_\_\_\_  
Principal Amount: \_\_\_\_\_  
CUSIP No. \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS:

That the City of Greenland, State of Arkansas (the "City"), for value received, hereby promises to pay to the Registered Owner shown above, or registered assigns, upon the presentation and surrender hereof at the principal corporate trust office of The Bank of Fayetteville, National Association, Fayetteville, Arkansas, or its successor or successors, as Trustee and Paying Agent (herein referred to as the "Trustee"), on the Maturity Date shown above, the Principal Amount shown above, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts and to pay by check or draft to the Registered Owner shown above interest thereon, in like coin or currency from the Dated Date shown above at the Interest Rate per annum shown above, payable on each May 1 and November 1, commencing November 1, 1999, until payment of such principal sum or, if this Bond or a portion thereof shall be duly called for redemption, until the date fixed for redemption, and to pay interest on overdue principal and interest (to the extent legally enforceable) at the rate borne by this Bond. Payment of each installment of interest shall be made to the person in whose name this Bond is registered on the registration books of the City maintained by the Trustee at the close of business on the fifteenth day of the month (whether or not a business day) next preceding each interest payment date (the "Record Date"), irrespective of any transfer or exchange of this Bond subsequent to such Record Date and prior to such interest payment date.

This Bond is one of an issue of City of Greenland, Arkansas Sales and Use Tax Construction Bonds, Series 1999, aggregating Two Hundred Ninety-Seven Thousand Dollars (\$297,000) in aggregate principal amount (the "Bonds"), and is issued for the purpose of constructing betterments and improvements to Sewer System of the City, paying necessary expenses incidental thereto, establishing a debt service reserve fund, and paying expenses of authorizing and issuing the Bonds. The Bonds were approved by the electors of the City at a special election held February 23, 1999.

The Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas, particularly Amendment No. 62 of the Constitution of the State of Arkansas, Arkansas Code Annotated §§ 14-164-301 et seq., and pursuant to an ordinance of the City duly adopted (the "Authorizing Ordinance"). 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 registered owners of the Bonds. The Bonds are obligations of the City, payable from the proceeds derived by the City from its 1% sales and use tax (the "Sales and Use Tax") levied by the City Council under the authority of the laws of the State of Arkansas, and an ordinance of the City duly adopted, and the City hereby pledges its collections of the Sales and Use Tax for the payment of this Bond.

(REFERENCE IS HEREBY MADE TO FURTHER PROVISIONS OF THIS BOND ON THE REVERSE SIDE HEREOF WHICH HAVE THE SAME EFFECT AS IF SET FORTH IN THIS PLACE.)



IN WITNESS WHEREOF, the City of Greenland, Arkansas, has caused this Bond to be executed by its Mayor and City Recorder, the facsimile signatures thereunto duly authorized and its corporate seal to be impressed, lithographed or imprinted on this Bond, all as of the Dated Date shown above.

CITY OF GREENLAND, ARKANSAS

By (Facsimile signature)  
Mayor

ATTEST

(Facsimile signature)  
City Recorder

( S E A L )

(Reverse Side of Bond)

2007

The Bonds are subject to optional, ~~extraordinary~~ and mandatory sinking fund redemption prior to maturity as follows:

Optional Redemption. The Series 1999 Bonds or portions thereof may be redeemed prior to maturity, at the option of the City from funds from any source, in whole or in part, on any interest payment date on and after May 1, 2007, at par, in inverse order of maturity (and by lot, chosen by any method selected by the Trustee, within a maturity) at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date).

Extraordinary Redemption. The Series 1999 Bonds are subject to extraordinary redemption, in whole or in part, in inverse order of maturity, at the earliest practicable time notice can be given, from surplus monies in the Construction Fund not required to complete the Project (as defined herein); provided, however, that no such redemption shall be effected if the amount of such surplus monies in the Construction Fund is less than \$5,000. Bonds within a maturity shall be selected by lot in such manner as the Trustee shall determine to be fair and equitable at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date.

In addition, Tax Receipts, if any, in the possession of the Trustee in excess of the amount necessary to (i) pay fees and expenses of the Trustee, (ii) insure the prompt payments of the principal of, interest on and Trustee's and Paying Agent's fees in connection with the Series 1999 Bonds as the same become due, and (iii) maintain the Debt Service Reserve Fund established in connection with the Series 1999 Bonds, shall be used to redeem Bonds, in inverse order of maturity (Bonds within a maturity to be selected by lot in such manner as the Trustee shall determine to be fair and equitable) at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. Term Bonds in the principal amount of \$176,000 due May 1, 2019, are subject to mandatory sinking fund redemption on May 1 in each of the years 2011 to 2019, inclusive, at par plus accrued interest, by lot selected by the Trustee in its absolute discretion, as follows:

<u>Year</u>	<u>Amount</u>
2011	\$16,000
2012	17,000
2013	18,000
2014	18,000
2015	19,000
2016	20,000
2017	21,000
2018	23,000
2019	24,000

Notice of redemption identifying the Bonds or portions thereof (which shall be \$5,000 or a multiple thereof) to be redeemed shall be given by the Trustee, not less than fifteen (15) nor more than sixty (60) days prior the date fixed for redemption, by mailing a copy of the redemption notice by first class mail, postage prepaid, to all registered owners of Bonds to be redeemed. Failure to mail an appropriate notice or any such notice to one or more registered owners of Bonds to be redeemed shall not affect the validity of the proceedings for redemption of other Bonds as to which notice of redemption is duly given in proper and timely fashion. All such Bonds or portions thereof thus called for redemption and for the retirement of which funds are duly provided in accordance with the Authorizing Ordinance prior to the date fixed for redemption will cease to bear interest on such redemption date.

This Bond is transferable by the Registered Owner shown above in person or by his attorney-in-fact duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner, subject to the limitation and upon payment of the charges provided in the Authorizing Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds of the same maturity, of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor. This Bond is issued with the intent that the laws of the State of Arkansas shall govern its construction.

The City and the Trustee may deem and treat the Registered Owner shown above as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and premium, if any, hereon and interest due hereon and for all other purposes, and neither the City nor the Trustee nor any Paying Agent shall be affected by any notice to the contrary.

The Bonds are issuable only as fully registered Bonds in the denomination of \$5,000 and any integral multiple thereof. Subject to the limitations and upon payment of the charges provided in the Authorizing Ordinance, fully registered Bonds may be exchanged for a like aggregate principal amount of fully registered Bonds of the same maturity of other authorized denominations.

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. 62 to the Constitution of the State of Arkansas, Arkansas Code Annotated §§ 14-164-301 et seq., 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 sales and use tax revenues sufficient to pay the Bonds and interest thereon has been duly levied and pledged 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.

(Form of Trustee's Certificate)

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds issued under the provisions of the within mentioned Authorizing Ordinance.

THE BANK OF FAYETTEVILLE,  
NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Authorized Signature

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, \_\_\_\_\_ ("Transferor"), hereby sells, assigns and transfers unto \_\_\_\_\_, the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ ("Transferee") as attorney to transfer the within Bond on the books kept for registration thereof with full power of substitution in the premises.

DATED: \_\_\_\_\_

\_\_\_\_\_  
Transferor

GUARANTEED BY:

\_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or a trust company.

Section 6. The City hereby covenants that the revenues derived by the City from the City's local 1% sales and use tax (the "Sales and Use Tax") levied by Ordinance No. 181 and pledged by Ordinance No. \_\_\_\_\_ (hereinafter are referred to as the "Pledged Revenues") shall be used monthly in the following order of priority as and when necessary:

(1) to pay the Trustee's and Paying Agent's fees and expenses next due;

(2) to pay one-sixth of the interest on the Bonds next due;

(3) to pay one-twelfth of the principal of the Bonds next due at maturity;

(4) to replenish the Debt Service Reserve Fund if it falls below the Debt Service Reserve Requirement (\$19,000) of the maximum annual debt service; and

(5) the monthly surplus of the Sales and Use Tax shall be utilized to prepay the Bonds.

The City covenants that the Sales and Use Tax shall never be repealed or reduced while any of the Bonds are outstanding. The City further covenants to use due diligence in collecting the Sales and Use Tax. Nothing herein shall prohibit the City from increasing the City Sales and Use Tax from time to time, to the extent permitted by law, and no part of the revenues derived from any such increase shall become part of the Pledged Revenues.

Section 7. (a) The City hereby designates The Bank of Fayetteville, National Association, Fayetteville, Arkansas, as the bank which shall receive the Sales and Use Tax from the State Treasurer and the City and the City covenants to file a written designation thereof with the State Treasurer prior to the issuance of the Bonds. The Trustee shall deposit all collections of the Sales and Use Tax as and when received, into a special fund of the City in the Trustee which is hereby created and designated "Sales and Use Tax Bond Fund" (the "Bond Fund"), plus any additional moneys from other available revenues necessary for the purpose of providing funds for the payment of principal of and interest on the Bonds as they become due at maturity, and the Trustee's fees and expenses and the fees of the Paying Agent. Moneys in the Bond Fund shall be used on each interest payment date in the order of priority set forth in Section 6 above.

The Bond Fund shall, except as provided in Section 8 hereof, be depleted once a year except for a carryover amount not to exceed the greater of (i) one year's earnings on the Bond Fund or (ii) 1/12 of the annual debt service on the Bonds. Any moneys in the Bond Fund shall, except as provided in Section 8 hereof, be spent for one of the above purposes within a thirteen-month period beginning on the date of deposit, and any amount received from investment of money held in the Bond Fund will be spent within a one-year period beginning on the date of receipt.

(b) When the moneys in the Bond Fund shall be and remain sufficient to pay the principal of and interest on all the Bonds then outstanding, and the Trustee's fees and expenses and the fees of any Paying Agent, there shall be no obligation to make any further payments into the Bond Fund and any Pledged Revenues remaining in the Bond Fund after the principal of and interest on the Bonds have been paid may be used by the City for any lawful purpose.

(c) All moneys in the Bond Fund shall be used solely for the purpose of paying the principal of and interest on the Bonds, and Trustee's and Paying Agent's fees, as the same become due, except that if at any time there shall be accumulated in the Bond Fund a surplus in excess of the amount necessary to insure the prompt payment of the principal of and interest on, and Trustee's and Paying Agent's fees and expenses in connection with the Bonds, as the same become due, and the Debt Service Reserve Fund is at the required level, such surplus may be used to prepay Bonds in inverse order of maturity.

(d) The Trustee is authorized and directed to withdraw moneys from the Bond Fund from time to time as necessary for paying principal of and interest on the Bonds when due at maturity and for making other authorized Bond Fund expenditures.

(e) The Bonds shall be specifically secured by a pledge of the Pledged Revenues, which pledge in favor of the Bonds is hereby irrevocably made according to the terms of this Ordinance, and the City, and the officers and employees of the City shall execute, perform and carry out the terms thereof in strict conformity with the provisions of this Ordinance.

(f) The City agrees that if moneys in the Bond Fund are not sufficient on any interest payment date to make the principal and interest payment then due, it will use for the payment of the



principal of and interest on the Bonds all other revenues of the City that may be legally used for that purpose and will pay such amount to the Trustee for deposit into the Bond Fund for that purpose.

Section 8. The Bonds shall be deemed paid when there has been deposited with the Trustee in the Bond Fund an amount sufficient to pay the principal of and interest on the Bonds to the date of maturity or redemption. The Bonds shall also be deemed paid if there shall be deposited with the Trustee in the Bond Fund Government Securities (hereinafter defined in Section 15) that mature according to their terms or are redeemable at the option of the holder of such investment on or prior to the date of maturity or redemption of the Bonds and the principal or redemption price of and interest on which, together with any moneys on deposit with the Trustee, will provide an amount sufficient to pay in full the principal or redemption price of any interest on the Bonds when due.

On the payment of all the Bonds within the meaning of this Ordinance, the Trustee shall hold in trust, for the benefit of the owners of such Bonds, all such moneys and/or Government Securities.

When all the Bonds shall have been paid within the meaning of this Ordinance, the Trustee shall take all appropriate action to cause (i) the pledge and lien of this Ordinance to be discharged and cancelled, and (ii) all moneys held by it pursuant to this Ordinance and which are not required for the payment of such Bonds to be paid over or delivered to or at the direction of the City.

Section 9. The City covenants that it will not issue any other bonds, or incur any obligation, secured by a lien on or pledge of the Pledged Revenues. However, additional bonds may be issued on a parity of security with the Bonds under the provisions of this Ordinance, subject to the conditions hereinafter provided, for the purpose of paying all or any part of the cost of constructing improvements to the Sewer System. Before such additional bonds shall be issued, there shall have been filed with the Trustee a report showing that the maximum annual debt service requirement on the Series 1999 Bonds and the proposed additional bonds will produce a coverage of 120% based on the sales and use tax collections for the preceding twelve months over the average annual debt service requirements for the payment of principal of, interest on and Trustee's and Paying Agent's fees in connection with the Bonds and the additional bonds.

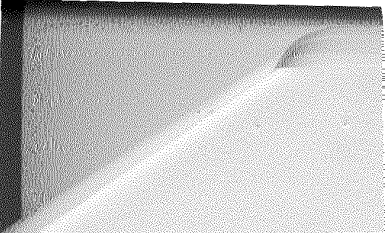
Section 10. The principal installments on the Bonds shall be callable for payment prior to maturity in accordance with the terms set out in the face of the bond form in Section 5 of this Ordinance.

Section 11. It is hereby covenanted and agreed by the City with the owners of the Bonds that the City will faithfully and punctually perform all duties with reference to the Sales and Use Tax and the Bonds, required by the Constitution and laws of the State of Arkansas and by this Ordinance, including the collection of the Sales and Use Tax, as herein specified and covenanted and the applying of the Pledged Revenues as herein provided.

Section 12. The City will keep or cause to be kept proper books of accounts and records (separate from all other accounts and records) in which complete and correct entries shall be made of all transactions relating to the Sales and Use Tax and such books shall be available for inspection by the owner of any of the Bonds at reasonable times and under reasonable circumstances. The Trustee shall furnish a report to the City on a monthly basis of all receipts and disbursements of the Pledged Revenues received by the Trustee, which monthly report shall commence one month following the first month in which the Pledged Revenues are received by the Trustee.

Section 13. (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 the performance of any covenant contained in this Ordinance, the Trustee may, and upon the written request of the owners 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 to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State of Arkansas.

(b) No owner of any Bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or in 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 owners of not less than ten percent (10%) in principal amount of the Bonds of this issue



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, expense and liabilities to be incurred therein 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 owners of the outstanding Bonds, and that any individual rights of action or other right given to one or more of such owners by law are restricted by this Ordinance to the right 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, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name and for the benefit of all the owners of the Bonds, subject to the provisions of this Ordinance.

(d) No remedy herein conferred upon or reserved to the Trustee or to the owners 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 owners 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

owners 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 owners of not less than ten percent (10%) in principal amount of the Bonds then outstanding shall, waive any default which shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding 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 14. That when the Bonds herein authorized to be executed have been executed by the Mayor and City Recorder 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 Purchaser upon payment of the purchase price as provided herein ("total sale proceeds"). The accrued interest and debt service reserve requirement shall be deposited in the Bond Fund.

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 that are members of 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. Disbursement shall be made from the Construction Fund on the basis of checks or requisitions which shall specify: the name of the person, firm or corporation to whom payment is to be made; the amount of the payment; the purpose of the payment; and that payment is a proper charge on the Construction Fund. Each requisition must be signed by two individuals designated by the City Council. In the case of requisitions, the depository or depositories shall issue their check upon the Construction Fund payable to the person, firm or corporation designated in the requisition. The depository or depositories of the Construction Fund shall be required to keep records as to all payments made on the basis of requisitions.

When the construction has been completed and all required expenses paid and expenditure made from the Construction Fund for

and in connection with the accomplishment of the improvements and the financing thereof, this fact shall be evidenced by a certificate signed by the Mayor of the City of Greenland, which certificate shall state, among other things, the date of the completion and that all obligations payable from the Construction Fund have been discharged. A copy of the certificate shall be filed with the depository of the Construction Fund, and a copy with the Trustee, and upon receipt thereof the depository of the Construction Fund shall transfer any remaining balance to the Bond Fund.

Section 15. (a) Moneys held for the credit of the Construction Fund may, at the option of the City, be invested and reinvested pursuant to the direction of the City in direct or fully guaranteed obligations of the United States of America ("Government Securities"), in certificates of deposit of banks, including the Trustee, which are members of the Federal Deposit Insurance Corporation, or other investments as may, from time to time, be permitted by law, which shall mature, or which shall be subject to redemption by the holder thereof, at the option of such holder, not later than the date or dates when such money will be required for the purposes intended.

(b) Moneys held for the credit of the Bond Fund shall be continuously invested and reinvested pursuant to the direction of the City in Government Securities, or certificates of deposit of banks, including the Trustee, insured by the Federal Deposit Insurance Corporation, or, if in excess of insurance coverage, are collateralized by Government Securities which shall mature, at the option of such holder, not later than the date or dates when the moneys held for the credit of the particular fund will be required for purposes intended.

(c) Obligations so purchased as an investment of moneys in any fund shall be deemed at all times to be a part of such fund and the interest accruing thereon and any profit realized from such investment shall be credited to such fund, and any loss resulting from such investment shall be charged to such fund.

Section 16. In the event the office of Mayor, City Recorder, or City Council shall be abolished or any two or more of such offices shall be merged or consolidated or in the event the duties of a particular office shall be transferred to another office or offices, or in the event of a vacancy in any such office by reason of death, resignation, removal from office or otherwise, or in the

event any such officer shall become incapable of performing the duties of his office by reason of sickness, absence from the City or otherwise, all powers conferred and all obligations and duties imposed upon such office or officer shall be performed by the office or officers succeeding to the principal functions thereof, or by the office or officer upon whom such powers, obligations and duties shall be imposed by law.

Section 17. The Trustee shall be responsible for the exercise of good faith and ordinary prudence in the execution of its trusts and duties. 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 owners of not less than ten percent (10%) in principal amount of 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 sixty (60) days' notice in writing to the City Recorder, and the majority in principal amount of the owners 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 owners of the outstanding Bonds may appoint a new Trustee, such appointment to be evidenced by a written instrument or instruments filed with the City Recorder. If the majority in principal amount of the owners 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 Recorder. The Trustee and any successor Trustee shall file a written acceptance and agreement to execute the Trusts imposed upon it 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 owners of the Bonds agree. Such written acceptance shall be filed with the City Recorder, and a copy thereof shall be placed in the bond transcript. Any successor Trustee shall have all the powers herein granted to the original Trustee.

Section 18. (a) That the terms of this Ordinance shall constitute a contract between the City and the 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 owner of any Bonds 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 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 19. That 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 148 of the Internal Revenue Code of 1986, as amended.

Section 20. That the firm of Williams & Anderson LLP, Little Rock, Arkansas, is hereby appointed to serve as Bond Counsel on behalf of the City in connection with the sale and issuance of the Bonds.

Section 21. The Bonds are hereby designated "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The City does not reasonably expect to issue more than \$10 million of governmental and qualified 501(c)(3) obligations during calendar year 1999.

Section 22. 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 23. That all ordinances and resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 24. 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 25. That it is hereby ascertained and declared that the above described improvements to be financed by 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 acquired 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.

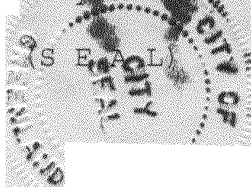
PASSED: April 12, 1999.

APPROVED:

*Fatsy Cox*  
\_\_\_\_\_  
Mayor

ATTEST:

*Deanna Cheevers*  
\_\_\_\_\_  
City Recorder





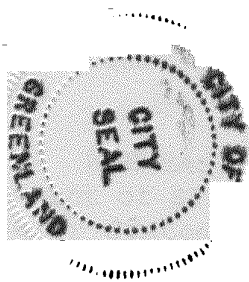
CERTIFICATE

The undersigned, City Recorder of the City of Greenland, Arkansas, hereby certifies that the foregoing pages are a true and correct copy of Ordinance No. 183, passed at a special session of the City Council of the City, held at the regular meeting place of the City at 7 o'clock p.m. on the 12<sup>th</sup> day of April, 1999, and that the Ordinance is of record in Ordinance Record Book No. \_\_\_\_\_ at Page \_\_\_\_\_ now in my possession.

GIVEN under my hand and seal this 12<sup>th</sup> day of April, 1999.

Donna Cheevers  
City Recorder

(S E A L)



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