

ORDINANCE NO. 2000-05

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF A CAPITAL IMPROVEMENT REVENUE BOND IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$200,000 FOR THE PURPOSE OF FINANCING THE PURCHASE AND REHABILITATION OF A BUILDING TO HOUSE THE CHEROKEE VILLAGE CITY GOVERNMENT OFFICES; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BOND; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, Cherokee Village, Arkansas (the "City") desires to purchase and rehabilitate a building to house the City's government offices (the "City Offices") in Cherokee Village, Arkansas; and

WHEREAS, the City Council of the City (the "City Council") has determined that the purchase and rehabilitation of a building to house the City's government offices is feasible;

WHEREAS, the total estimated cost of purchasing, renovating, equipping and financing the expansion to the City Offices is approximately \$450,000.00;

WHEREAS, because the City has cash on hand in the amount of \$250,000.00 to use toward the purchase, it is necessary for the City, in order to provide the funds to complete the purchase, renovation, equipping and financing of the City Offices to issue its \$200,000 Capital Improvement Revenue Bond, Series 2000 ("the Bond");

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

SECTION 1: The purchase, renovation, and equipping and financing of the City Offices shall be accomplished. The Mayor and City Clerk are hereby authorized to take or cause to be taken all action necessary to accomplish the construction, renovation, equipping and financing of the City Offices and to execute all required contracts and documents.

SECTION 2: Under the authority of the Constitution and laws of the State of Arkansas, including particularly Amendment 65 to the constitution ("Amendment 65") and Arkansas Code Annotated §§ 14-164-401 *et seq.* (the "Act"), the Cherokee Village, Arkansas Capital Improvement Revenue Bond is hereby authorized and ordered issued in the principal amount of \$200,000 for the purpose of accomplishing the purchase, renovation, equipping and financing of City Offices, paying necessary expenses incidental thereto and to the authorization and issuance of the Bond.

The Bond shall be dated the date of closing and principal and interest shall be amortized in 240 equal monthly installments. The entire principal and interest shall be due at the end of the 240th month from the date of closing.

The Bond shall be issuable only as a fully registered Bond without coupons. The Bond shall not have a CUSIP number. The Bond shall be sold to First National Bank (the "Purchaser" or "Bondholder") pursuant to an investment letter between the City and the Purchaser.

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 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.

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 delivered 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 holder's paying the reasonable expenses and charges of the City in connection therewith, and, in the case of a Bond destroyed or lost, his filing with the City evidence satisfactory to it that such Bond was destroyed or lost, and of his ownership thereof, and furnishing the City with indemnity satisfactory to it. 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 2, 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 connected therewith.

The City shall cause books to be kept for the registration and for the transfer of the Bond as provided herein and in the Bond. The Bond is transferable by the registered owner thereof or by his attorney duly authorized in writing. Upon such transfer a new fully registered Bond of the same maturity, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefor.

No charge shall be made to any owner of the Bond for the privilege of transfer or exchange, by 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 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 the selection of any Bond 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 the Bond 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. The City shall not be affected by any notice to the contrary.

In any case where the date of maturity of interest on or principal of the Bond or the date fixed for redemption of the Bond shall be 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 (and premium, if any) 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 3: The Bond shall be executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk and shall have impressed or imprinted thereon the seal of the City. The Bond, together with interest thereon, is secured by and is payable solely from revenues derived from planning and zoning fees, pet licenses and fines, police fines, waste removal fees and fines collected by the Municipal Court of the City ("Municipal Fees and Fines"). Municipal Fees and Fines are pledged and mortgaged for the equal and ratable payment of the Bond. The Bond and interest thereon shall not constitute an indebtedness of the City within any constitutional or statutory limitation.

SECTION 4: The Bond shall be in substantially the following form and the Mayor and City Clerk are hereby expressly authorized and directed to make all recitals contained therein:

(Form of Bond)

REGISTERED
No. R-1

REGISTERED
\$200,000

UNITED STATES OF AMERICA
STATE OF ARKANSAS
CHEROKEE VILLAGE, ARKANSAS
CAPITAL IMPROVEMENT REVENUE BOND
SERIES 2000

Interest Rate: 6%

Maturity Date: July, 2020

Dated Date: _____, 2000

Registered Owner: First National Bank of Sharp County

Principal Amount: Two Hundred Thousand Dollars (\$200,000)

KNOW ALL MEN BY THESE PRESENTS:

That Cherokee Village, Arkansas (the "City"), for value received, hereby promises to pay, but solely from the sources as hereinafter provided and not otherwise, to the Registered Owner shown above, or registered assigns, upon the presentation and surrender hereof, 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 hereof interest thereon, but solely from the source as hereinafter provided and not otherwise, in like coin or currency from the date hereof at the Interest Rate per annum shown above, payable as to principal and interest commencing on _____, 2000, and the first day of each month thereafter, 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 monthly installment of principal and interest shall be made to the person in whose name this Bond is registered on the registration books of the City 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 the Cherokee Village, Arkansas Capital Improvement Revenue Bond, Series 2000, aggregating Two Hundred Thousand Dollars (\$200,000) in principal amount (the "Bond"), and is issued for the purpose of the purchase, renovation, equipping and financing by the City of a building to house the City's government offices (the "City Offices") paying necessary expenses incidental thereto and to the authorization and issuance of the Bond.

The Bond is issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas, including particularly Amendment 65 to the Constitution ("Amendment 65") and Arkansas Code Annotated §§ 14464-401 et seq. (the "Act"), and pursuant to an Ordinance of the City Council duly adopted and approved, and does not constitute an indebtedness of the City within any constitutional or statutory limitation. The Bond is not a general obligation of the City, but is a special obligation payable solely from the revenues derived from Municipal Fees and Fines. An amount of Municipal Fees and Fines sufficient to pay the principal of and interest on the Bond has been duly pledged and set aside into the Revenue Bond Fund created by Ordinance No. 2000-05 adopted and approved on May 8, 2000, as amended (the "Authorizing Ordinance"), under which the Bond is authorized to be issued. Reference is hereby made to the Authorizing Ordinance for a detailed statement of the terms and conditions upon which the Bond is issued, of the nature and extent of the security for the Bond and the rights and obligations of the City. The City has fixed and has covenanted and agreed to set aside Municipal Fees and Fines which shall be sufficient at all times to provide for the payment of this Bond, as the same become due and payable.

The Bond is subject to redemption prior to maturity at the option of the City, in whole or in part, at any time, at a redemption price of par, plus accrued interest to the redemption date.

Notice of redemption shall be given by the City, not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption, by mailing a copy of the redemption notice by first class mail, postage prepaid to the registered owner. The Bond thus called for redemption and for the retirement of which funds we 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 hereof 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 may deem and treat the registered owner hereof 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 the City shall not be affected by any notice to the contrary.

The Bond is issuable only as a fully registered Bond in the denomination of \$200,000.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the Bond do exist, have happened and have been performed in due time, form and manner as required by law; that the indebtedness represented by the Bond, together with all obligations of the City, does

not exceed any constitutional or statutory limitation; and that the above referred to revenues pledged to the payment of the principal of and premium, if any, and interest on the Bond as the same becomes due and payable will be sufficient in amount for that purpose.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Authorizing Ordinance until it is executed by the Mayor and City Clerk.

