

MEMORANDUM

DATE : 4/26/90

TO : MAYOR AND CITY COUNCIL

FROM : DIRECTOR OF FINANCE

SUBJ : THE ARKANSAS BANK - PAYING AGENT RESIGNATION

The Arkansas Bank wishes to cease their Trust operations and, consequentially, to resign as the City's Paying Agent for the Delta Project Industrial Development Revenue Bond issue.

I have been coordinating the Parties concerned and the necessary transactions to execute the appointment of a Temporary Trustee. The attached Resolution is the result of my efforts since notice was received in November. I have also attached a copy of the letter of resignation from the Arkansas Bank.

Bond payments are due in June. Therefore, Council should act upon this matter at the City Council meeting, May 7, 1990. If you have any questions please call me at work 932-0820 or at home 935-4406.

Respectfully,

Herb Davis



THE ARKANSAS BANK

November 3, 1989

Mayor
City of Jonesboro
314 West Washington
Jonesboro, AR 72401

RE: \$400,000 City of Jonesboro, Arkansas Industrial Development Revenue
Bonds Delta Project, Series 1977, Dated September 1, 1977

Dear Sir,

The Arkansas Bank is the Trustee and paying agent on your bond issue referred to above. When the issue was made, our name was The Bank of Northeast Arkansas.

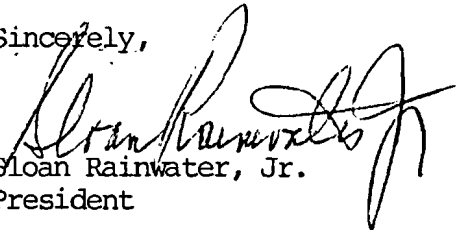
Our Trust Department is small. The expense of maintaining such a small department together with the increasingly complicated regulations and the requirements of bank regulators dictates that we close our Trust Department. The terms of your bond issue provide that the Trustee may resign.

This letter is to advise you in advance of our giving appropriate notice of our resignation. We have offered these accounts to the Citizen's Bank of Jonesboro and the Mercantile Bank of Jonesboro and they have declined to accept them. The Worthen Bank and Trust Co. of Little Rock, has in the past, indicated a willingness to assume the trusteeship on our outstanding issues. If you desire the Worthen Bank to assume this trusteeship, please contact Mr. Ector Johnson in their Trust Department (1-800-482-8484). If you desire that your local bank or any other bank of your preference handle these, please make arrangements and advise. I would appreciate hearing from you soon as we want to resolve this soon.

Also, please let me have the name and address of your current mayor and city clerk or recorder.

We regret that this move is necessary but I think that you can understand our situation.

Sincerely,


Sloan Rainwater, Jr.
President

SR:pm

cc: Ector Johnson