



Legislation Details (With Text)

File #: ORD-68:2631 **Version:** 1 **Name:** Bonds for Industrial Park and airport improvements
Type: Ordinance **Status:** Passed
File created: 11/7/1968 **In control:** City Council
On agenda: **Final action:** 11/7/1968

Title: AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION INDUSTRIAL DEVELOPMENT BONDS UNDER THE PROVISIONS OF AMENDMENT NO.49 TO THE CONSTITUTION OF THE STATE OF ARKANSAS FOR THE PURPOSE OF FINANCING THE COST OF SECURING AND DEVELOPING INDUSTRY (THE PARTICULAR PROJECT BEING DESCRIBED IN THE ORDINANCE); LEVYING A TAX TO PROVIDE FOR THE BONDS; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY

Sponsors:

Indexes: Bonds - revenue/development

Code sections:

Attachments:

| Date | Ver. | Action By | Action | Result |
|-----------|------|--------------|--------|--------|
| 11/7/1968 | 1 | City Council | Passed | Pass |

AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION INDUSTRIAL DEVELOPMENT BONDS UNDER THE PROVISIONS OF AMENDMENT NO.49 TO THE CONSTITUTION OF THE STATE OF ARKANSAS FOR THE PURPOSE OF FINANCING THE COST OF SECURING AND DEVELOPING INDUSTRY (THE PARTICULAR PROJECT BEING DESCRIBED IN THE ORDINANCE); LEVYING A TAX TO PROVIDE FOR THE BONDS; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY

WHEREAS, the City Council of the City of Jonesboro, Arkansas (called "City") by Ordinance No.1199, adopted and approved on the 4th day of April, 1968, called a special election to be held on the 21st day of may, 1968, for the electors to vote upon the question of issuing bonds under the provisions of Amendment No.49 to the Constitution of the State of Arkansas in the principal amount of not to exceed \$840.000 for the purpose of securing and developing industry consisting of:

- (a) Acquisition of lands; installation and construction of necessary utility lines and services, roads, streets, railways, and other necessary facilities for the proposed development of the lands for securing and developing industry and other improvements, facilities and expenditures necessary or incidental to the full utilization, development and use of the lands, improvements, facilities and development for securing and developing of industry (the "Industrial Park");
- (b) Municipal Airport improvements which improvements, generally stated, consist of runway construction, terminal and other building construction and related expenses ("Airport Improvements"); (Collectively called "Project"); and

WHEREAS, due notice of the election was given as required by law, and at the special election the electors approved the issuance of bonds in the principal amount of not to exceed \$840,000; and

WHEREAS, the results of the election were proclaimed by the Mayor in a proclamation duly published on June 3, 1968; and

WHEREAS, after due advertisement for the time and in the manner provided by law, General Obligation Industrial Development Bonds (“Amendment No.49 Bonds” or “bonds”) in the principal amount of \$840,000 were offered for public sale, and at the sale, First National Bank of Memphis, Memphis, Tennessee T.J. Raney & Sons, Stephens, Inc., Womeldorff & Lindsey and Harrow Smith Company, all of Little Rock, Arkansas (“Purchasers”) bid and offered the price of par and accrued interest for bonds bearing interest at the rate of 5% per annum, plus a premium of \$4,395, resulting in a net interest cost of 4.97%, and this being the best bid, the bonds were sold to the Purchasers at this price; and

WHEREAS, pursuant to the terms of the Notice of Sale the Purchases have elected to convert the \$840,000 of 5% Amendment No.49 Bonds to an issue of \$859,875 in Amendment No.49 Bonds bearing interest at the rates of 4 ¾ , 4 ½ , 4.90% and 5% per annum, and the conversion has been examined by the City Council and has been determined to be in accordance with the terms of the Notice of Sale and such that the City will pay no more and receive no less than it would have paid and received had the bonds not been converted;

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

Section 1: that the sale of the Amendment No.49 Bonds to the Purchasers, and the conversion thereof is, and the same are hereby approved and confirmed.

Section 2: That under the authority of the Constitution and laws of the State of Arkansas, including particularly Amendment No.49 to the Constitution of the State of Arkansas, City of Jonesboro, Arkansas General Obligation Industrial Development Bonds are hereby authorized and ordered issued in the total principal amount of \$859.875 for the purpose of furnishing permanent financing of the cost of securing and developing industry (the particular industrial project having been heretofore described in the recitals of this ordinance).

The amendment No.49 Bonds shall be dated June 1, 1968, and interest thereon shall be payable semiannually on June 1 and December 1 of each year, commencing December 1, 1968. The Amendment No.49 Bonds shall be numbered consecutively from one (1) to eight hundred sixty (860), inclusive, and shall be in the denomination of \$1,000 each, except Bond No.21 which shall be in the denomination of \$875. The Amendment No.49 Bonds shall bear interest as follows; Bonds Nos. 1 to 64, inclusive, being the bonds maturing in the years 1971 to 1973, inclusive, shall bear interest at the rate of 4 ¾ % per annum; Bonds Nos. 65 to 335, inclusive, being the bonds maturing in the years 1974 to 1983, inclusive, shall bear interest at the rate of 4 ½ % per annum; Bonds Nos. 336 to 518, inclusive, being the bonds maturing in the years 1984 to 1988, inclusive, shall bear interest at the rate of 4 ¾ % per annum; Bonds Nos. 519 to 699, inclusive, being the bonds maturing in the years 1989 to 1992, inclusive, shall bear interest at the rate of 4.9% per annum; the Bonds Nos. 700 to 860, inclusive being the bonds maturing in the years 1993 to 1995, inclusive, shall bear interest at the rate of 5% per annum. The principal and interest on the Amendment No.49 Bonds shall be payable in lawful money of the United States of America upon presentation of the bond or proper coupon at the principal office of Mercantile Bank, Jonesboro, Arkansas (the “Paying Agent”). The Amendment No.49 Bonds shall mature on June 1 of each year as set forth in detail in Section 6 hereof, but shall be callable for payment prior to maturity as hereafter set forth:

| YEAR (June 1) | BOND NUMBER | AMOUNT |
|------------------|-------------|----------|
| 1971 | 1 - 21 | \$20,875 |
| 1972 | 22- 42 | 21,000 |
| 1973 | 43- 64 | 22,000 |

| | | |
|------|----------|--------|
| 1974 | 65- 87 | 23,000 |
| 1975 | 88-111 | 24,000 |
| 1976 | 112-136 | 25,000 |
| 1977 | 137-162 | 26,000 |
| 1978 | 163-189 | 27,000 |
| 1979 | 190- 216 | 27,000 |
| 1980 | 217- 244 | 28,000 |
| 1981 | 245- 273 | 29,000 |
| 1982 | 274- 303 | 30,000 |
| 1983 | 304- 335 | 32,000 |
| 1984 | 336- 368 | 33,000 |
| 1985 | 369- 403 | 35,000 |
| 1986 | 404- 440 | 37,000 |
| 1987 | 414- 478 | 38,000 |
| 1988 | 479- 518 | 40,000 |
| 1989 | 519- 560 | 42,000 |
| 1990 | 561- 604 | 44,000 |
| 1991 | 605- 650 | 46,000 |
| 1992 | 651- 699 | 49,000 |
| 1993 | 700- 750 | 51,000 |
| 1994 | 751- 804 | 54,000 |
| 1995 | 805- 860 | 56,000 |

Section 3: That, the Amendment No.49 Bonds shall be executed on behalf of the City by the Mayor and the manual signature of the City Clerk, and shall have impressed thereon the seal of the City. Interest coupon attached to the bonds shall be executed, by the facsimile signature of the Mayor of the City. The Mayor’s facsimile signature shall have the same force and effect as if he had personally signed each of the bonds and coupons.

Section 4: That the Amendment No.49 Bonds and coupons shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF ARKANSAS
COUNTY OF CRAIGHEAD
CITY OF JONESBORO
_____% GERNERAL OBLIGATION INDUSTRIAL DEVEOPMENT BOND

No. _____ \$ _____

KNOWN ALL MEN BY THESE PRESENTS:

That the City of Jonesboro, Craighead County, Arkansas, a City of the first class under the laws of the State of Arkansas, (the “City”), for value received promises to pay to bearer, or if this bond be registered, to the registered owner hereof, on June , 19__, the principal sum of _____ DOLLARS in lawful money of the United States of America, and to pay interest thereon at the rate of _____ per cent (%) per annum from the date hereof until paid, such interest to be payable semiannually on June 1 and December 1 of each years, commencing December 1, 1968, upon presentation and surrender of the annexed coupons as they severally become due. The principal of this bond and the interest hereon are payable at the principal office of Mercantile Bank, Jonesboro, Arkansas (the “Paying Agent”).

This bond is one of an issue of eight hundred sixty (860) bonds aggregating Eight Hundred Fifty-Nine Thousand Eight Hundred Seventy-five Dollars (\$859,875), designated as “City of Jonesboro, Arkansas, General Obligation Industrial Development Bonds, dated June 1, 1968, numbered consecutively from 1 to 860, inclusive, (called “Amendment No.49 Bonds” or “bonds”), all of like tenor and effect except as to number, denomination, rate of interest, maturity and right of prior redemption. The Amendment No.49 Bonds are being issued for financing the cost of securing and developing industry consisting of an Industrial Park, including acquisition of lands, installation and construction of necessary utility lines and services, roads, streets, railways, and other necessary facilities for the securing and developing of industry; and Airport Improvements, including runway construction, terminal and other building construction as related expenses (a portion of the costs of the Airport Improvements is proposed to be obtained from an Amendment No. 13 Bond Issue of the City and a grant from an agency of the Government of the United States of America) (the “Project”), paying necessary incidental expenses and expenditures in connection therewith, paying the expenses of issuing the bonds and providing for interest until revenues are available for the principal of and interest on the bonds.

The bonds are issued pursuant to and in full compliance with the Constitution of the State of Arkansas (“Amendment No.49”), and pursuant to Ordinance No. _____ of the City passed and approved on the _____ day of _____ 1968, (“Authorizing Ordinance”), and an election duly held at which the majority of the legal votes of the City voting on the question voted in favor of the issuance of the bonds. The Amendment No. 49 Bonds are general obligations of the City to the payment of which the City pledges its full faith, credit and taxing power including particularly a continuing annual special tax of three (3) mills on the dollar of the assessed valuation of all taxable real and personal property in the City, to be collected annually until the principal of an interest on the bonds are fully paid, or provision made therefore unless the collection thereof, in whole or in part, is suspended as hereafter provided. The Amendment No.49 Bonds are not secured by a lien on the Project. The City reserves the right to apply other available revenues to the payment of the principal of an interest on the bonds and to suspend the collection of the Tax (or a portion thereof) on an annual basis. Reference is hereby made to the Authorizing Ordinance for the details of the terms and conditions upon which the collection of the tax may be suspended, for the details of the nature and extent of the security and of the rights and obligations of the City and the holders and registered owners of the bonds.

The City has agreed that all revenues in the “Jonesboro, Arkansas 1968 General Obligation Industrial Development Bond Fund” (the “Bond Fund”), created by the authorizing Ordinances derived from the special tax, if and when collected, in excess of the amounts necessary to insure the prompt payment of the principal of and interest on the Amendment No.49 Bonds as the same become due, must be used to redeem the Amendment No.49 Bonds prior to maturity from time to time on each interest payment date as and when the funds are available, all in accordance with the provisions hereof pertaining to redemption prior to maturity.

The Amendment No.49 Bonds will be subject to redemption prior to maturity in inverse numerical order at a price of par and accrued interest as follows: from surplus tax collections on any interest payment date; from funds from any source on any interest payment date on and after June 1, 1973. Notice of the call for redemption shall be published one time in a newspaper published in the City of Little Rock, Arkansas, and having a general circulation throughout the State of Arkansas, with the notice to give the number and maturity of each bond called, and with the publication to be at least fifteen (15) days prior to the redemption date. In addition, notice of redemption shall be mailed by registered or certified mail to the registered owner of any bond registered as to principal, addressed to such registered owner at his registered address and placed in the mails not less than fifteen (15) days prior to the date of redemption. In the event all bonds are registered as to principal notice in writing by registered or certified mail to the owner or owners thereof shall be sufficient and published notice need not be given. After the date fixed for redemption each bond so called shall cease to bear interest, provided funds for its payment are on deposit with the Paying Agent at the time.

This bond may be registered as to principal alone and may be discharged from such registration, in the manner, with the effect and subject to the terms and conditions endorsed hereon. Subject to the provisions for registration endorsed hereon, nothing contained in this bond or in the Authorizing Ordinance shall affect or impair the negotiability of this bond. In this regard, this bond shall be deemed to be a negotiable instrument under the laws of the State of Arkansas and this bond is issued with the intent that the substantive law of the State of Arkansas will govern as to all questions of validity, interpretation and effect

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happened and be performed, under the Constitution and laws of the State of Arkansas, particularly Amendment No.49 to the Constitution of the State of Arkansas, 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 limitations; and that a tax sufficient to pay the bonds and interest thereon has been duly levied in accordance with the provisions of said Amendment No.49 to the Constitution of the State of Arkansas and made payable annually until all of the principal of and interest on the bonds of this issue are fully paid and discharged, subject to the suspension of the collection thereof referred to above.

The bond shall not be valid until it shall have been authenticated by the Certificate hereon duly signed by Mercantile Bank, Jonesboro, Arkansas.

IN WITNESS WHEREOF, the City of Jonesboro, Arkansas, has caused this bond to be executed in its name by its Mayor and City Clerk, thereunto duly authorized, with the facsimile signature of the Mayor and the manual signature of the City Clerk, and its corporate seal to be affixed, and has caused the interest coupons hereto attached to be executed by the facsimile signature of its Mayor, all as of the first day of June, 1968.

CITY OF JONESBORO, ARKANSAS

By (facsimile signature)
NEIL J. STALLINGS, MAYOR

ATTEST:

PHYLLIS STRINGER, CITY CLERK

(Form of Coupon)

\$ _____
June,

No. _____

On the first day of December, 19__, the City of Jonesboro, Craighead County, Arkansas, unless the bond to which this coupon is attached is paid prior thereto, hereby promises to pay to bearer

_____ DOLLARS

is lawful money of the Unites States of America at the principal office of Mercantile Bank, Jonesboro, Arkansas, being six (6) months' interest then due on its General Obligation Industrial Development Bond dated June 1, 1968, and numbered _____.

CITY OF JONESBORO, ARKANSAS
By (facsimile signature) _____
Mayor

On each bond shall appear the following:

CERTIFICATE

This is to certify that this is, one of the eight hundred sixty (860) City of Jonesboro, Arkansas, General Obligation Industrial Development Bonds mentioned and described within.

MERCANTILE BANK
JONESBORO, ARKANSAS

By _____
(Authorized Signature)

PROVISIONS FOR REGISTRATION AND RECONVERSION

This bond may be registered as to principal alone on books of the City, kept by the Trustee as Bond Registrar, upon presentation hereof to the Bond Registrar, which shall make mention of such registration in the registration blank below, and this bond may thereafter be transferred only upon an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, such transfer to be made on such books and endorsed hereon by the Bond Registrar. Such transfer may be to bearer and thereafter transferability by delivery shall be restored, but this bond shall again be subject to successive registrations and transfers as before. The principal of this bond, if registered, unless registered to bearer, shall be payable only to or upon the order of the registered owner or his legal representative. Notwithstanding the registration of this bond as to principal, the coupons shall remain payable to bearer and shall continue to be transferable by delivery. Payment to the bearer of the coupons shall fully discharge the City in respect to the interest therein mentioned whether or not this bond is registered as to principal and whether or not any such coupons are overdue.

| Date of Registration | Name of Registered Owner | Signature of Bond Registrar |
|----------------------|--------------------------|-----------------------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

Section 5: that the Amendment No.49 Bonds authorized hereby shall constitute general obligations of the City to the payment of the principal of and interest on which the City hereby pledges its full faith, credit and taxing power, including a three (3) mill special tax on each dollar of the assessed valuation of all taxable real and personal property within the City, which special tax shall be collected annually until all of the principal of and

interest on the bonds are paid in full or until adequate provisions is made for their payment, unless the collection thereof is suspended as hereafter set forth. The City reserves the right, at its option, to use available revenues derived from other sources fro application to the payment of the principal of and interest on the bonds. The City agrees that at all times while any of the bonds are outstanding there will be paid into the Bond Fund (hereafter identified) from available revenues or from collections of the special tax amounts sufficient to pay principal, interest and paying agent’s fees when due on the Amendment No.49 Bonds and if at any time while any of the Amendment No. 49 Bonds are outstanding the moneys in the Bond Fund shall be insufficient to provide for the prompt payment of the principal of, interest on and paying agent’s fees in connection with the bonds, the City agrees to take, or cause to be taken, the necessary steps to extend the special tax for collection (or that portion thereof necessary together with other available revenues to produce the amount required for principal, interest and paying agent’s fee payments when due). In this regard, the County Clerk is to proceed on the basis that the collection of the special tax is suspended and that no part of the special tax is to be collected unless and until the County Clerk receives a certificate from the City, executed by the Mayor, certifying that all or a specified portion of the special tax is to be collected and the County Clerk shall be fully protected in proceeding in accordance with the provisions hereof and in relying on such certificate or certificates signed by the Mayor of the City. All special tax collections for the Amendment No.49 Bonds shall be paid into the Bond Fund as and when received. The City agrees that all moneys in the Bond Fund from time to time in excess of the amount necessary to insure the prompt payment of the principal of, interest on and paying agent’s fees on the outstanding bonds as the same become due, must be used as and when available on each interest payment date to redeem the bonds prior to maturity.

All proceeds derived form the special tax referred to above and all available revenues which the City elects to apply to the payment of the principal of and interest on the bonds shall be deposited, as, if and when received, into a special fund in the name of the City designated “City of Jonesboro, Arkansas 1968 General Obligation Industrial Development Bond Fund” (“Bond Fund”), which fund shall be maintained in a bank to be selected from time to time by the City but which must be a member of the Federal Deposit Insurance Corporation, and all moneys in the Bond Fund shall be used solely for the payment of the principal of, interest on and paying agent’s fees in connection with the Amendment No. 49 Bonds at maturity and at redemption prior to maturity. The amounts on deposit in the Bond Fund at any time in excess of that insured by the Federal Deposit Insurance Corporation must be continuously secured by bonds or other direct or fully guaranteed obligations of the United States of America.

Section 6: That in order to pay the principal of and interest on the Amendment No.49 Bonds as they mature and as they are called for redemption prior to maturity there is hereby appropriated the entire amount of moneys at any time in the Bond Fund, and if said moneys be not sufficient to pay the principal of and interest on the Amendment No. 49 Bonds as the same become due, then there is hereby appropriated out of the general revenues of the City the additional amount necessary for that purpose. The principal of and interest on the Amendment No.49 Bonds come due in accordance with the following schedule:

| INTEREST | | | | | |
|----------|--------------|-----------|-------------|-------------|-------------|
| YEAR | BOND NUMBERS | PRINCIPAL | JUNE 1 | DECEMBER 1 | TOTAL__ |
| (June 1) | | | | | |
| 1968 | | | | \$20,420.28 | \$20,420.28 |
| 1969 | | | \$20,420.28 | \$20,420.28 | \$40,840.56 |
| 1970 | | | \$20,420.28 | \$20,420.28 | \$40,840.56 |
| 1971 | 1 - 21 | \$20,875 | \$20,420.28 | \$20,420.28 | \$61,219.78 |
| 1972 | 22 - 42 | \$21,000 | \$19,924.50 | \$19,425.75 | \$60,350.25 |
| 1973 | 43 - 64 | \$22,000 | \$19,425.75 | \$18,903.25 | \$60,329.00 |

| | | | | | |
|------|-----------|----------|-------------|-------------|-------------|
| 1974 | 65 - 87 | \$23,000 | \$18,903.25 | \$18,385.75 | \$60,289.00 |
| 1975 | 88 - 111 | \$24,000 | \$18,385.75 | \$17,845.75 | \$60,231.50 |
| 1976 | 112 - 136 | \$25,000 | \$17,845.75 | \$17,283.25 | \$60,129.00 |
| 1977 | 137 - 162 | \$26,000 | \$17,283.25 | \$16,698.25 | \$59,981.50 |
| 1978 | 163 - 189 | \$27,000 | \$16,698.25 | \$16,090.75 | \$59,789.00 |
| 1979 | 190 - 216 | \$27,000 | \$16,090.75 | \$15,483.25 | \$58,574.00 |
| 1980 | 217 - 244 | \$28,000 | \$15,483.25 | \$14,853.25 | \$58,336.50 |
| 1981 | 245 - 273 | \$29,000 | \$14,853.25 | \$14,200.75 | \$58,054.00 |
| 1982 | 274 - 303 | \$30,000 | \$14,200.75 | \$13,525.75 | \$57,726.50 |
| 1983 | 304 - 335 | \$32,000 | \$13,525.75 | \$12,805.75 | \$58,331.50 |
| 1984 | 336 - 368 | \$33,000 | \$12,805.75 | \$12,022.00 | \$57,827.75 |
| 1985 | 369 - 403 | \$35,000 | \$12,022.00 | \$11,190.75 | \$58,212.75 |
| 1986 | 404 - 440 | \$37,000 | \$11,190.75 | \$10,312.00 | \$58,502.75 |
| 1987 | 441 - 478 | \$38,000 | \$10,312.00 | \$ 9,409.50 | \$57,721.50 |
| 1988 | 479 - 518 | \$40,000 | \$ 9,409.50 | \$ 8,459.50 | \$57,869.00 |
| 1989 | 519 - 560 | \$42,000 | \$ 8,459.50 | \$ 7,430.50 | \$57,890.00 |
| 1990 | 561 - 604 | \$44,000 | \$ 7,430.50 | \$ 6,352.50 | \$57,783.00 |
| 1991 | 605 - 650 | \$46,000 | \$ 6,352.50 | \$ 5,225.50 | \$57,578.00 |
| 1992 | 651 - 699 | \$49,000 | \$ 5,225.50 | \$ 4,025.00 | \$58,250.50 |
| 1993 | 700 - 750 | \$51,000 | \$ 4,025.00 | \$ 2,750.00 | \$57,775.00 |
| 1994 | 751 - 804 | \$54,000 | \$ 2,750.00 | \$ 1,400.00 | \$58,150.00 |
| 1995 | 805 - 860 | \$56,000 | \$ 1,400.00 | | \$57,400.00 |

Section 7: That the Amendment No.49 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 4 of this ordinance.

Section 8: That the Treasurer of the City of Jonesboro, Arkansas, is hereby ordered and directed to make available to the Paying Agent prior to the maturity of any bond or interest coupon issued hereunder an amount, from the moneys on deposit in the Bond Fund or from moneys appropriated by this ordinance, equal to the amount necessary for the payment of the principal of, interest on and Paying Agent's fees in connection with the bonds as the same become due in accordance with the schedule set forth in Section 6 hereof, or as the bonds may be called for payment prior to maturity. This instruction to the Treasurer is irrevocable and may be enforced by mandamus.

Section 9: Mercantile Bank, Jonesboro, Arkansas, is designated as Paying Agent. The holders of a majority in value of the bonds at any time outstanding may by an instrument duly executed and recorded in the office of the City Clerk appoint a new Paying Agent, who shall have all the powers of the Paying Agent originally named, and the Paying Agent may resign at any time upon ten (10) days notice in writing mailed to the City Clerk. In the event of a vacancy in the office of Paying Agent and the failure of the holders of a majority in value of then outstanding bonds to take necessary action to appoint a new Paying Agent within thirty (30) days after such vacancy occurs, the City shall forthwith designate a new Paying Agent.

Section 10: That if default is made and continues for thirty (30) days in the payment of any interest coupon, the holder of the bond to which it is attached may declare the same immediately due and payable, and the failure of the holder to exercise this option upon any default shall not be a waiver of the said holder's right to exercise the option upon any subsequent default.

Section 11: That when the bonds herein authorized to be executed have been executed and sealed by the Mayor and City Clerk, they shall be delivered to Mercantile Bank, Jonesboro, Arkansas, which shall authenticate them

and deliver them to the Purchasers upon payment in cash of the purchase price of \$844,395 plus accrued interest from December 1, 1968 (the first coupon to be printed is No.2, due and payable June 1, 1969) to date of delivery (called "total sale proceeds"). The total sale proceeds shall be disbursed as follows:

- (1) The accrued interest and any additional amount that may be required for paying interest and paying agent's fees until other revenues are available, all as shall be specified in a letter of instructions signed by the Mayor and delivered to the Paying Agent at the closing, shall be deposited in the Bond Fund;
- (2) The remaining total sale proceeds shall be deposited in a special account of the City in a bank that is a member of the Federal Deposit Insurance Corporation designated "1968 Industrial Development Construction Fund" ("Construction Fund")

Disbursements from the Construction Fund shall be for costs, expenses and expenditures in connection with the constructing and equipping of the Project, incidental expenses pertaining thereto, and the expenses of authorizing and issuing the Amendment No.49 Bonds.

The City may invest and reinvest the moneys on deposit in the construction Fund in any securities constituting authorized investments for municipal funds under the laws of the State of Arkansas having maturity dates, or subject to redemption by the holder, on or before the dates the moneys so invested will be needed for the purposes for which said moneys may be expended.

When the City shall notify the depository of the Construction Fund that the balance remaining in the Construction Fund will not be needed because all costs and expenses payable from the Construction Fund have been paid, any remaining balance in the Construction Fund shall be deposited in the Bond Fund.

Section 12: That the provisions of this ordinance are hereby declared to be separable, and in the event any action, provision or part thereof, shall be held to be invalid, such invalidity shall not affect the remainder of the ordinance.

Section 13: That, all ordinances and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 14: That this ordinance shall not create any right-of-way 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 15: That there is hereby found and declared to be an immediate need for the securing and developing of industry as hereinabove in this ordinance set forth in order that additional payrolls and additional employment may be secured and that said industry can be secured and developed only by the issuance of the bonds authorized hereby. 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 take effect immediately upon and after its passage.

PASSED AND ADOPTED this 7th day of November, 1968.