

ORDINANCE NO. A-583

AN ORDINANCE CALLING A SPECIAL ELECTION TO VOTE UPON THE QUESTION OF ISSUING BONDS UNDER THE PROVISIONS OF ACT NO. 9 OF THE FIRST EXTRAORDINARY SESSION OF THE SIXTY-SECOND GENERAL ASSEMBLY OF THE STATE OF ARKANSAS, APPROVED JANUARY 21, 1960, AS AMENDED, FOR THE PURPOSE OF FURNISHING THE PERMANENT FINANCING OF THE COST OF SECURING AND DEVELOPING INDUSTRY (THIS PARTICULAR INDUSTRIAL PROJECT IS DESCRIBED IN THIS ORDINANCE); PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, Rock City Packaging of Arkansas, Inc., an Arkansas corporation ("Rock City Packaging") has proposed the acquisition of a substantial industrial project and the improvement, extension and equipping thereof which will carry out the function of maintaining or expanding employment and payrolls and otherwise resulting in public benefits, all in the best interest of the City of Conway, Arkansas (the "Municipality"), and its citizens and inhabitants; and

WHEREAS, the proposed industrial project will involve the acquisition of an existing manufacturing plant (consisting of lands, buildings, improvements, machinery, equipment and facilities) and the improvement, extension and equipping thereof so that the same may be utilized by Rock City Packaging for the manufacturing of folding cartons or such other products as Rock City shall elect to manufacture (the "proposed Project"); and

WHEREAS, in order to make the necessary provision for the permanent financing of the costs of the proposed Project (including, if deemed desirable, the refunding of any outstanding bonds for which the existing plant stands as

security) and the expenses of authorizing, selling, issuing and delivering industrial development revenue bonds, the Municipality proposes to issue not to exceed Five Million Dollars (\$5,000,000) in principal amount of bonds (the "bonds") under the provisions of Act No. 9 of the First Extraordinary Session of the Sixty-Second General Assembly of the State of Arkansas, approved January 21, 1960, as amended ("Act No. 9"); and

WHEREAS, the purpose of this Ordinance is to submit to the electors of the Municipality at a special election called for that purpose the question of the issuance of the bonds;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Conway, Arkansas, as follows:

Section 1. A special election be, and the same is hereby, called to be held in the City on May 7, 1974, at which election there will be submitted to the electors of the Municipality the question of issuing Industrial Development Revenue Bonds under Act No. 9 in an amount not to exceed \$5,000,000 for the purpose of furnishing permanent financing of the costs of securing and developing industry (the particular industrial project is more particularly described above). Said bonds will be dated, will bear interest at the rate or rates, will bear interest payable on such dates, will mature on such date or dates, and will be subject to redemption prior to maturity in such manner and upon such terms, and said bonds will be issued at one time or in series from time to time, all as the City Council shall subsequently determine and specify in the ordinance authorizing the issuance of said bonds.

Section 2. The question shall be placed on the ballot for said election in substantially the following form:

Vote on measure by placing an "X" in the square above the measure either FOR or AGAINST:

FOR the issuance of Industrial Development Revenue Bonds by the City of Conway, Arkansas, in the aggregate principal amount of not to exceed \$5,000,000..... ()

AGAINST the issuance of Industrial Development Revenue Bonds by the City of Conway, Arkansas, in the aggregate principal amount of not to exceed \$5,000,000..... ()

It is proposed to issue City of Conway, Arkansas (the "Municipality") Industrial Development Revenue Bonds (the "bonds") under Act No. 9 of the First Extraordinary Session of the Sixty-Second General Assembly of the State of Arkansas, approved January 21, 1960, as amended ("Act No. 9"), in the aggregate principal amount of not to exceed \$5,000,000 for the purpose of furnishing the permanent financing of the costs of securing and developing industry. The bonds will be dated, will bear interest at such rate or rates, will be payable as to interest on such dates, will mature on such date or dates, will be subject to redemption prior to maturity in such manner and upon such terms, will be issued at one time or in series from time to time, all as the City Council shall subsequently determine and specify in the ordinance or ordinances authorizing their issuance. The proposed industrial project will, involve the acquisition of an existing manufacturing plant (consisting of lands, buildings, improvements, machinery, equipment and facilities) and the improvement, extension and equipping thereof (the "Project"), and the proceeds of the bonds will be sufficient to pay Project costs (including, if deemed desirable, the refunding of any outstanding bonds for which the existing plant stands as security) and expenses of issuing the bonds. The Project will be owned by the Municipality and will be leased to Rock City Packaging of Arkansas, Inc., an Arkansas corporation ("Rock City Packaging"), for lease rentals sufficient to provide for the payment of the principal of and interest on the bonds. Rock City Packaging is a subsidiary of Rock-Tenn Company, Inc., a Tennessee corporation ("Rock-Tenn Company"), and Rock-Tenn Company will unconditionally guarantee performance of the obligations of Rock City Packaging under the proposed Lease Agreement. The bonds will not be general obligations of the Municipality but will be special obligations payable solely from Project revenues, including particularly lease rentals under the Lease Agreement with Rock City Packaging referred to above, which will be specifically pledged to the payment of the principal of and interest on the bonds, and the bonds will be secured by a lien on and security interest in the Project as authorized by Act No. 9.

Section 3. The election shall be held and conducted and the vote canvassed and the results declared under the law and in the manner provided for municipal elections, so far as the same may be applicable, and the Mayor of the Municipality shall give notice of such election by an advertisement published once a week for four consecutive weeks in a newspaper having a bona fide circulation in the Municipality, with the last publication to be not less than ten days prior to the date of the election, and only qualified electors of the Municipality shall have the right to vote at the election on the question.

Section 4. The results of the election shall be proclaimed by the Mayor and his proclamation shall be published one time in a newspaper having a bona fide circulation in the Municipality, which proclamation shall advise that the results as proclaimed shall be conclusive unless attacked in the courts within thirty days after the date of such proclamation.

Section 5. A copy of this Ordinance shall be furnished to the Faulkner County Board of Election Commissioners so that the necessary election officials and supplies may be provided.

Section 6. There is hereby found and declared to be an immediate need for the securing and developing of industry in order to provide employment and payrolls, to alleviate unemployment and provide other benefits incidental thereto, and the issuance of the bonds referred to in this Ordinance is essential to accomplishing the said public benefits. It is, therefore, declared that an emergency exists and this Ordinance being necessary for the immediate preservation of the public health, safety and welfare shall be in force

and take effect immediately upon and after its passage.

PASSED: March 26, 1974.

APPROVED :

Mayor

ATTEST :

City Clerk

(S E A L)

CERTIFICATE

STATE OF ARKANSAS)
)
COUNTY OF FAULKNER)

I, the undersigned, City Clerk of the City of Conway, Arkansas, hereby certify that the foregoing pages numbered 1 through 6 are a true and compared copy of an ordinance passed at a Reg- lar session of the City Council of Conway, Arkansas, held at the regular meeting place of the City Council in the City at 7:00 P.M. on the 26 day of March, 1974, and that said Ordinance is of record in Ordinance Record Book No. 8 at Page 341, now in my possession.

GIVEN under my hand and seal this 27 day of March, 1974.

City Clerk

(S E A L)