

ORDINANCE NO. 0-85-1

AN ORDINANCE AUTHORIZING THE ISSUANCE OF HOSPITAL REVENUE BONDS FOR THE FINANCING OF HOSPITAL IMPROVEMENTS AND ADDITIONS; AUTHORIZING A SUPPLEMENTAL LEASE AGREEMENT; PRESCRIBING OTHER MATTERS PERTAINING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the City owns its municipal hospital (the "Hospital") which serves the medical and nursing needs of the inhabitants of the City and the surrounding area and which is leased to and operated by Conway Memorial Hospital, Incorporated, a nonprofit corporation under the laws of the State of Arkansas (the "Corporation"); and

WHEREAS, the City Council, upon due investigation and upon the advice and recommendation of the Corporation, has determined that it is necessary that improvements and additions be acquired, constructed and equipped (the "Project") for the Hospital if the medical and nursing needs of the inhabitants of the City and the surrounding area are to be adequately and properly served in accordance with modern standards of practice, and the City Council has determined to carry out the acquisition, construction and equipment of the Project; and

WHEREAS, the Corporation is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1954, as amended (the "Code") and exempt from tax under Section 501(a) of the Code and is an "exempt person" within the meaning of Section 103(b)(3) of the Code, and the Hospital is operated by the Corporation under a Lease and Agreement between the City and the Association; and

WHEREAS, the estimated cost of the Project is approximately \$16,780,000 and it has been determined that the preferable method of financing the Project is by the issuance of hospital revenue bonds, under the authority of Act No. 175 of 1961, as amended, in the principal amount of \$16,780,000 (the "Bonds"); and

WHEREAS, the City has outstanding its Hospital Revenue Bonds, Series 1977, and Hospital Revenue Bonds, Series 1979, and the Bonds shall be secured on a parity of lien, pledge and security with these outstanding bonds of the City; and

WHEREAS, it has been determined that the Bonds should be sold to Stephens Inc., Little Rock, Arkansas (the "Purchaser") at a price of 97% of the principal amount thereof

Section 3. That there be, and there is hereby authorized the execution and delivery of a Second Supplemental Lease and Agreement (the "Supplemental Lease Agreement") between the City and the Corporation, in substantially the form and with substantially the contents hereinafter set forth, and the Mayor and City Clerk be, and they are hereby, authorized to execute, acknowledge and deliver the Supplemental Lease Agreement for and on behalf of the City. The form and contents of the Supplemental Lease Agreement, which is hereby approved and which is made a part hereof, shall be substantially as follows:

plus accrued interest for the Bonds bearing interest at the rates per annum set forth in the Indenture (identified herein below; and

WHEREAS, the Bonds are described in the form of Indenture respectively authorized by this Ordinance;

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

Section 1. That there be, and there is hereby authorized and directed the following:

(a) The sale of the Bonds to Stephens Inc., Little Rock, Arkansas, and the execution by the Mayor and City Clerk of a Bond Purchase Agreement (the "Bond Purchase Agreement") with such purchaser (a copy of which shall be filed with the City Clerk);

(b) The acquisition, construction and equipment of the Project.

Section 2. That the issuance of the Bonds is hereby authorized. To prescribe the terms and conditions upon which the Bonds are to be executed, authenticated, issued, accepted, held and secured, the Mayor is hereby authorized and directed to execute and acknowledge a Second Supplemental Trust Indenture (the Supplemental Indenture"), and the City Clerk is hereby authorized and directed to execute and acknowledge the Supplemental Indenture and to affix the seal of the City thereto, and the Mayor and City Clerk are hereby authorized and directed to cause the Supplemental Indenture to be accepted, executed and acknowledged by the Trustee. The Supplemental Indenture, which constitutes and is hereby made a part of this Ordinance, shall be in substantially the following form, to wit:

Section 4. That the Mayor and City Clerk, for and on behalf of the City, be, and they are hereby, authorized and directed to do any and all things necessary to effect the execution and delivery of the Bond Purchase Agreement, Supplemental Indenture and the Supplemental Lease Agreement, the performance of all obligations of the City under and pursuant to the Bond Purchase Agreement, Supplemental Indenture and the Supplemental Lease Agreement, the execution and delivery of the Bonds, the execution and delivery of a Preliminary Official Statement and an Official Statement (describing the City, the Project and other matters pertinent to the Bonds) and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by the Indenture and by this Ordinance. That the Mayor and City Clerk be, and they are hereby, further authorized and directed, for and on behalf of the City, to execute all papers, documents, certificates and other instruments that may be required for the carrying out of such authority or to evidence the exercise thereof.

Section 5. That the provisions of this Ordinance are hereby declared to be severable, and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

Section 6. That pursuant to Arkansas law, particularly Act No. 175 of 1961, as amended, competitive bidding is hereby waived, as necessary or appropriate to the proper and efficient acquisition, construction and equipment of the Project.

Section 7. That all ordinances, resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 8. That there is hereby found and declared to be an immediate need for additional medical facilities to serve the inhabitants of the City. 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 effect immediately upon and after its passage and approval.

PASSED: January 8th, 1985.

ATTEST:

Martha Hartwick
City Clerk

APPROVED:

Bill Wright
Mayor

(SEAL)