

ORDINANCE NO. 095-80

AN ORDINANCE AUTHORIZING THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS UNDER ACT NO. 9 OF 1960, AS AMENDED, FOR THE PURPOSE OF SECURING AND DEVELOPING INDUSTRY (THE PARTICULAR INDUSTRIAL PROJECT IS DESCRIBED IN THE ORDINANCE); AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT PROVIDING FOR THE SALE OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE BONDS; AUTHORIZING AND PRESCRIBING CERTAIN MATTERS PERTAINING TO ACQUIRING AND FINANCING THE INDUSTRIAL PROJECT; AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT BETWEEN THE CITY, AS LESSOR AND NUCOR CORPORATION AS LESSEE; PRESCRIBING MATTERS RELATING THERETO. AND DECLARING AN EMERGENCY.

WHEREAS, the City of Conway, Arkansas (the "City") is authorized by 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"), to acquire lands, construct and equip industrial buildings, improvements, and facilities, and incur costs and expenses and make expenditures incidental thereto; and

WHEREAS, the City is authorized by Act No. 9 to issue revenue bonds payable from revenues derived from the industrial project so acquired and constructed and

WHEREAS, the City, pursuant to Resolution No. 2, adopted February 2, 1995, has entered into an agreement with Nucor Corporation, a Delaware corporation (the "Company"), to issue such bonds under Act No. 9 for the purposes hereinafter described for the benefit of the Company, such bonds to be issued in one or more series as the Company may request; and

WHEREAS, the necessary arrangements have been made with the Company for an industrial project consisting of the acquisition, construction and equipping of a fastener manufacturing plant and related facilities (the "Project") all to be utilized in the Company's business; and

WHEREAS, the necessary arrangements have been made to lease the Project to the Company pursuant to the terms of a Lease Agreement (as hereinafter defined); and

WHEREAS, permanent financing of the Project costs, necessary costs and expenditures incidental thereto, including costs of issuance, is being furnished by the City issuing Industrial Development Revenue Bonds under the provisions of Act No. 9 in principal amount not to exceed Fifty Million Dollars (\$50,000,000) (the "1995 Bonds"); and

WHEREAS, an open public hearing on the question of the issuance of the 1995 Bond was held before the City Council of the City on November 14, 1995, following publication of notice in the Log Cabin Democrat on October 29, 1995; and

WHEREAS, the City proposes to enter into a Bond Purchase Agreement for the 1995 Bonds (the "Bond Purchase Agreement") with Covent Corporation, a Delaware corporation (the "Purchaser"), for the sale of the 1995 Bonds;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF CONWAY, ARKANSAS:

Section 1. The City Council makes the following findings and determinations:

(a) Based on information compiled and released by the Arkansas Employment Security Division, unemployment in Faulkner County during August of 1995 averaged 4.5%. It has been determined that following completion of the Project employment at the Company's operations within the City will be approximately 140 persons. Accordingly, the completion of the Project will provide additional employment and other benefits.

(b) The Company is an industry which fabricates steel fasteners and mills steel.

(c) The Company's presence within the City of Conway will be an important factor in the economic well being and employment base for the City and its inhabitants.

Section 2. That there be, and there is hereby authorized and directed the following:

(a) The issuance, from time to time, of the 1995 Bonds and the sale of the 1995 Bonds at a price of par plus accrued interest to date of delivery, if any, all according to the terms of the Bond Purchase Agreement which contract is hereby approved and authorized to be executed by the Mayor on behalf of the City at the request of the Company;

(b) The acquisition, construction and equipping, from the 1995 Bond proceeds, of the Project, and, in connection therewith, the execution of any necessary architectural, engineering, or construction contracts or the acceptance of an assignment of any such contracts previously executed by the Company for the construction and equipping of the Project; and

(c) The performance of all obligations of the City under the Lease Agreement pertaining to the acquisition, construction and equipping of the Project and the performance of all obligations of the City under the Bond Purchase Agreement.

Section 3. The 1995 Bonds shall bear interest at the variable rates of interest specified in the Trust Indenture hereinafter authorized, not to exceed ten and a quarter percent (10.25%) per annum at any time, and shall mature on December 1 in the year 2025,

and shall be in an aggregate principal amount not to exceed Fifty Million Dollars (\$50,000,000). To provide the terms and conditions upon which the 1995 Bonds are to be secured, executed, authenticated, issued, accepted, and held, the Mayor is hereby authorized and directed to execute and acknowledge a Trust Indenture dated as of December 1, 1995 (the "Trust Indenture"), by and between the City and the Trustee, and the City Clerk is hereby authorized and directed to execute and acknowledge the Trust Indenture and to affix the seal of the City thereto, and the Mayor and City Clerk are hereby authorized and directed to cause the Trust Indenture to be accepted, executed, and acknowledged by the Trustee. The Trust Indenture is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Trustee and the Company in order to complete the Trust Indenture in substantially the form submitted to this meeting with such changes as shall be approved by such persons executing the document, their execution to constitute conclusive evidence of such approval.

(Advice is given that, pursuant to Act No. 9, a copy of the Trust Indenture in substantially the form authorized to be executed is on file with the City Clerk of the City of Conway and is available for inspection by any interested person.)

Section 4. That there be, and there is hereby authorized and directed the execution and delivery of a Lease Agreement dated as of December 1, 1995 (the "Lease Agreement"), by and between the City as Lessor and the Company as Lessee, and the Mayor and City Clerk be, and they are hereby authorized to execute, acknowledge and deliver the Lease Agreement for and on behalf of the City. The Lease Agreement is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Company and the Trustee, in order to complete the Lease Agreement in substantially the form submitted to this meeting, with such changes as shall be approved by such persons executing the document, their execution to constitute conclusive evidence of such approval.

(Advice is given that, pursuant to Act No. 9, a copy of the Lease Agreement, in substantially the form authorized to be executed, is on file with the City Clerk of the City of Conway, and is available for inspection by any interested person.)

Section 5. 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 of the Lease Agreement, the performance of the City's obligations under the Lease Agreement, the execution and delivery of the Trust Indenture, its execution and acceptance by the Trustee, the performance of all obligations of the City under and pursuant to the Trust Indenture, the execution and delivery of the Bond Purchase Agreement, the execution and delivery of the 1995 Bonds, and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance. That the Mayor and the 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 6. That since the City is here involved with the acquisition, construction and equipping of a complex industrial project, requiring highly specialized work and specialized types of machinery and equipment, it has been and is hereby determined by the City Council that competitive bidding be, and the same is hereby, waived as to this particular industrial project. This action is taken by the City Council pursuant to applicable laws of the State of Arkansas, including particularly Act No. 9.

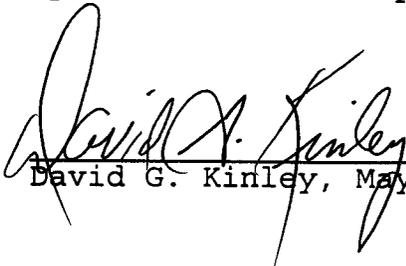
Section 7. Rose Law Firm, a Professional Association, of Little Rock, Arkansas, is hereby approved as Bond Counsel with respect to the initial issuance of the 1995 Bonds, the fees and expenses of which firm shall be costs of the Project.

Section 8. 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 or provisions.

Section 9. That all ordinances, resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 10. That there is hereby found and declared to be an immediate need for the securing and developing of substantial industrial operations in order to provide additional employment, retain existing employment, alleviate unemployment, and otherwise benefit the public health, safety, and welfare of the City and the inhabitants thereof, and the issuance of the 1995 Bonds authorized hereby and the taking of the other action authorized herein are immediately necessary in connection with the securing and developing of substantial industrial operations and deriving the public benefits referred to above. 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: November 14, 1995.



David G. Kinley, Mayor

ATTEST:



Martha Hartwick, City Clerk

(S E A L)