

ORDINANCE NO. 0-96-01

AN ORDINANCE AUTHORIZING THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS TO FINANCE CERTAIN INDUSTRIAL FACILITIES; AUTHORIZING A TRUST INDENTURE SECURING THE BONDS; AUTHORIZING A LOAN AGREEMENT BETWEEN THE CITY OF ARKADELPHIA, ARKANSAS AND SIPLAST, INC.; AUTHORIZING THE SALE OF THE BONDS AND THE EXECUTION OF A PLACEMENT AGREEMENT IN CONNECTION THEREWITH; AUTHORIZING AND PRESCRIBING OTHER MATTERS PERTAINING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Arkadelphia, Arkansas (the "City"), is authorized and empowered under the provisions of Title 14, Chapter 164, Subchapter 2 of the Arkansas Code of 1987 Annotated (the "Act"), to issue revenue bonds and to expend the proceeds thereof to finance the acquisition, construction and equipment of land, buildings or facilities which can be used in securing or developing industry; and

WHEREAS, it is proposed that the City issue its revenue bonds under the Act for the purpose of financing the acquisition, construction and equipping of an industrial project (the "Project"), generally comprising an approximately 28,000 square foot expansion to an existing industrial plant utilized by Siplast, Inc., an Arkansas corporation (the "Company"), for the manufacture of commercial roofing materials, located on Highway 67 South, adjacent to the Clark County Fairgrounds, Arkadelphia, Arkansas 71923; and

WHEREAS, pursuant to and in accordance with applicable provisions of Arkansas law and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), a public hearing was held on the date hereof before the Board of Directors on the question of the issuance of such revenue bonds under the Act; and

WHEREAS, after due consideration, the City is now prepared to proceed with financing the Project and to issue and sell not to exceed \$5,000,000 in principal amount of its Industrial Development Revenue Bonds (Siplast, Inc. Project), Series 1996 (the "Bonds"), to provide such financing; and

WHEREAS, to support the payment of the Bonds, an irrevocable letter of credit will be initially issued by Den Danske Bank, or such other financial institution as shall be selected by the Company, for the benefit of the owners from time to time of the Bonds; and

WHEREAS, copies of the hereinafter described Placement Agreement, Trust Indenture and Loan Agreement have been presented to and are before this meeting;

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the City of Arkadelphia, Arkansas:

Section 1. The Board of Directors hereby finds that the acquiring, constructing and equipping of the Project, and the issuance of the Bonds to finance the same, will provide substantial employment and payrolls and will thereby secure and develop industry within and near the City.

Section 2. The issuance of the Bonds in the aggregate principal amount of \$5,000,000, or such lesser amount as shall be requested by the Company, is hereby authorized. The Bonds shall be issued in the forms and denominations, shall be dated, shall be numbered, shall mature (within the period permitted by Section 147(b) of the Code as recommended by the Company, but not to exceed 30 years), shall bear interest (at fluctuating rates subject to conversion to a fixed rate at the option of the Company, in either case not to exceed the maximum permitted by law), and shall be subject to redemption prior to maturity all upon the terms and conditions recommended by the Company and set forth in the Trust Indenture (hereinafter authorized) securing the Bonds.

Section 3. The Bonds shall be sold to the purchaser or purchasers designated by NationsBank, N.A., as Placement Agent (the "Placement Agent"), for the purchase price of 100% of par, plus accrued interest, if any, from the date of the Bonds to the date of delivery, which price is recommended by the Company, and upon the terms and conditions set forth in a Placement Agreement by and among the City, the Company and the Placement Agent (the "Placement Agreement"). The Mayor is hereby authorized to execute and deliver the Placement Agreement for and on behalf of the City. The Placement Agreement is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Company, the Placement Agent and others in order to complete the Placement Agreement in substantially the form submitted to this meeting with such changes as shall be approved by such persons executing the documents, their execution to constitute conclusive evidence of such approval.

Section 4. 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 Trust Indenture by and between the City and Norwest Bank Minnesota, N.A., Minneapolis, Minnesota, which will act as Trustee thereunder (the "Indenture"), and the City Clerk is hereby authorized and directed to execute and acknowledge the Indenture and to affix the seal of the City thereto, and the Mayor and City Clerk are hereby authorized and directed to cause the Indenture to be accepted, executed and acknowledged by the Trustee. The Indenture is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Trustee and others in order to complete the 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.

Section 5. There is hereby authorized the execution and delivery of a Loan Agreement by and between the City and the Company (the "Loan Agreement"), and the Mayor and City Clerk are hereby authorized to execute, acknowledge and deliver the Loan Agreement for and on behalf of the City. The Loan Agreement is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Company and others in order to complete the Loan 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.

Section 6. There is hereby authorized the preparation and distribution to various prospective and actual purchasers of the Bonds of a private placement memorandum (and preliminary private placement memorandum) describing the Bonds and their security, and setting forth such other information as may be determined to be necessary or desirable.

Section 7. Because the undertaking authorized hereby involves the accomplishment of industrial facilities, pursuant to applicable laws of the State of Arkansas, including particularly the Act, competitive bidding is waived.

Section 8. The City hereby elects to have the provisions of Section 144(a)(4)(A) of the Code apply to the Bonds.

Section 9. The Mayor and City Clerk, for and on behalf of the City, are hereby authorized and directed to do any and all things necessary to effect the execution and delivery of the Placement Agreement, the Loan Agreement and the Indenture and the performance of all obligations of the City thereunder, the issuance, execution, sale and delivery of the Bonds, and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance. The Mayor and City Clerk 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 10. The City Clerk is hereby authorized and directed to file in the office of the City Clerk, as a part of the minutes of the meeting at which this Ordinance is adopted, for inspection by any interested person copies of the Placement Agreement, the Indenture and the Loan Agreement, and such documents shall be on file for inspection by any interested person.

Section 11. NationsBank, N.A. is hereby appointed as the initial Remarketing Agent under the Indenture, which appointment is recommended by the Company.

Section 12. The provisions of this Ordinance are hereby declared to be separable, 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 13. All ordinances, resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 14. There is hereby found and declared to be an immediate need for the securing and developing of industry in order to provide substantial employment and payrolls, thereby alleviating unemployment and otherwise benefiting the public health, safety and welfare of the City and the inhabitants thereof, and the issuance of the Bonds authorized hereby and the taking of the other action authorized hereby are immediately necessary for the accomplishing of these public benefits and purposes. It is, therefore, declared that an emergency exists and this Ordinance being necessary for the preservation of the public peace, health and safety shall be in force and effect immediately upon and after its passage.

PASSED: March 7, 1996.

ATTEST:

Shirley D. Loy  
City Clerk

APPROVED:

James P. Sullivan  
Mayor

(SEAL)