

ORDINANCE NO. 1530

AN ORDINANCE AUTHORIZING THE ISSUANCE OF SALES AND USE TAX BONDS FOR THE PURPOSE OF FINANCING THE COST OF CONSTRUCTING CAPITAL IMPROVEMENTS; PLEDGING TWO 1% SALES AND USE TAXES TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, there was submitted to the qualified electors of the City of Eureka Springs, Arkansas (the "City") the questions of issuing, under Amendment No. 62 to the Constitution of the State of Arkansas (the "State") and under Title 14, Chapter 164, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation"), capital improvement bonds in the maximum principal amount of \$5,485,000 (the "bonds") for the purpose of financing the cost to the City of constructing capital improvements to the City's water and sewer system and recycling center (the "Improvements"); and

WHEREAS, at the special election held July 2, 1991, a majority of the electors voting on the questions approved the issuance of the bonds and the pledge of the City's two 1% sales and use taxes to retire the bonds; and

WHEREAS, pursuant to Ordinance No. 1449 of the City duly adopted on August 1, 1991 ("Ordinance No. 1449"), the City has issued its \$3,855,000 Sales and Use Tax Bonds, Series 1991 (the "Series 1991 Bonds") for the following purposes: \$265,000 for Improvements relating to the recycling center; \$2,415,000 for Improvements relating to the water system; and \$1,175,000 for Improvements relating to the sewer system; and

WHEREAS, the second series of bonds (the "Series 1993 Bonds") shall be in the principal amount of \$1,475,000 for the following purposes: \$1,105,000 for Improvements relating to the water system ("Water Improvements"); \$15,000 for Improvements relating to the recycling center (the "Recycling Improvements"); and \$355,000 for Improvements relating to the sewer system (the "Sewer Improvements"); and

WHEREAS, the Series 1993 Bonds are being issued pursuant to Section 10 of Ordinance No. 1449 as "Additional Parity Bonds" thereunder; and

WHEREAS, the City has made arrangements for the sale of \$1,475,000 in aggregate principal amount of Series 1993 Bonds to Hill, Crawford & Lanford Incorporated and Stephens Inc. (the "Purchasers"), at a price of 98% of par plus accrued interest (the "Purchase Price"), pursuant to a Bond Purchase Agreement between

the Purchasers and the City (the "Agreement") which has been presented to and is before this meeting; and

WHEREAS, the Preliminary Official Statement, dated May 20, 1993 offering the Series 1993 Bonds for sale (the "Preliminary Official Statement"), has been presented to and is before this meeting;

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

Section 1. The Water Improvements, the Recycling Improvements and the Sewer Improvements (collectively, the "Series 1993 Improvements") shall be accomplished and the Mayor and City Clerk are hereby authorized to take all action necessary in connection therewith and to execute all required contracts and documents.

Section 2. The offer of the Purchasers for the purchase of \$1,475,000 in principal amount of Series 1993 Bonds from the City at the Purchase Price for Series 1993 Bonds bearing interest at the rates per annum, maturing and otherwise subject to the terms and provisions hereafter in this Ordinance set forth in detail be, and is hereby, accepted and the Agreement, in substantially the form submitted to this meeting, is approved and the Series 1993 Bonds are hereby sold to the Purchasers. The Mayor is hereby authorized and directed to execute and deliver the Agreement on behalf of the City and to take all action required on the part of the City to fulfill its obligations under the Agreement.

Section 3. The Preliminary Official Statement is hereby approved and the previous use of the Preliminary Official Statement by the Purchasers in connection with the sale of the Series 1993 Bonds is hereby in all respects authorized and confirmed, and the Mayor be, and he hereby is, authorized and directed, for and on behalf of the City, to execute the Preliminary Official Statement and the final Official Statement to be delivered to the Purchasers as set forth in the Agreement.

Section 4. Under the authority of the Constitution and laws of the State, including particularly Amendment No. 62 to the Constitution of the State and the Authorizing Legislation, City of Eureka Springs, Arkansas Sales and Use Tax Bonds, Series 1993, are hereby authorized and ordered issued in the total principal amount of \$1,475,000 the proceeds of the sale of which are necessary to provide sufficient funds for accomplishing the Series 1993 Improvements, paying expenses incidental thereto, partially funding a debt service reserve and paying expenses of issuing the Series 1993 Bonds.

The Series 1993 Bonds shall be dated July 1, 1993, shall bear interest at the rates and shall mature on December 1 in the amounts and in the years as follows:

<u>Year</u> <u>(December 1)</u>	<u>Amount</u>	<u>Interest Rate</u>
1995	\$ 55,000	3.00%
1996	55,000	3.40%
1997	60,000	3.75%
1998	60,000	4.00%
1999	65,000	4.25%
2000	65,000	4.40%
2001	70,000	4.50%
2002	75,000	4.70%
2003	75,000	4.85%
2004	80,000	4.95%
2005	85,000	5.05%
2006	90,000	5.15%
2007	95,000	5.20%
2012	545,000	5.60%

The Series 1993 Bonds shall be issuable only as fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. Unless the City shall otherwise direct, the Series 1993 Bonds shall be numbered from 1 upward in order of issuance. Each Series 1993 Bond shall have a CUSIP number but the failure of a CUSIP number to appear on any Series 1993 Bond shall not affect its validity.

Interest on the Series 1993 Bonds shall be payable on December 1, 1993, and semiannually thereafter on June 1 and December 1 of each year. Payment of each installment of interest shall be made to the person in whose name the Series 1993 Bond is registered on the registration books of the City maintained by First National Bank in Stuttgart, Arkansas, as Trustee and Paying Agent (the "Trustee"), at the close of business on the fifteenth day of the month (whether or not a business day) next preceding each interest payment date (the "Record Date"), irrespective of any transfer or exchange of any such Series 1993 Bond subsequent to such Record Date and prior to such interest payment date, by check or draft mailed by the Trustee to such owner at his address on such registration books. Principal of the Series 1993 Bonds shall be payable at the principal corporate trust office of the Trustee in Stuttgart, Arkansas.

Each Series 1993 Bond shall bear interest from the payment date next preceding the date on which it is authenticated unless it is authenticated on an interest payment date, in which event it shall bear interest from such date, or unless it is

authenticated prior to the first interest payment date, in which event it shall bear interest from July 1, 1993, or unless it is authenticated during the period from the Record Date to the next interest payment date, in which case it shall bear interest from such interest payment date, or unless at the time of authentication thereof interest is in default thereon, in which event it shall bear interest from the date to which interest has been paid.

Only such Series 1993 Bonds as shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in Section 6 hereof (the "Certificate") duly executed by the Trustee shall be entitled to any right or benefit under this Ordinance. No Series 1993 Bond shall be valid and obligatory for any purpose unless and until the Certificate shall have been duly executed by the Trustee, and the Certificate upon any such Series 1993 Bond shall be conclusive evidence that such Series 1993 Bond has been authenticated and delivered under this Ordinance. The Certificate on any Series 1993 Bond shall be deemed to have been executed if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the Certificate on all of the Series 1993 Bonds.

In case any Series 1993 Bond shall become mutilated or be destroyed or lost, the City shall, if not then prohibited by law, cause to be executed and the Trustee may authenticate and deliver a new Series 1993 Bond of like date, number, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated Series 1993 Bond, or in lieu of and in substitution for such Series 1993 Bond destroyed or lost, upon the owner paying the reasonable expenses and charges of the City and the Trustee in connection therewith, and, in the case of a Series 1993 Bond destroyed or lost, his filing with the Trustee evidence satisfactory to it that such Series 1993 Bond was destroyed or lost, and of his ownership thereof, and furnishing the City and the Trustee with indemnity satisfactory to them. The Trustee is hereby authorized to authenticate any such new Series 1993 Bond. In the event any such Series 1993 Bond shall have matured, instead of issuing a new Series 1993 Bond, the City may pay the same without the surrender thereof. Upon the issuance of a new Series 1993 Bond under this Section 4, the City may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

The City shall cause books for the registration and for the transfer of the Series 1993 Bonds as provided herein and in the Series 1993 Bonds. The Trustee shall act as the bond registrar. Each Series 1993 Bond is transferable by the registered owner thereof or by his attorney duly authorized in writing at the principal office of the Trustee. Upon such transfer a new fully

registered Series 1993 Bond or Bonds of the same maturity, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefor.

Series 1993 Bonds may be exchanged at the principal office of the Trustee for an equal aggregate principal amount of Series 1993 Bonds of any other authorized denomination or denominations. The City shall execute and the Trustee shall authenticate and deliver Series 1993 Bonds which the registered owner making the exchange is entitled to receive. The execution by the City of any Series 1993 Bond of any denomination shall constitute full and due authorization of such denomination and the Trustee shall be thereby authorized to authenticate and deliver such Series 1993 Bond.

Section 5. The Series 1993 Bonds shall be executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk and shall have impressed or imprinted thereon the seal of the City.

Section 6. The Series 1993 Bonds and the Certificate shall be in substantially the following form and the Mayor and City Clerk are hereby expressly authorized and directed to make all recitals contained therein:

(Form of Series 1993 Bond)

REGISTERED

REGISTERED

No. _____

UNITED STATES OF AMERICA
STATE OF ARKANSAS
COUNTY OF CARROLL
CITY OF EUREKA SPRINGS
SALES AND USE TAX BOND
SERIES 1993

Interest Rate: _____% Maturity Date: December 1, _____

Dated Date: July 1, 1993

Registered Owner: _____

Principal Amount: _____ Dollars (\$_____)

CUSIP No.: _____

KNOW ALL MEN BY THESE PRESENTS:

That the City of Eureka Springs, County of Carroll, State of Arkansas (the "City"), for value received, hereby promises to pay to the Registered Owner shown above upon the presentation and surrender hereof at the principal corporate trust office of First National Bank in Stuttgart, Stuttgart, Arkansas, or its successor

or successors, as Trustee and Paying Agent (the "Trustee"), on the Maturity Date shown above, the Principal Amount shown above, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts and to pay by check or draft to the Registered Owner shown above interest thereon, in like coin or currency from the interest commencement date described below, at the Interest Rate per annum shown above, payable on December 1, 1993 and on each June 1 and December 1 thereafter, until payment of such Principal Amount or, if this bond or a portion hereof shall be duly called for redemption, until the date fixed for redemption, and to pay interest on overdue principal and interest (to the extent legally enforceable) at the rate borne by this bond. Payment of each installment of interest shall be made to the person in whose name this bond is registered on the registration books of the City maintained by the Trustee at the close of business on the fifteenth day of the month (whether or not a business day) next preceding each interest payment date (the "Record Date"), irrespective of any transfer or exchange of this bond subsequent to such Record Date and prior to such interest payment date.

This bond shall bear interest from the payment date next preceding the date on which it is authenticated unless it is authenticated on an interest payment date, in which event it shall bear interest from such date, or unless it is authenticated during the period from the Record Date to the next interest payment date, in which case it shall bear interest from such interest payment date, or unless it is authenticated prior to the first interest payment date, in which event it shall bear interest from the Dated Date shown above, or unless at the time of authentication hereof interest is in default hereon, in which event it shall bear interest from the date to which interest has been paid.

This bond is one of an issue of City of Eureka Springs, Arkansas Sales and Use Tax Bonds, Series 1993, aggregating One Million Four Hundred Seventy-Five Thousand Dollars (\$1,475,000) in aggregate principal amount (the "bonds"), and is issued for the purpose of financing the costs of capital improvements to the City's water and sewer system and recycling center, paying necessary expenses incidental thereto, partially funding a debt service reserve and paying expenses of authorizing and issuing the bonds.

The bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas (the "State"), particularly Amendment No. 62 to the Constitution of the State and Title 14, Chapter 164, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation"), and pursuant to Ordinance No. 1449 of the City duly adopted on August 1, 1991, and Ordinance No. _____ of the City duly adopted on May 25, 1993 (collectively, the "Authorizing Ordinance"), and an election duly held at which the majority of the legal voters of the City voting

on the questions approved the issuance of the bonds. Reference is hereby made to the Authorizing Ordinance for the details of the nature and extent of the security, of the issuance of additional series and of the rights and obligations of the City, the Trustee and the registered owners of the bonds. The bonds are special obligations of the City, payable from the proceeds derived by the City from its two 1% sales and use taxes (the "Taxes") levied by the City under the authority of the laws of the State and Ordinance No. 1120 of the City duly adopted on May 12, 1981 (the "1981 Tax") and Ordinance No. 1386 of the City duly adopted on March 20, 1990 (the "1990 Tax") and the City hereby pledges its collections of the Taxes for the payment of this bond as follows: 2/3 of collections of the 1990 Tax received in calendar years 1993 and 1994; 100% of collections of the 1990 Tax received in calendar years 1995 and thereafter; and 100% of all collections of the 1981 Tax. The pledge of Tax collections in favor of the bonds is on a parity with the pledge in favor of the City's Sales and Use Tax Bonds, Series 1991. The City has reserved the right in the Authorizing Ordinance to issue additional bonds under the Authorizing Ordinance on a parity of security with the bonds.

(REFERENCE IS HEREBY MADE TO FURTHER PROVISIONS OF THIS BOND ON THE REVERSE SIDE HEREOF WHICH HAVE THE SAME EFFECT AS IF SET FORTH IN THIS PLACE.)

THE CITY HAS DESIGNATED THIS BOND AS A "QUALIFIED TAX-EXEMPT OBLIGATION" WITHIN THE MEANING OF SECTION 265 THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

IN WITNESS WHEREOF, the City of Eureka Springs, Arkansas has caused this bond to be executed by its Mayor and City Clerk, their facsimile signatures thereunto duly authorized and its corporate seal to be impressed, lithographed or imprinted on this bond, all as of the Dated Date shown above.

CITY OF EUREKA SPRINGS, ARKANSAS

ATTEST:

(Facsimile signature)
City Clerk

By (Facsimile signature)
Mayor

(SEAL)

(Reverse Side of Bond)

CITY OF EUREKA SPRINGS, ARKANSAS
SALES AND USE TAX BOND
SERIES 1993

FURTHER PROVISIONS

The bonds are subject to extraordinary, optional and mandatory sinking fund redemption prior to maturity as follows:

(1) The bonds shall be redeemed from proceeds of the bonds not needed for the purposes intended on any interest payment date, in whole or in part, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date, in inverse order of maturity (and by lot within a maturity in such manner as the Trustee may determine).

(2) The bonds may be redeemed at the option of the City on and after December 1, 1998, from funds from any other source, in whole at any time or in part on any interest payment date, at a redemption price equal to the principal amount being redeemed, plus accrued interest to the redemption date in inverse order of maturity (and by lot within a maturity in such manner as the Trustee may determine).

(3) To the extent not previously redeemed, the bonds maturing December 1, 2012 are subject to mandatory sinking fund redemption to be selected by lot, in such manner as the Trustee shall determine, on December 1 in the years and amounts set forth below, at a redemption price equal to the principal amount being redeemed plus accrued interest to the date of redemption (without premium):

Bonds Maturing December 1, 2012

<u>Year</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Year</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>
2008	\$ 95,000	2011	\$ 115,000
2009	105,000	2012 (maturity)	120,000
2010	110,000		

The provisions for mandatory sinking fund redemption of the bonds are subject to the provisions of the Authorizing Ordinance which permit the City to receive credit for bonds previously redeemed or for bonds acquired by the City and surrendered to the Trustee.

In case any outstanding bond is in a denomination greater than \$5,000, each \$5,000 of face value of such bond shall be treated as a separate bond of the denomination of \$5,000.

Notice of redemption identifying the bonds or portions thereof (which shall be \$5,000 or a multiple thereof) to be redeemed and the date they shall be presented for payment shall be given by the Trustee, not less than 30 nor more than 60 days prior to the date fixed for redemption, by mailing a copy of the redemption notice by first class mail, postage prepaid, to all registered owners of bonds to be redeemed. Failure to mail an appropriate notice or any such notice to one or more registered owners of bonds to be redeemed shall not affect the validity of the proceedings for redemption of other bonds as to which notice of redemption is duly given in proper and timely fashion. All such bonds or portions thereof thus called for redemption and for the retirement of which funds are duly provided in accordance with the Authorizing Ordinance prior to the date fixed for redemption will cease to bear interest on such redemption date.

This bond is transferable by the Registered Owner shown above in person or by his attorney-in-fact duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Authorizing Ordinance, and upon surrender and cancellation of this bond. Upon such transfer a new fully registered bond or bonds of the same maturity, of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor. This bond is issued with the intent that the laws of the State shall govern its construction.

The City and the Trustee may deem and treat the Registered Owner shown above as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the City nor the Trustee shall be affected by any notice to the contrary.

The bonds are issuable only as fully registered bonds in the denomination of \$5,000, and any integral multiple thereof. Subject to the limitations and upon payment of the charges provided in the Authorizing Ordinance, fully registered bonds may be exchanged for a like aggregate principal amount of fully registered bonds of the same maturity of other authorized denominations.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed, under the Constitution and laws of the State, particularly Amendment No. 62 to the Constitution of the State and the Authorizing Legislation, 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 limitation; and that taxes sufficient to pay the bonds and interest thereon has been duly levied and made payable annually until all of the bonds and interest thereon have been fully paid and discharged.

This bond shall not be valid until it shall have been authenticated by the Certificate hereon duly signed by the Trustee.

(Form of Trustee's Certificate)

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds designated Series 1993 issued under the provisions of the within mentioned Authorizing Ordinance.

Date of Authentication: _____

FIRST NATIONAL BANK IN STUTTGART
Stuttgart, Arkansas
TRUSTEE

By _____
Authorized Signature

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, _____ ("Transferor"), hereby sells, assigns and transfers unto _____, the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ as attorney to transfer the within bond on the books kept for registration thereof with full power of substitution in the premises.

DATE: _____

GUARANTEED BY: _____
Transferor

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or a trust company.

Section 7. The City hereby expressly pledges and appropriates all of the revenues derived by the City from its two 1% sales and use taxes (the "Taxes") levied by the City under the authority of the laws of the State and Ordinance No. 1120 of the City duly adopted on May 12, 1981 (the "1981 Tax") and Ordinance No. 1386 of the City duly adopted on March 20, 1990 (the "1990

Tax") to the payment of the principal of and interest on the Series 1993 Bonds when due at maturity or at redemption prior to maturity and to the payment of the fees and charges of the Trustee on a parity of security with the Series 1991 Bonds, as follows: 2/3 of collections of the 1990 Tax received in calendar years 1993 and 1994; 100% of collections of the 1990 Tax received in calendar years 1995 and thereafter; and 100% of all collections of the 1981 Tax. Such revenues pledged to the payment of the Series 1993 Bonds are hereinafter referred to as the "Pledged Revenues." The Series 1993 Bonds are being issued as Additional Parity Bonds under Ordinance No. 1449 and shall be a part of "the bonds" within the meaning of such ordinance. In this regard, all provisions of Ordinance No. 1449 pertaining to "the bonds" shall inure and appertain to the Series 1993 Bonds to the same extent and with like force and effect as if herein set out in full. The effect of the above provisions shall be to continue the applicable provisions of Ordinance No. 1449 in full force and effect after the Series 1991 Bonds are paid or provision made therefor.

Section 8. The Series 1993 Bonds shall be callable for payment prior to maturity in accordance with the terms set out in the face of the bond form set forth in Section 6 of this Ordinance. The City hereby covenants to use Series 1993 Bond proceeds not necessary for the purposes intended to redeem Series 1993 Bonds on the first available interest payment date.

Section 9. The Debt Service Reserve Account in the 1991 Sales and Use Tax Bond Fund created by Ordinance No. 1449 (the "Bond Fund") shall be increased to the required level with proceeds of the Series 1993 Bonds as provided in Section 10 hereof and with the Pledged Revenues on a monthly basis but not later than July 1, 1998.

Section 10. When the Series 1993 Bonds have been executed by the Mayor and City Clerk and the seal of the City impressed as herein provided, they shall be delivered to the Trustee, which shall authenticate them and deliver them to the Purchasers upon payment of the Purchase Price. The accrued interest shall be deposited in the Bond Fund. There shall be deposited from the Purchase Price into the Debt Service Reserve Account in the Bond Fund the sum of \$65,255. The expenses of issuing the Series 1993 Bonds as set forth in letter instructions of the City signed by the Mayor and City Clerk shall be paid from the Purchase Price.

The balance of the Purchase Price shall be deposited in the 1991 Capital Improvement Construction Fund established by Ordinance No. 1449 (the "Construction Fund") for the purpose of accomplishing the Series 1993 Improvements, paying expenses incidental thereto and paying the expenses of issuing the Series 1993 Bonds.

When the Improvements have been completed and all required expenses paid and expenditures made from the Construction Fund for and in connection with the accomplishment of the Improvements and the financing thereof, this fact shall be evidenced by a certificate signed by the Mayor and by the consulting engineer, which certificate shall state, among other things, the date of the completion and that all obligations payable from the Construction Fund for the Improvements have been discharged. A copy of the certificate shall be filed with the depository of the Construction Fund, and a copy with the Trustee, and upon receipt thereof the depository of the Construction Fund shall transfer any remaining balance of Series 1993 Bond proceeds to the Bond Fund for the purpose of redeeming the Series 1993 Bonds.

Section 11. The Series 1993 Bonds are hereby designated as "qualified tax-exempt obligations" within the meaning of the Internal Revenue Code of 1986, as amended (the "Code"). The City represents that the aggregate principal amount of its qualified tax-exempt obligations (excluding "private activity bonds" within the meaning of Section 141 of the Code which are not "qualified 501(c)(3) bonds" within the meaning of Section 145 of the Code), including those of its subordinate entities, issued in calendar year 1993 will not exceed \$10,000,000. The City further represents that it does not reasonably expect that it and all subordinate entities will issue tax-exempt obligations (not including "private activity bonds" within the meaning of Section 141 of the Code) in amounts exceeding \$5,000,000 in calendar year 1993. The City covenants that at least 95% of the net proceeds of the Series 1993 Bonds will be used to accomplish the Series 1993 Improvements.

Section 12. The City covenants that it will submit to the Secretary of the Treasury of the United States, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Series 1993 Bonds are issued, a statement concerning the Series 1993 Bonds which contains the information required by Section 149(e) of the Code.

Section 13. The City covenants that it will not reimburse itself from proceeds of the Series 1993 Bonds for costs paid prior to the date the Series 1993 Bonds are issued except in compliance with United States Treasury Regulation No. 1.103-18.

Section 14. The provisions of this Ordinance are separable and in the event that any section or part hereof shall be held to be invalid, such invalidity shall not affect the remainder of this Ordinance.

Section 15. All ordinances and resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 16. This Ordinance shall not create any right of any character and no right of any character shall arise under or pursuant hereto, except under Sections 2 and 3 hereof, until the Series 1993 Bonds shall be issued and delivered.

Section 17. It is hereby ascertained and declared that the Series 1993 Improvements are immediately needed for the preservation of the public peace, health and safety and to remove existing hazards thereto. The Series 1993 Improvements cannot be accomplished without the issuance of the Series 1993 Bonds, and therefore, it is 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 take effect immediately upon and after its passage.

PASSED: May 25, 1993.

APPROVED:

ATTEST:

Joanita S. Basner
City clerk

[Signature]
Mayor

(SEAL)

CERTIFICATE

The undersigned, City Clerk of the City of Eureka Springs, Arkansas (the "City"), hereby certifies that the foregoing pages are a true and correct copy of Ordinance No. 1530, passed at a regular session of the City Council of the City, held at the regular meeting place of the Council at 9:00 o'clock a.m. on the 25th day of May, 1993, and that the Ordinance is of record in Ordinance Record Book No. 5 at Page 200A, now in my possession.

GIVEN under my hand and seal this 25th day of May, 1993.

Janita S. Barun
City Clerk

(SEAL)