

ORDINANCE NO. 2003-03

AN ORDINANCE ACCEPTING A LOWER INTEREST RATE IN CONNECTION WITH A WATER AND SEWER REVENUE BOND, DATED MARCH 10, 1999 OWNED BY THE ARKANSAS SOIL AND WATER CONSERVATION COMMISSION; EXTENDING THE NON-PREPAYMENT PERIOD ON THE BOND; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, the City of Perryville, Arkansas (the "City") has previously issued its Water and Sewer Revenue Bond, dated March 10, 1999 (the "bond"), which is owned by the Arkansas Soil and Water Conservation Commission (the "Commission") pursuant to a Loan Agreement between the City and the Commission; and

WHEREAS, the Commission purchased the bond from the City with funds made available by the issuance of the State of Arkansas Waste Disposal and Pollution Abatement Facilities General Obligation Bonds, Series 1997A (the "Original Bonds"); and

WHEREAS, the State of Arkansas (the "State"), acting by and through the Commission, has issued its Water, Waste Disposal and Pollution Abatement Facilities General Obligation Bonds, Refunding Series 2002K (the "2002K Bonds") for the purpose of refunding the Original Bonds at lower interest rates; and

WHEREAS, the State, as a result of the issuance of the 2002K Bonds at lower interest rates, has achieved a debt service savings, and the Commission desires to pass those savings to the City;

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

Section 1. That the City accepts the offer of the Commission to (a) reduce the interest rate on the bond from 5.30% per annum to 4.50% per annum, effective July 1, 2003 and (b) shorten the maturity of the bond from March 10, 2024 to March 10, 2022.

Section 2. That the City, in exchange for receiving a lower interest rate on the bond, agrees not to prepay the bond before July 1, 2012.

Section 3. That the bond is hereby designated as a "qualified tax-exempt obligation" under Section 265(b) of the Internal Revenue Code of 1986, as amended.

CERTIFICATE

The undersigned, City Recorder of the City of Perryville, Arkansas, hereby certifies that the foregoing pages are a true and correct copy of Ordinance No. 2003-03, adopted at a regular session of the City Council of the City of Perryville, Arkansas, held at the regular meeting place of the Council in the City at 7:00 p.m., on the 12th day of JUNE, 2003, and that said Ordinance is of record in Ordinance Record Book No. 1, Page 2003-03, now in my possession.

GIVEN under my hand and seal this ___ day of _____, 2003.

Joel D. Wolf
City Recorder

(SEAL)