

VAN BUREN COUNTY QUORUM COURT

ORDINANCE NO. 2018-12

BOOK 2018
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Recorded In:
ORDINANCE Book
05/16/2018 10:44 AM
VAN BUREN, STATE OF
PAM BRADFORD
County Clerk
VAN BUREN County, AR

BE IT ENACTED BY THE QUORUM COURT OF THE COUNTY OF
ARKANSAS, AN ORDINANCE TO BE ENTITLED:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF A GENERAL
REVENUE PROMISSORY NOTE BETWEEN THE COUNTY OF VAN BUREN,
ARKANSAS AND FIRST SECURITY BANK, (SHERIFF DEPARTMENT
VEHICLE PROJECT), SERIES 2018; PROVIDING FOR THE PAYMENT OF
THE PRINCIPAL OF AND INTEREST ON THE NOTE; AND PRESCRIBING
OTHER MATTERS RELATING THERETO.

WHEREAS: the Quorum Court of Van Buren County, Arkansas (the "County") has determined that the County is in need of seven new patrol vehicles for use by the Sheriff's Department (the "Vehicles");

WHEREAS: the estimated cost of the Vehicles and issuing note is \$267,448.45 and the County can obtain the necessary funds to acquire the Vehicles by issuing General Revenue Promissory Note (Sheriff Department Vehicles Project), Series 2018, in the aggregate principal amount of not to exceed \$267,448.45 (the "Note").

NOW, THEREFORE BE IT ORDAINED BY THE QUORUM COURT OF VAN BUREN COUNTY, ARKANSAS THAT:

Article 1. The Quorum Court hereby finds that the Vehicles to be acquired will have a useful life of more than one (1) year and that the principal amount of the Note and all other obligations heretofore incurred by the County under Amendment No. 78 to the Arkansas Constitution ("Amendment No. 78") does not exceed 2 1/2% of the assessed value of taxable property located within the County as determined by the last tax assessment.

Article 2. Under the authority of the Constitution and laws of the State of Arkansas (the "State"), including particularly Amendment No. 78 and Arkansas Code Annotated Section 14-78-101, et seq., Van Buren County, Arkansas General Revenue Promissory Note (Sheriff Department Vehicle Project), Series 2018 is hereby authorized and ordered issued in the maximum principal amount of \$267,448.45 for the purpose of financing all or a portion of the cost of acquiring the Vehicles. The note shall bear interest at an interest rate not to exceed 2.57% and shall have a maturity of not greater than three (3) years.
The Note shall be issuable only as a fully registered Note without coupons.

Article 3. The Note shall be executed on behalf of the County by the manual signatures of the County Judge and the County Clerk and shall have impressed or imprinted thereon the seal of the County.

Article 4. The Note shall be in substantially the following form and the County Judge and County Clerk are hereby expressly authorized and directed to make all recitals contained therein:

VAN BUREN COUNTY, ARKANSAS
GENERAL REVENUE PROMISSORY NOTE
(SHERIFF DEPARTMENT VEHICLES PROJECT)
SERIES 2018
REGISTERED

Principal Amount: \$267,448.45
Maturity Date: May __, 2021
Interest Rate: 2.57%
Dated: May __, 2018

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KNOW ALL MEN BY THESE PRESENTS:

THAT, Van Buren County, Arkansas (the "County"), acting by and through its County Judge and County Clerk, duly authorized by Ordinance duly adopted by the Quorum Court of the County, for value received, hereby promises to pay to the order of FIRST SECURITY BANK, at 112 Volunteers Parkway, Clinton, Arkansas 72031, or unto its successors and assigns (the "Lender") the principal sum of TWO HUNDRED SIXTY-SEVEN THOUSAND FOUR HUNDRED FORTY-EIGHT AND 45/100ths DOLLARS (\$267,448.45), with interest, per annum, at the rate stated above from date until due as herein provided, all to be paid and payable 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, as follows:

In equal monthly installments of principal and interest in the amount of \$7,727.15, with the first such installment being due on June __, 2018 and continuing thereafter on the same day of each successive month until May __, 2021 when a final payment equal to the entire remaining principal balance together with all accrued and unpaid interest shall be due.

This Note is issued pursuant to and in full compliance with the Constitution and the laws of the State of Arkansas, including, without limitation, the provisions of Amendment No. 78 to the Arkansas Constitution, Arkansas Code Annotated Section 14-78-101, et seq. and pursuant to Ordinance No. 2018-___ of the County (the "Authorizing Ordinance"). This Note shall be construed in accordance with the laws of the State of Arkansas.

The total annual principal and interest payments upon the Note shall be charged against and paid from the general revenues of the County for each fiscal year, including road fund revenues. Reference is hereby made to the Authorizing Ordinance for additional terms, conditions and representations upon which the Note is issued, all of which are incorporated herein by this reference.

This Note is a fully registered note and is transferable by the Lender which is the registered owner, only upon surrender and cancellation of this Note, at which time, a new, fully registered Note of the same maturity, at the same rate, and for the same aggregate principal amount, will be issued to the transferee in exchange therefor.

Article 5. As provided in Amendment No. 78, the debt service payments on the Note in each fiscal year shall be charged against and paid from the general revenues of the County for such fiscal year. For the purpose of making the debt service payments, there is hereby, and shall be appropriated to pay the Note, an amount of general revenues of the County sufficient for such purposes. The County covenants that for each fiscal year in which the Note is outstanding, the general revenues of the County shall exceed the amount of debt service payments due on the Note in that fiscal year.

Article 6. The County shall not have outstanding at any one time indebtedness under Amendment No. 78, including the Note, in an aggregate principal amount exceeding \$5,000,000 unless such indebtedness in excess of \$5,000,000 is expressly made subordinate in payment to the Note with respect to payments from the general revenues of the County, including road fund revenues. Nothing herein shall prohibit the County from incurring additional indebtedness under Amendment No. 78 that is secured by the property financed in whole or in part with proceeds of the indebtedness.

Article 7. The County agrees to have its financial statements audited by an independent certified public accounting firm or by the Joint Legislative Auditing Committee, Division of Legislative Audit of the State of Arkansas. While the Note is outstanding, a copy of the audit report shall be furnished to the Lender on request.

Article 8. The County agrees to prepare and adopt a budget for each fiscal year in accordance with Arkansas law and to furnish the Lender with a copy of the same by January 31 of each year while the Note is outstanding. Each budget shall make provision for the payment of debt service due on the Note in that fiscal year.

Article 9. The Note may be redeemed or pre-paid prior to maturity.

Article 10. If there be any default in the payment of the principal of or interest on the Note, or in the performance of any of the other covenants contained in this Ordinance, Lender may, by proper suit, compel the performance of the duties of the officials of the County under the laws of Arkansas.

No remedy conferred upon or reserved to Lender is intended to be exclusive of any other remedy or remedies, and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Ordinance or by law.

Lender may waive any default which shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted under the provisions of this Ordinance or before the completion of the enforcement of any other remedy, but no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies of Lender with respect thereto.

No delay or omission of Lender to exercise any right or power accrued upon any default shall impair any such right of power of shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Ordinance to Lender may be exercised from time to time and as often as may be deemed expedient.

In any proceeding to enforce the provisions of this Ordinance Lender shall be entitled to recover from the County all costs of such proceeding, including reasonable attorneys fees.

Article 11. The terms of this Ordinance shall constitute a contract between the County and the Lender and no variation or change in the undertaking herein set forth shall be made while the Note is outstanding, except as may be agreed in writing as between the County and Lender.

Article 12. (a) The County covenants that it shall not take any action or suffer or permit any action to be taken or conditions to exist which causes or may cause the interest payable on the Note to be included in gross income for federal income tax purposes. Without limiting the generality of the foregoing, the County covenants that the proceeds of the Note will not be used directly or indirectly in such manner as to cause the Note to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code.

(b) The County represents that it has not used or permitted the use of, and covenants that it will not use or permit the use of the Vehicles or the proceeds of the Note, in such manner as to cause the Note to be "private activity bonds" within the meaning of Section 141 of the Code.

(c) The Note is hereby designated as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Code. The County 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 2018 are not expected to exceed \$10,000,000.

The County further represents pursuant to Section 148(f)(4)(D) of the Code that (i) the aggregate principal amount of its tax-exempt obligation (not including "private activity bonds" within the meaning of Section 141 of the Code), including those of its subordinate entities, to be issued in calendar year 2018 is not reasonably expected to exceed \$5,000,000, and (ii) at least 95% of the proceeds of the Note will be expended for the governmental activities of the County.

(d) The County covenants that it will take no action which would cause the Note to be "federally guaranteed" within the meaning of Section 149(b) of the Code. Nothing in this Article shall prohibit investments in bonds issued by the United States Treasury.

(e) The County covenants that it will submit to the Secretary 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 Note is issued, a statement as required by Section 149(e) of the Code.

(f) The County covenants that it will not reimburse itself from proceeds of the Note for costs paid prior to the date the Note is issued except in compliance with United State Treasury Regulation No. 1.150-2 (the "Regulation"). This Ordinance shall constitute an "official intent" for purposes of the Regulation.

Article 13. The County Judge and the Quorum Court are authorized to execute and deliver the County's Closing Certificate in substantially the form which is before the meeting at which this Ordinance is adopted, which Certificate, when so executed and delivered, shall be the binding obligation of the County.

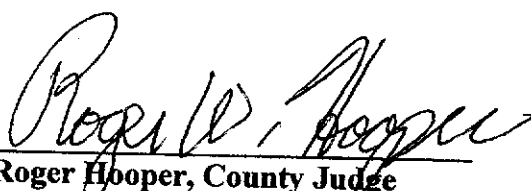
Article 14. The provisions of this Ordinance are hereby declared to be separable and if any provision shall for any reason be held illegal or invalid, such holding shall not affect the validity of the remainder of this Ordinance.

Article 15. All Ordinances and Resolutions or parts thereof, in conflict herewith are hereby repealed to the extent of such conflict.

Approved this 15th day of March, 2018

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APPROVED:


Roger Hooper, County Judge

ATTEST:


Pam Bradford, County Clerk

I certify that this instrument was
filed on 03/16/2018 10:44 AM
and recorded in
ORDINANCE Book 2018
PAM BRADFORD
County Clerk
VAN BUREN County, AR

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