ORDINANCE NO. ______________

AN ORDINANCE TO AUTHORIZE THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS UNDER THE MUNICIPALITIES AND COUNTIES INDUSTRIAL DEVELOPMENT REVENUE BOND LAW FOR THE PURPOSE OF REFINDBONDING BONDS PREVIOUSLY ISSUED THEREUNDER (THE PARTICULAR INDUSTRIAL PROJECT IS DESCRIBED IN THE ORDINANCE); TO AUTHORIZE THE SALE OF THE BONDS AND THE APPROVAL OF A BOND PURCHASE AGREEMENT IN CONNECTION THEREWITH; TO AUTHORIZE THE EXECUTION AND DELIVERY OF A FIFTH SUPPLEMENTAL TRUST INDENTURE SECURING THE BONDS; TO AUTHORIZE THE EXECUTION AND DELIVERY OF AN EIGHTH AMENDMENT TO LEASE AGREEMENT RELATING TO THE PROJECT; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

WHEREAS, the City of Little Rock, Arkansas, is authorized by the Municipalities and Counties Industrial Development Revenue Bond Law, as amended, Ark. Code Ann. §§ 14-164-201 to -224 (the “Act”), to acquire lands, construct and equip industrial buildings, improvements, and facilities, and incur other costs and expenses and make other expenditures incidental to and for the implementing and accomplishing of the conduct of industrial operations; and,

WHEREAS, the City is authorized by the Act to issue Industrial Development Revenue Bonds payable from revenues derived from the industrial project so acquire, constructed, and equipped, and to refund bonds previously issued for such purposes; and,

WHEREAS, the City has previously issued its Eight Million, Three Hundred Sixty-Nine Thousand One Hundred Sixty-Seven Dollar ($8,369,167) Taxable Industrial Development Revenue Bonds (Welspun Tubular LLC Project), Series 2015, dated as of May 1, 2016 (the “Series 2015 Bonds”); and, its Twenty-Five Million, Five Hundred Thousand Dollar ($22,500,000) Taxable Industrial Development Refunding Revenue Bonds (Welspun Tubular LLC Project), Series 2012-D (Spiral) (the Series 2012-D Bonds”), under the provisions of the Act and pursuant to a Trust Indenture, dated as of August 1, 2007, as supplemented (the “Original Indenture”), between the City and Regions Bank, as Trustee (the “Trustee”), for the purpose of financing a substantial industrial project consisting of the acquisition of approximately 800 acres of land, construction of buildings, and acquisition of equipment, all located at 9301 Frazier Pike, Little Rock,
Arkansas, 72206 (the “Project”), which is leased to Welspun Tubular, LLC (the “Company”), pursuant to a Lease Agreement, dated as of August 1, 2007, as amended (the “Original Lease”), and utilized in the Company’s business of manufacturing steel pipes; and,

WHEREAS, the Company has requested the City to refund the outstanding Series 2012-D Bonds; and,

WHEREAS, to provide for the refunding of the Series 2012-D Bonds the City will issue a series of its taxable Industrial Development Revenue Bonds under the provisions of the Act designated “City of Little Rock, Arkansas Taxable Industrial Development Refunding Revenue Bonds (Welspun Tubular LLC Project), Series 2017 HSAW,” in the principal amount not to exceed Eleven Million, Two Hundred Fifty Thousand Dollars ($11,250,000) (the “Series 2017 HSAW Bonds”; the Series 2017 HSAW Bonds and the Series 2015 Bonds are referred to collectively as the “Bonds”); and,

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY OF LITTLE ROCK, ARKANSAS:

Section 1: That there be, and there is hereby authorized and directed the following:

(a) The issuance of the Series 2017 HSAW Bonds in the principal amount not to exceed Eleven Million, Two Hundred Fifty Thousand Dollars ($11,250,000) and the sale of the Series 2017 HSAW Bonds to Welspun Pipes, Inc., for a price of part upon the terms and conditions set forth in the Bond Purchase Agreement; and,

(b) The execution and delivery of the Bond Purchase Agreement by the Mayor on behalf of the City generally in that form submitted to this meeting, it being understood that subsequent changes thereto shall be approved by the Mayor or such other person or persons executing such documents, their execution to constitute conclusive evidence of such approval without further consent or approval by the City. An executed copy of the Bond Purchase Agreement shall be filed in the Office of the City Clerk.

(c) The performance of all obligations of the City under the Lease Agreement.

(d) The current refunding of the Series 2012-D Bonds.

(e) The granting in favor of the Trustee of liens encumbering the Project and the granting of security interests in and the equipment and personal property located within the Project.

(f) The collateral assignment of the Lease Agreement and all amendments thereto to the Trustee as security for the payment of the Bonds.

Section 2. The Series 2017 HSAW Bonds shall be dated the date of their initial authentication and delivery, shall bear interest from such date at a floating rate of interest equal to three (3)-month LIBOR plus 3.25%, payable (subject to prior redemption) in monthly, quarterly or semiannually with such reset modes as defined in the Indenture. Principal on the Series 2017 HSAW Bonds shall be payable in four equal semi-annual sinking fund redemption payments equal to one-fourth of the original principal amount of the Series 2017 HSAW Bonds commencing the thirty-sixth (36th) calendar month following the date of issuance of the Series 2017 HSAW Bonds, with the final payment at maturity to be due no later than five (5) years
following the date of the Series 2017 HSAW Bonds, as described in the Indenture. The Series 2017 HSAW Bonds shall be issued on a parity of security, repayment and interest with the Series 2015 Bonds.

Section 3. To provide the terms and conditions upon which the Series 2017 HSAW Bonds are to be secured, executed, authenticated, issued, accepted, and held, the Mayor is hereby authorized and directed to execute and acknowledge the Fifth Supplemental Trust Indenture, and the City Clerk is hereby authorized and directed to execute and acknowledge the Fifth Supplemental 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 Fifth Supplemental Indenture to be accepted, executed, and acknowledged by the Trustee without further consent or approval by the City. The Fifth Supplemental Trust Indenture is hereby approved in generally the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Trustee, the Company, and the Purchaser in order to complete the Fifth Supplemental Trust Indenture generally in that form submitted to this meeting, it being understood that subsequent changes thereto shall be approved by the Mayor or such other person or persons executing such documents, their execution to constitute evidence of such approval without further consent or approval by the City.

(Notice is given that, pursuant to the Act, a copy of the Fifth Supplemental Trust Indenture, in generally the form authorized to be executed, is on file with the City Clerk of the City of Little Rock and are available for inspection by any interested person.)

Section 4. There be, and there is hereby, authorized and directed the execution and delivery of the Eighth Amendment to Lease Agreement along with all documents evidencing those liens and security interests identified herein, and the Mayor and City Clerk are hereby authorized to execute, acknowledge, and deliver the Eighth Amendment to Lease Agreement and related security documents for and on behalf of the City. The Eighth Amendment to Lease Agreement is hereby approved in generally the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Company, the Trustee, and the Purchaser in order to complete the Eighth Amendment to Lease Agreement generally in that form submitted to this meeting, it being understood that subsequent changes thereto shall be approved by the Mayor or such other person or persons executing such documents, their execution to constitute conclusive evidence of such approval without further consent or approval by the City.

(Notice is given that, pursuant to the Act, a copy of the Eighth Amendment to Lease Agreement, in generally the form authorized to be executed, is on file with the City Clerk of the City of Little Rock 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 Eighth Amendment to Lease Agreement and the performance of the City’s obligations under the Lease Agreement; the execution and delivery of the Fifth Supplemental Trust Indenture, its execution and acceptance by the Trustee, and the performance of all obligations of the City under and pursuant to the Indenture and all liens and security

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agreements related to the foregoing; the execution and delivery of the Series 2017 HSAW Bonds and the
Bond Purchase Agreement; and the performance of all other acts of whatever nature necessary to effect and
carry out the authority conferred by this ordinance, including, but not limited to, any amendment or
restatement to that certain Intercreditor Agreement dated as of May 20, 2016, as may be needed as a result
of the issuance of the Series 2017 HSAW Bonds. The Mayor and the City Clerk are 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. All actions heretofore taken by the City, the Company, and the Purchaser in connection with
the offer and sale of the Series 2017 HSAW Bonds are hereby in all respects ratified and approved.

Section 7. Severability. In the event any title, section, paragraph, item, sentence, clause, phrase, or
word of this ordinance is declared or adjudged to be invalid or unconstitutional, such declaration or
adjudication shall not affect the remaining portions of this ordinance, which shall remain in full force and
effect as if the portion so declared or adjudged invalid or unconstitutional were not originally a part of this
ordinance.

Section 8. Repealer. All ordinances or resolutions of the City in conflict herewith are hereby repealed
to the extent of such conflict.

Section 9. Emergency Clause. The need for an immediate need for the debt service restructuring to
be achieved through the issuance of the Series 2017 HSAW Bonds in order to achieve debt service savings
and preserve employment, alleviate unemployment, is essential to the public health, safety, and welfare
because of the benefit to the public; therefore, an emergency is declared to exist and the issuance of the
Series 2017 HSAW Bonds authorized hereby and the taking of the other action authorized herein may occur
immediately upon the passage of this ordinance.

PASSED: January 17, 2017

ATTEST:                  APPROVED:

___________________________________    ___________________________________
Susan Langley, City Clerk        Mark Stodola, Mayor

APPROVED AS TO LEGAL FORM:

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Thomas M. Carpenter, City Attorney

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