

EMERGENCY ORDINANCE NO. 2000-20

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

AN ORDINANCE AUTHORIZING THE ISSUANCE OF SALES AND USE TAX BONDS FOR THE PURPOSE OF FINANCING AND REFINANCING A PORTION OF THE COST OF CAPITAL IMPROVEMENTS; PLEDGING A 1% SALES AND USE TAX 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 Van Buren County, Arkansas (the "County") the question 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 \$685,000 for the purpose of refunding the County's outstanding Hospital Revenue Bonds, Series 1998 (the "Refunding") and capital improvement bonds in the maximum principal amount of \$13,315,000 for the purpose of financing the acquisition, construction and equipping of properties and facilities for a new county medical center to be leased to an Arkansas nonprofit corporation, including both acute care and long-term care (nursing home) facilities, with such lands, fixtures and equipment as may be incidental thereto (the "Improvements"); and

WHEREAS, at the special election held October 24, 2000, a majority of the electors voting on the questions approved the issuance of such bonds; and

WHEREAS, the Quorum Court has determined to proceed with the Refunding and to issue \$685,000 in aggregate principal amount of capital improvement bonds allocated to the Refunding; and

WHEREAS, the Quorum Court has determined to proceed with the Improvements and to issue \$13,095,000 in aggregate principal amount of capital improvement bonds allocated to the Improvements; and

WHEREAS, the Quorum Court is prepared to proceed with the issuance of capital improvement bonds in the aggregate principal amount of \$13,780,000 designated as "Van Buren County, Arkansas Sales and Use Tax Refunding and Construction Bonds, Series 2000" (the "bonds"), in order to provide all or a portion of the costs of the Refunding and the Improvements, to fund a debt service reserve and to pay issuance costs; and

WHEREAS, the County has made arrangements for the sale of the bonds to Stephens Inc. (the "Purchaser"), at a price of \$13,528,242.60 (principal amount less \$213,590 of underwriter's

discount and less \$38,167.40 of original issue discount) plus accrued interest (the "Purchase Price"), pursuant to a Bond Purchase Agreement between the Purchaser and the County (the "Agreement"), which has been presented to and is before this meeting; and

WHEREAS, the Preliminary Official Statement, dated November 8, 2000, offering the bonds for sale (the "Preliminary Official Statement"), has been presented to and is before this meeting; and

WHEREAS, the Continuing Disclosure Agreement between the County and Simmons First Trust Company, N.A., Pine Bluff, Arkansas (the "Disclosure Agreement"), providing for the ongoing disclosure obligations of the County with respect to the bonds, has been presented to and is before this meeting;

NOW, THEREFORE, BE IT ORDAINED by the Quorum Court of Van Buren County, Arkansas:

Article 1. The offer of the Purchaser for the purchase of the bonds from the County at the Purchase Price, for 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 bonds are hereby sold to the Purchaser. The County Judge is hereby authorized and directed to execute and deliver the Agreement on behalf of the County and to take all action required on the part of the County to fulfill its obligations under the Agreement.

Article 2. The Preliminary Official Statement is hereby approved and the previous use of the Preliminary Official Statement by the Purchaser in connection with the sale of the bonds is hereby in all respects approved and confirmed, and the County Judge be, and he is hereby, authorized and directed, for and on behalf of the County, to execute the Preliminary Official Statement and the final Official Statement in the name of the County for use in connection with the sale of the bonds as set forth in the Agreement.

Article 3. The Disclosure Agreement, in substantially the form submitted to this meeting, is approved, and the County Judge is hereby authorized and directed to execute and deliver the Disclosure Agreement, in substantially the form presented, for and on behalf of the County. The County Judge is authorized and directed to take all action required on the part of the County to fulfill the County's obligations under the Disclosure Agreement. Any legal fees and other administrative costs incurred by the County in connection with making the annual report pursuant to the Disclosure Agreement (except audit fees) shall be considered administrative costs that may be payable from moneys in the Bond Fund hereinafter identified.

Article 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, the bonds are hereby authorized and ordered issued in the total principal amount of \$13,780,000, the proceeds of the sale of which are necessary to provide all or a portion of the funds for accomplishing the Refunding and the Improvements, paying expenses incidental thereto, funding a debt service reserve and paying expenses of issuing the bonds.

The bonds shall bear interest at the rates and shall mature (or be subject to mandatory sinking fund redemption) on the dates and in the amounts as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest Rate (%)</u>	<u>Date</u>	<u>Principal</u>	<u>Interest Rate (%)</u>
June 1, 2002	\$ 75,000	4.50	June 1, 2019*	\$175,000	5.60
December 1, 2002	80,000	4.50	December 1, 2019*	180,000	5.60
June 1, 2003	80,000	4.55	June 1, 2020*	185,000	5.60
December 1, 2003	80,000	4.55	December 1, 2020*	190,000	5.60
June 1, 2004	85,000	4.60	June 1, 2021*	195,000	5.60
December 1, 2004	85,000	4.60	December 1, 2021*	205,000	5.60
June 1, 2005	90,000	4.65	June 1, 2022*	210,000	5.60
December 1, 2005	90,000	4.65	December 1, 2022*	215,000	5.60
June 1, 2006	90,000	4.70	June 1, 2023*	220,000	5.60
December 1, 2006	95,000	4.70	December 1, 2023*	225,000	5.60
June 1, 2007	95,000	4.75	June 1, 2024*	235,000	5.60
December 1, 2007	100,000	4.75	December 1, 2024*	240,000	5.60
June 1, 2008	100,000	4.80	June 1, 2025*	245,000	5.60
December 1, 2008	105,000	4.80	December 1, 2025*	255,000	5.60
June 1, 2009	105,000	4.85	June 1, 2026*	260,000	5.65
December 1, 2009	110,000	4.85	December 1, 2026*	265,000	5.65
June 1, 2010	110,000	4.90	June 1, 2027*	275,000	5.65
December 1, 2010	115,000	4.90	December 1, 2027*	280,000	5.65
June 1, 2011	115,000	5.00	June 1, 2028*	290,000	5.65
December 1, 2011	120,000	5.00	December 1, 2028*	300,000	5.65
June 1, 2012	120,000	5.10	June 1, 2029*	305,000	5.65
December 1, 2012	125,000	5.10	December 1, 2029*	315,000	5.65
June 1, 2013	130,000	5.15	June 1, 2030*	325,000	5.65
December 1, 2013	130,000	5.15	December 1, 2030*	335,000	5.65
June 1, 2014	135,000	5.25	June 1, 2031*	345,000	5.65
December 1, 2014	140,000	5.25	December 1, 2031*	355,000	5.65
June 1, 2015	140,000	5.30	June 1, 2032	365,000	5.40
December 1, 2015	145,000	5.30	December 1, 2032	375,000	5.40
June 1, 2016	150,000	5.375	June 1, 2033	385,000	5.30
December 1, 2016	155,000	5.375	December 1, 2033	395,000	5.30
June 1, 2017	160,000	5.45	June 1, 2034	405,000	5.20
December 1, 2017	165,000	5.45	December 1, 2034	415,000	5.20
June 1, 2018*	165,000	5.60	June 1, 2035	425,000	5.10
December 1, 2018*	170,000	5.60	December 1, 2035	435,000	5.10

*Mandatory sinking fund redemption dates.

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

The bonds shall be registered initially in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), which shall be considered to be the registered owner of the bonds for all purposes under this Ordinance, including, without limitation, payment by the County of principal of, redemption price, premium, if any, and interest on the bonds, and receipt of notices and exercise of rights of registered owners. There shall be one certificated, typewritten bond for each stated maturity date which shall be immobilized in the custody of DTC with the beneficial owners having no right to receive the bonds in the form of physical securities or certificates. DTC and its participants shall be responsible for maintenance of records of the ownership of beneficial interests in the bonds by book-entry on the system maintained and operated by DTC and its participants, and transfers of ownership of beneficial interests shall be made only by DTC and its participants, by book-entry, the County having no responsibility therefor. DTC is expected to maintain records of the positions of participants in the bonds, and the participants and persons acting through participants are expected to maintain records of the purchasers of beneficial interests in the bonds. The bonds as such shall not be transferable or exchangeable, except for transfer to another securities depository or to another nominee of a securities depository, without further action by the County.

If any securities depository determines not to continue to act as a securities depository for the bonds for use in a book-entry system, the County may establish a securities depository/book-entry system relationship with another securities depository. If the County does not or is unable to do so, or upon request of the beneficial owners of all outstanding bonds, the County and the Trustee, after the Trustee has made provision for notification of the beneficial owners by the then securities depository, shall permit withdrawal of the bonds from the securities depository, and authenticate and deliver bond certificates in fully registered form (in denominations of \$5,000 or integral multiples thereof) to the assigns of the securities depository or its nominee, all at the cost and expense (including costs of printing definitive bonds) of the County, if the County fails to maintain a securities depository/book-entry system, or of the beneficial owners, if they request termination of the system.

Prior to issuance of the bonds, the County shall have executed and delivered to DTC a written agreement (the "Representation Letter") setting forth (or incorporating therein by reference) certain undertakings and responsibilities of the County with respect to the bonds so long as the bonds or a portion thereof

are registered in the name of Cede & Co. (or a substitute nominee) and held by DTC. Notwithstanding such execution and delivery of the Representation Letter, the terms thereof shall not in any way limit the provisions of this Article or in any other way impose upon the County any obligation whatsoever with respect to persons having interests in the bonds other than the registered owners, as shown on the registration books kept by the Trustee. The Trustee shall take all action necessary for all representations of the County in the Representation Letter with respect to the Trustee to at all times be complied with.

The authorized officers of the Trustee and the County shall do or perform such acts and execute all such certificates, documents and other instruments as they or any of them deem necessary or advisable to facilitate the efficient use of a securities depository for all or any portion of the bonds; provided that neither the Trustee nor the County may assume any obligations to such securities depository or beneficial owners of bonds that are inconsistent with their obligations to any registered owner under this Ordinance.

Each bond shall be dated December 1, 2000. Interest on the bonds shall be payable on December 1, 2001, 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 bond is registered on the registration books of the County maintained by Simmons First Trust Company, N.A., Pine Bluff, 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 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 bonds shall be payable at the corporate trust office of the Trustee.

Each 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 December 1, 2000, 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 bonds as shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in Article 6 hereof (the "Certificate") duly executed by the Trustee shall be entitled to any right or benefit under this Ordinance. No 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 of the Trustee upon any such bond shall be conclusive evidence that such bond has been authenticated and delivered under this Ordinance. The Certificate on any 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 bonds.

In case any bond shall become mutilated or be destroyed or lost, the County shall, if not then prohibited by law, cause to be executed and the Trustee may authenticate and deliver a new bond of like date, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated bond, or in lieu of and in substitution for such bond destroyed or lost, upon the owner paying the reasonable expenses and charges of the County and Trustee in connection therewith, and, in the case of a bond destroyed or lost, his filing with the Trustee evidence satisfactory to it that such bond was destroyed or lost, and of his ownership thereof, and furnishing the County and Trustee with indemnity satisfactory to them. The Trustee is hereby authorized to authenticate any such new bond. In the event any such bond shall have matured, instead of issuing a new bond, the County may pay the same without the surrender thereof. Upon the issuance of a new bond under this Article, the County 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 County shall cause books to be maintained for the registration and for the transfer of the bonds as provided herein and in the bonds. The Trustee shall act as the bond registrar. Each 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 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.

Bonds may be exchanged at the principal corporate trust office of the Trustee for an equal aggregate principal amount of bonds of any other authorized denomination or denominations. The County shall execute and the Trustee shall authenticate and deliver bonds which the registered owner making the exchange is entitled to receive. The execution by the County of any 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 bond.

No charge shall be made to any owner of any bond for the privilege of transfer or exchange, but any owner of any bond requesting any such transfer or exchange shall pay any tax or other governmental charge required to be paid with respect thereto. Except as otherwise provided in the immediately preceding sentence,

the cost of preparing each new bond upon each exchange or transfer and any other expenses of the County or the Trustee incurred in connection therewith shall be paid by the County. Neither the Trustee nor the County shall be required to transfer or exchange any bonds selected for redemption in whole or in part.

The person in whose name any bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or premium, if any, or interest on any bond shall be made only to or upon the order of the registered owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such bond to the extent of the sum or sums so paid. Notwithstanding the foregoing, the Trustee may, in its sole discretion, recognize one who is not a registered owner as a beneficial owner of a bond, upon being indemnified to its satisfaction.

In any case where the date of maturity of interest on or principal of the bonds or the date fixed for redemption of any bonds shall be a Saturday or Sunday or shall be in the State a legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal need not be made on such date but may be made on the next succeeding business day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after the date of maturity or date fixed for redemption.

Article 5. The bonds shall be executed on behalf of the County by the manual or facsimile signatures of the County Judge and County Clerk and shall have impressed or imprinted thereon the seal of the County.

Payment of the principal of and interest on the bonds, as due (by stated maturity or by scheduled mandatory redemption) is insured by Ambac Assurance Corporation (the "Insurer") pursuant to a Municipal Bond Insurance Policy (the "Insurance Policy"), as set forth in the Insurance Policy.

Article 6. The bonds and the Certificate 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:

(Form of Bond)

REGISTERED

REGISTERED

No. _____

UNITED STATES OF AMERICA
STATE OF ARKANSAS
VAN BUREN COUNTY
SALES AND USE TAX
REFUNDING AND CONSTRUCTION BOND
SERIES 2000

Interest Rate: _____ % Maturity Date: _____ 1, _____
Dated Date: December 1, 2000
Registered Owner: CEDE & CO.
Principal Amount: _____
CUSIP No.: _____

KNOW ALL MEN BY THESE PRESENTS:

That Van Buren County, Arkansas (the "County"), 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 Simmons First Trust Company, N.A., Pine Bluff, 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, 2001 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 County 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.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to issuer or its agent for registration of transfer, exchange, or payment and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

This bond is one of an issue of Van Buren County, Arkansas Sales and Use Tax Refunding and Construction Bonds, Series 2000, aggregating Thirteen Million Seven Hundred Eighty Thousand Dollars (\$13,780,000) in aggregate principal amount (the "bonds"), and is issued for the purpose of financing all or a portion of the costs of refunding the County's outstanding Hospital Revenue Bonds, Series 1998 and the acquisition, construction and equipping of properties and facilities for a new county medical center, with such lands, fixtures and equipment as may be incidental thereto, paying necessary expenses incidental thereto, 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. 2000-20 of the County duly adopted on November 16, 2000 (the "Authorizing Ordinance"), and an election duly held at which the majority of the legal voters of the County 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 and of the rights and obligations of the County, the Trustee and the registered owners of the bonds. The bonds are special obligations of the County, payable from the collections received by the County from the 1% sales and use tax (the "Tax") levied by the County under the Authorizing Legislation and Ordinance No. 2000-16 of the County, duly adopted on September 21, 2000, and the County hereby pledges its collections of the Tax (the "Pledged Revenues") for the payment of this bond.

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

(1) The bonds shall be redeemed by the County from Surplus Tax Collections (defined below) and 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 are subject to redemption at the option of the County, from funds from any other source, on and after December 1, 2010, 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. If fewer than all of the bonds shall be called for redemption, the particular maturities of the bonds to be redeemed shall be selected by the County in its discretion. If fewer than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portion thereof to be redeemed from such maturity shall be selected by lot by the Trustee.

(3) To the extent not previously redeemed, the bonds maturing on December 1, 2025 and December 1, 2031 are subject to mandatory sinking fund redemption by lot in such manner as the Trustee shall determine, on the dates and in the amounts set forth below, at a redemption price equal to the principal amount being redeemed plus accrued interest to the date of redemption:

Bonds Maturing December 1, 2025

<u>Redemption Dates</u>	<u>Amounts</u>	<u>Redemption Dates</u>	<u>Amounts</u>
June 1, 2018	\$165,000	June 1, 2022	\$210,000
December 1, 2018	170,000	December 1, 2022	215,000
June 1, 2019	175,000	June 1, 2023	220,000
December 1, 2019	180,000	December 1, 2023	225,000
June 1, 2020	185,000	June 1, 2024	235,000
December 1, 2020	190,000	December 1, 2024	240,000
June 1, 2021	195,000	June 1, 2025	245,000
December 1, 2021	205,000	December 1, 2025 (maturity)	255,000

Bonds Maturing December 1, 2031

<u>Redemption Dates</u>	<u>Amounts</u>	<u>Redemption Dates</u>	<u>Amounts</u>
June 1, 2026	\$260,000	June 1, 2029	\$305,000
December 1, 2026	265,000	December 1, 2029	315,000
June 1, 2027	275,000	June 1, 2030	325,000
December 1, 2027	280,000	December 1, 2030	335,000
June 1, 2028	290,000	June 1, 2031	345,000
December 1, 2028	300,000	December 1, 2031 (maturity)	355,000

The provisions for extraordinary and mandatory sinking fund redemption of the bonds are subject to the provisions of the

Authorizing Ordinance which permit the County to use moneys available for such redemption in the bond fund established for the bonds to purchase bonds having a maturity that would be subject to redemption on the next interest payment date at a price not in excess of par plus accrued interest, inclusive of brokerage fees. The County shall receive credit, at par, for bonds acquired by the County and surrendered to the Trustee not less than 40 days prior to the redemption date.

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.

The County has covenanted in the Authorizing Ordinance that Surplus Tax Collections, being Pledged Revenues in excess of the amount necessary to (1) insure the prompt payment of the principal of, interest on and Trustee's and administrative fees in connection with the bonds as the same become due, (2) maintain the debt service reserve in the required amount and (3) pay any arbitrage rebate due under Section 148(f) of the Internal Revenue Code of 1986, as amended, must be used from time to time on each interest payment date as and to the extent available to redeem outstanding bonds prior to maturity.

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 County 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 County 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 tax revenues sufficient to pay the bonds and interest thereon have been duly pledged in accordance with the Authorizing Legislation for the payment of the bonds and interest thereon.

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

IN WITNESS WHEREOF, Van Buren County, Arkansas has caused this bond to be executed by its County Judge and County Clerk and its corporate seal to be impressed or imprinted on this bond, all as of the Dated Date shown above.

VAN BUREN COUNTY, ARKANSAS

By Wale Lynch
County Judge

ATTEST:

Walter B. St. Louis
County Clerk

(SEAL)

STATEMENT OF INSURANCE

Municipal Bond Insurance Policy No. _____ (the "Policy") with respect to payments due for principal of and interest on this bond has been issued by Ambac Assurance Corporation ("Ambac Assurance"). The Policy has been delivered to the United States Trust Company of New York, New York, New York, as the Insurance Trustee under said Policy and will be held by such Insurance Trustee or any successor insurance trustee. The Policy is on file and available for inspection at the principal office of the Insurance Trustee and a copy thereof may be secured from Ambac Assurance or the Insurance Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this bond acknowledges and consents to the subrogation rights of Ambac Assurance as more fully set forth in the Policy.

(Form of Trustee's Certificate)

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

Date of Authentication: _____

SIMMONS FIRST TRUST COMPANY, N.A.
Pine Bluff, 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: _____

Transferor

GUARANTEED BY:

NOTICE: Signature(s) must be guaranteed by a member of or participant in the Securities Transfer Agents Medallion Program (STAMP), or in another signature guaranty program recognized by the Trustee.

Article 7. The County hereby expressly pledges and appropriates all of the revenues received by the County from the County's 1% sales and use tax levied by Ordinance No. 2000-16 passed September 21, 2000 (the "Tax"), to the payment of the principal of and interest on the bonds when due at maturity or at redemption prior to maturity and to the payment of the Trustee's and administrative fees and expenses and any arbitrage rebate due the United States Treasury under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). The County covenants that the Tax shall never be repealed or reduced while any of the bonds are outstanding. The County further covenants to use due diligence in collecting the Tax. Nothing herein shall prohibit the County from increasing the Tax from time to time, to the extent permitted by law, and no part of the revenues derived from any such increase shall become part of the revenues pledged hereunder.

Article 8. (a) The County hereby designates the Trustee as the bank which shall receive collections of the Tax from the State Treasurer (the "Pledged Revenues"), and the County covenants to file a written designation thereof with the State Treasurer prior to the issuance of the bonds. The Trustee shall deposit all Pledged Revenues as and when received into a special fund of the County in the Trustee which is hereby created and designated "Sales and Use Tax Bond Fund, Series 2000" (the "Bond Fund") for the purpose of providing funds for the payment of principal of and interest on the bonds as they become due at maturity or at redemption prior to maturity, and the Trustee's and administrative fees and expenses and any arbitrage rebate due the United States Treasury under Section 148 of the Code. Moneys in the Bond Fund shall be used on each interest payment date in the following order of priority as and when necessary:

- (1) to pay the interest on the bonds then due; and
- (2) to pay the principal of the bonds then due at maturity or upon mandatory sinking fund redemption; and
- (3) to make provision in the Bond Fund for payment of one-half of the principal next due on the bonds at maturity or upon mandatory sinking fund redemption if principal is not due on such interest payment date; and

(4) to pay into the Debt Service Reserve Account (hereinafter identified) any moneys necessary to increase the Debt Service Reserve Account to the required level; and

(5) to make any rebate payment due the United States under Section 148(f) of the Code; and

(6) to pay the Trustee's fees and expenses and other administrative charges then due; and

(7) to redeem bonds prior to maturity.

Moneys in the Bond Fund available for mandatory sinking fund redemption or extraordinary redemption of bonds may also be used by the Trustee, at the direction of the County, to purchase, not less than 40 days prior to an interest payment date, bonds having a maturity that are subject to redemption on the next redemption date at a price not in excess of par plus accrued interest, inclusive of brokerage fees. If the bonds have been acquired to meet the mandatory sinking fund requirements for the bonds, the County shall receive a credit for the bonds so acquired, in an amount equal to the principal amount thereof, for and of the next mandatory sinking fund redemption date of bonds of the same maturity. If the bonds have been acquired pursuant to clause (7) above, the County shall receive a credit under this Ordinance in an amount equal to the principal amount so acquired. All bonds so purchased shall be canceled by the Trustee and not reissued.

The Bond Fund (excluding those moneys in the Debt Service Reserve Account and the Special Redemption Account) shall, except as provided in this Article, be depleted once a year except for a carryover amount not to exceed the greater of (i) one year's earnings on the Bond Fund or (ii) 1/12 of the annual debt service on the bonds. Any moneys in the Bond Fund shall, except as provided in this Article, be spent for one of the above purposes within a thirteen-month period beginning on the date of deposit, and any amount received from investment of money held in the Bond Fund will be spent within a one-year period beginning on the date of receipt.

(b) There shall be established and maintained in the Bond Fund a Debt Service Reserve Account in an amount equal to the maximum annual principal and interest requirement on all outstanding bonds or 10% of the original proceeds of the bonds, whichever is lesser (the "required level"). Moneys in the Debt Service Reserve Account shall be used to make the payments described in clauses (1) and (2) of (a) above if moneys in the Bond Fund are not otherwise sufficient for that purpose. Moneys in the Debt Service Reserve Account over and above the required level shall be immediately transferred from the Debt Service Reserve Account into the Bond Fund. The Trustee shall compute on each interest payment date for the bonds the required level for the Debt Service Reserve Account.

(c) There shall be established and maintained in the Bond Fund a Special Redemption Account into which shall be deposited all funds in the Bond Fund available for the redemption of the bonds pursuant to clause (7) of subsection (a) above and transfers from the Debt Service Reserve Account. Moneys in the Special Redemption Account shall be used to redeem the bonds prior to maturity.

(d) When the moneys in the Bond Fund shall be and remain sufficient to pay (1) the principal of all the bonds then outstanding, (2) interest on the bonds until the next interest payment date, (3) the Trustee's and administrative fees and expenses and (4) any arbitrage rebate due the United States Treasury under Section 148(f) of the Code, there shall be no obligation to make any further payment into the Bond Fund and any Pledged Revenues remaining in the Bond Fund after the principal of, premium, if any and interest on the bonds have been paid may be used by the County for any lawful purpose.

(e) All moneys in the Bond Fund shall be used solely for the purpose of paying the principal of and interest on the bonds, Trustee's and administrative fees and expenses and any arbitrage rebate due the United States Treasury under Section 148(f) of the Code, as the same become due.

(f) The Trustee is authorized and directed to withdraw moneys from the Bond Fund from time to time as necessary for paying principal of and interest on the bonds when due at maturity or at redemption prior to maturity and for making other authorized Bond Fund expenditures.

(g) The bonds shall be specifically secured by a pledge of the Pledged Revenues, which pledge in favor of the bonds is hereby irrevocably made according to the terms of this Ordinance, and the County, and the officers and employees of the County, shall execute, perform and carry out the terms thereof in strict conformity with the provisions of this Ordinance.

Article 9. The bonds shall be deemed paid when there has been deposited with the Trustee in the Bond Fund an amount sufficient to pay the principal or redemption price of and interest on the bonds to the date of maturity or redemption. The bonds shall also be deemed paid if there shall be irrevocably deposited with the Trustee moneys sufficient to make such payment and/or Government Securities as defined in Article 16 hereof (but which include only direct obligations of (including obligations issued or held in book-entry form on the books of) the United States Treasury) maturing as to principal and interest in such amounts and at such times as will provide sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. All uninvested moneys shall be in

accounts insured by the Federal Deposit Insurance Corporation ("FDIC") or collateralized with Government Securities as defined in Article 16 hereof (but which include only direct obligations of (including obligations issued or held in book-entry form on the books of) the United States Treasury).

On the payment of any bonds within the meaning of this Ordinance, the Trustee shall hold in trust, for the benefit of the owners of such bonds, all such moneys and/or Government Securities as defined in Article 16 hereof.

When all the bonds shall have been paid within the meaning of this Ordinance and if the Trustee has been paid its fees and expenses or provision has been made therefor and if all arbitrage rebate payments due the United States under Section 148(f) of the Code have been paid, the Trustee shall take all appropriate action to cause (i) the pledge and lien of this Ordinance to be discharged and cancelled, (ii) all moneys held by it pursuant to the Authorizing Ordinance and which are not required for the payment of such bonds, to be paid over or delivered to or at the direction of the County.

Article 10. The County covenants that it will not issue any additional bonds, or incur any obligation, secured by a lien on or pledge of the Pledged Revenues.

Article 11. The 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 Article 6 of this Ordinance. The County hereby covenants to use bond proceeds not necessary for the purposes intended to redeem bonds on the first available interest payment date. The County further covenants to use Surplus Tax Collections (as defined in the bond form) to redeem the bonds on the first available interest payment date. The Trustee is hereby authorized and directed to pay the redemption price from moneys in the Special Redemption Account in the Bond Fund.

Article 12. It is hereby covenanted and agreed by the County with the owners of the bonds that the County will faithfully and punctually perform all duties with reference to the Tax and the bonds required by the Constitution and laws of the State and by this Ordinance, including the collection of the Tax, as herein specified and covenanted, and the applying of the Pledged Revenues as herein provided.

Article 13. The Trustee will keep or cause to be kept proper books of accounts and records in which complete and correct entries shall be made of all transactions relating to the collections of the Tax while held by the Trustee and such books shall be available for inspection by the County, the Purchaser, the Insurer and the owner of any of the bonds at reasonable times and under reasonable circumstances. The Trustee shall furnish a report to the County on a monthly basis of all receipts and disbursements

of the Tax collections received by the Trustee, which monthly report shall commence one month following the first month in which the Tax collections are received by the Trustee.

Article 14. (a) Subject to the provisions of subparagraph (g) below and of Article 25 hereof, if there be any default in the payment of the principal of and interest on any of the bonds, or if the County defaults in the performance of any covenant contained in this Ordinance, the Trustee may, and shall, upon the written request of (1) the Insurer or (2) with the consent of the Insurer, the owners of not less than 10% in principal amount of the bonds then outstanding, by proper suit compel the performance of the duties of the officials of the County under the Constitution and laws of the State and under this Ordinance, and to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

(b) No owner of any bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or in law for the protection or enforcement of any right under this Ordinance or under the Constitution and laws of the State unless (1) such owner or the Trustee shall have given written notice of such default to the Insurer and (2) such owner previously shall have given to the Trustee written notice of the default on account of which such suit, action or proceeding is to be taken, and unless the owners of not less than 10% in principal amount of the bonds then outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted by the Constitution and laws of the State, or to institute such action, suit or proceeding in its name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the cost, expense and liabilities to be incurred therein or thereby and the Trustee shall have refused or neglected to comply with such request within a reasonable time, and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trust of this Ordinance or to any other remedy hereunder. It is understood and intended that no one or more owners of the bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Ordinance, or to enforce any right hereunder except in the manner herein provided, that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all owners of the outstanding bonds, and that any individual rights of action or other right given to one or more of such owners by law are restricted by this Ordinance to the rights and remedies herein provided.

(c) All rights of action under this Ordinance or under any of the bonds, enforceable by the Trustee, may be enforced by it

without the possession of any of the bonds, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name and for the benefit of all the owners of the bonds, subject to the provisions of this Ordinance.

(d) No remedy herein conferred upon or reserved to the Trustee, the Insurer or to the owners of the bonds is intended to be exclusive of any other remedy or remedies herein provided, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or given by any law or by the Constitution of the State.

(e) No delay or omission of the Trustee or of any owners of the bonds to exercise any right or power accrued upon any default shall impair any such right or power or 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 the Trustee and to the owners of the bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

(f) Subject to the provisions of subparagraph (g) below and of Article 25 hereof, the Trustee may, and upon the written request of the owners of not less than a majority of the owners in principal amount of the bonds then outstanding shall, 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 consequent thereon.

(g) Notwithstanding anything set forth elsewhere in this Article, provided that the Insurer is not in default under the Insurance Policy, the Insurer is hereby subrogated to, and may enjoy and exercise, all rights and remedies of the owners of the bonds and may direct the Trustee in the exercise of any remedies set forth in this Article. No remedy set forth in this Article may be exercised by the Trustee or by any owner of any of the bonds without the prior written approval of the Insurer.

Article 15. When the bonds have been executed and sealed as herein provided, they shall be delivered to the Trustee, which shall authenticate them and deliver them to the Purchaser upon payment of the Purchase Price. The accrued interest shall be deposited in the Bond Fund. The sum of \$897,945 from the Purchase Price shall be deposited into the Debt Service Reserve Account in the Bond Fund. The expenses of issuing the bonds as set forth in the delivery instructions to the Trustee signed by the County Judge and County Clerk (the "Delivery Instructions") shall be paid from the Purchase Price: Moneys necessary to accomplish the Refunding as set forth in the Delivery Instructions shall be paid or deposited for that purpose.

The balance of the Purchase Price shall be deposited in a special account of the County in the Trustee which is hereby created and designated the "Medical Center Construction Fund" (the "Construction Fund"). The moneys in the Construction Fund shall be used for accomplishing the Improvements, paying expenses incidental thereto and paying the expenses of issuing the bonds. Moneys in the Construction Fund are hereby pledged and shall be used to pay the principal of and interest on the bonds when due, the Trustee's and administrative fees and expenses and any arbitrage rebate due the United States Treasury under Section 148 of the Code if moneys in the Bond Fund are not sufficient for that purpose. Disbursements shall be made from the Construction Fund on the basis of requisitions which shall specify: the name of the person, firm or corporation to whom payment is to be made; the amount of the payment; and the purpose of the payment. Each requisition must be signed by the County Treasurer and the County Judge and shall be accompanied by a certificate signed by the architect for the Improvements (the "Architect") and certifying his approval thereof in the case of construction costs. The Trustee shall be required to keep records as to all payments made on the basis of requisitions.

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, this fact shall, in moneys remaining in the Construction Fund, be evidenced by a certificate signed by the County Judge and by the Architect, which certificate shall state, among other things, the date of the completion and that all obligations payable from the Construction Fund have been discharged. A copy of the certificate shall be filed with the Trustee and the depository bank, and upon receipt thereof the depository bank shall transfer any remaining balance to the Trustee for deposit into the Special Redemption Account in the Bond Fund.

Article 16. (a) Moneys held for the credit of the Construction Fund may be invested and reinvested at the direction of the County in Permitted Investments (as hereinafter defined) which shall mature, or which shall be subject to redemption by the holder thereof, at the option of such holder, not later than the date or dates when such money will be required for the purposes intended.

(b) Moneys held for the credit of the Debt Service Reserve Account shall be invested and reinvested at the direction of the County in Permitted Investments (excluding Municipal Bonds (as hereinafter defined) and provided the Collateral Securities (as hereinafter defined)), which shall mature, or which shall be subject to redemption by the holder thereof, at the option of such holder, not later than seven (7) years after the date of investment or the final maturity date of the outstanding bonds, whichever is earlier.

(c) Moneys held for the credit of the Bond Fund (other than the Debt Service Reserve Account) shall be invested and reinvested at the direction of the County in Permitted Investments (excluding Municipal Bonds and provided the Collateral Securities shall be limited to Government Securities), which will mature, or which will be subject to redemption by the holder thereof at the option of the holder, not later than the date or dates on which the money shall be required for the payment of the principal of and interest on the bonds when due.

(d) Obligations purchased as an investment of any fund or account shall be deemed at all times a part of such fund. Any profit or loss realized on investments of moneys in any fund shall be charged to said fund.

(e) "Permitted Investments" are defined to mean

(i) direct obligations of the United States of America (including any such securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America ("Government Securities") or (ii) in time deposits or certificates of deposit of banks, including the Trustee, which are insured by the FDIC, or, if in excess of insurance coverage, collateralized by Collateral Securities held by a third party and in which Collateral Securities the County has a perfected security interest, or (iii) savings accounts, deposit accounts or money market deposits in banks, including the Trustee, which are fully insured by the FDIC, or (iv) municipal obligations rated "Aaa/AAA" or general obligations of the State of Arkansas with a rating of at least "A2/A" or higher by both Moody's Investors Service and Standard and Poor's Ratings Services that are eligible investments for public funds under State law ("Municipal Bonds"), or (v) money market funds comprised exclusively of Government Securities and having a rating by Standard & Poor's Ratings Services of "AAAm-G" or "AAAm."

(f) "Collateral Securities" include Government Securities, obligations of Export-Import Bank, Farm Credit System Financial Assistance Corporation, Rural Economic Community Development Administration, General Services Administration, U. S. Maritime Administration, Small Business Administration, Government National Mortgage Association, U. S. Department of Housing & Urban Development, Federal Housing Administration, Federal Financing Bank, senior debt obligations rated "Aaa" by Moody's Investors Service and "AAA" by Standard & Poor's Ratings Service issued by the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, obligations of the Resolution Funding

Corporation, and senior debt obligations of the Federal Home Loan Bank System.

(g) The value of Permitted Investments shall be determined as follows:

"Value," which shall be determined as of the end of each month, means that the value of any investments shall be calculated as follows:

(1) for securities:

(i) the closing bid price quoted by Interactive Data Systems, Inc.; or

(ii) a valuation performed by a nationally recognized and accepted pricing service acceptable to the Insurer whose valuation method consists of the composite average of various bid price quotes on the valuation date; or

(iii) the lower of two dealer bids on the valuation date. The dealers or their parent holding companies must be rated at least investment grade by Moody's and S&P and must be market makers in the securities being valued.

(2) As to certificates of deposit: the face amount thereof, plus accrued interest; and

(3) As to any investment not specified above: the value thereof established by prior agreement between the County, the Trustee and the Insurer.

Article 17. Simmons First Trust Company, N.A., Pine Bluff, Arkansas, is hereby appointed to act as Trustee and Paying Agent pursuant to this Ordinance. The Trustee shall be responsible for the exercise of good faith and reasonable prudence in the execution of its trusts. The recitals in this Ordinance and in the bonds are the recitals of the County and not of the Trustee. The Trustee shall not be required to take any action as Trustee unless it shall have been requested to do so in writing by (1) the Insurer or (2) the owners of not less than 10% in principal amount of bonds then outstanding and shall have been offered reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby. The Trustee may resign by giving 60 days' notice in writing to the County Clerk, the Insurer and to the owners of the bonds, and the majority in principal amount of the owners of the outstanding bonds, with the consent of the Insurer, at any time, with or without cause, may remove the Trustee. In addition, the Insurer shall have the right to remove the Trustee for any breach by the Trustee of the terms of this Ordinance. In the event of a vacancy in the office of Trustee, the Insurer or majority in principal amount of the owners of the outstanding bonds

may appoint a new Trustee, such appointment to be evidenced by a written instrument or instruments filed with the County Clerk and the Insurer. If the majority in principal amount of the owners of the outstanding bonds and the Insurer shall fail to fill a vacancy within 30 days after the same shall occur, then the County shall forthwith designate a new Trustee by a written instrument filed in the office of the County Clerk and the Insurer. The new Trustee shall be a bank or a trust company, duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$75,000,000 and acceptable to the Insurer. The Trustee and any successor Trustee shall file a written acceptance and agreement to execute the trusts imposed upon it by this Ordinance, but only upon the terms and conditions set forth in this Ordinance and subject to the provisions of this Ordinance, to all of which the respective owners of the bonds agree. Such written acceptance shall be filed with the County Clerk, and a copy thereof shall be placed in the bond transcript. Any successor Trustee shall have all the powers herein granted to the original Trustee. The Trustee's resignation shall take effect upon the acceptance of the trusts by the successor Trustee.

Article 18. In the event that, within 2-1/2 years after the maturity or redemption date of any bond, or interest claim appurtenant thereto, any amount deposited or left with the Trustee with respect to such bond or interest claim shall not have been claimed by the registered owner thereof entitled thereto, the Trustee shall, upon demand, pay over to the County the amount not so claimed; and the Trustee shall thereupon be relieved from all responsibility from such amount to the registered owner of such bond, or interest claim, and in the event of such payment to the County, the registered owner of such bond, or interest claim, shall have recourse only to the County for an amount equivalent to the amount paid over to the County with respect to such bond or interest claim, without interest.

Article 19. (a) The terms of this Ordinance shall constitute a contract between the County and the owners of the bonds and no variation or change in the undertaking herein set forth shall be made while any of the bonds are outstanding, except as hereinafter set forth in (b) and (c).

(b) The Trustee may consent to any variation or change in this Ordinance that the Trustee determines is not to the material prejudice of the owners of the bonds or in order to cure any ambiguity, defect or omission in this Ordinance or any amendment hereto with the consent of the Insurer but without the consent of the owners of the bonds.

(c) The Insurer and owners of not less than 75% in aggregate principal amount of the bonds then outstanding shall have the right, from time to time, anything contained in this Ordinance to the contrary notwithstanding, to consent to and approve the

adoption by the County of such ordinance supplemental hereto as shall be necessary or desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Ordinance or in any supplemental ordinance; provided, however, that nothing contained in this Article shall permit or be construed as permitting (1) an extension of the maturity of the principal of or the interest on any bond, or (2) a reduction in the principal amount of any bond or the rate of interest thereon, or (3) the creation of a pledge of the Pledged Revenues other than the pledge created by this Ordinance, or (4) a privilege or priority of any bond or bonds over any other bond or bonds, or (5) a reduction in the aggregate principal amount of the bonds required for consent to such supplemental ordinance.

Article 20. (a) The County covenants that it shall not take any action or suffer or permit any action to be taken or condition to exist which causes or may cause the interest payable on the bonds 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 sale of the bonds and the Pledged Revenues will not be used directly or indirectly in such manner as to cause the bonds 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 Improvements or the proceeds of the bonds in such manner as to cause the bonds to be "private activity bonds" within the meaning of Section 141 of the Code. In this regard, it is anticipated that the County will enter into a lease with a nonprofit corporation (the "Corporation") whereby the Corporation will provide hospital and related health care services. Prior to entering into such lease with the Corporation, or entering into any amendment thereto, the County shall provide to the Trustee an opinion of counsel of national recognition with respect to the exemption of interest on state and local obligations from federal income tax to the effect that such lease, or amendment, will not cause interest on the bonds to be subject to federal income tax.

(c) The County covenants that it will not reimburse itself from bond proceeds for any costs paid prior to the date the bonds are issued except in compliance with United States Treasury Regulation No. 1.150-2.

(d) The County shall pay any arbitrage rebate due the United States Treasury under Section 148 of the Code from moneys in the Bond Fund and/or the Construction Fund. The costs of calculating the arbitrage rebate due and the arbitrage rebate amount shall be considered to be administrative costs payable from moneys in the Bond Fund.

Article 21. The County covenants that it will take no action which would cause the bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code. The County further 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 bonds are issued, a statement concerning the bonds which contains the information required by Section 149(e) of the Code.

Article 22. Any provision of this Ordinance expressly recognizing or granting rights in or to the Insurer may not be amended in any manner which affects the rights of the Insurer hereunder without the prior written consent of the Insurer.

Article 23. The Insurer's consent shall be required for the initiation or approval of any action under this Ordinance which requires consent of the registered owners of the bonds.

Article 24. Any reorganization or liquidation plan with respect to the County must be acceptable to the Insurer. In the event of any reorganization or liquidation, the Insurer shall have the right to vote on behalf of all registered owners of the bonds absent a default by the Insurer under the Insurance Policy.

Article 25. Anything in this Ordinance to the contrary notwithstanding, upon the occurrence and continuance of an event of default hereunder, the Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the registered owners of the bonds or the Trustee for the benefit of the registered owners of the bonds under this Ordinance. The Insurer shall also be entitled to approve all waivers of events of default.

Article 26. While the Insurance Policy is in effect, the County or the Trustee (as appropriate) shall furnish to the Insurer (to the attention of the Surveillance Department, unless otherwise indicated):

(i) as soon as practicable after the filing thereof, a copy of any financial statement of the County and a copy of any audit and annual report of the County;

(ii) a copy of any notice to be given to the registered owners of the bonds, including, without limitation, notice of any redemption of or defeasance of the bonds, and any certificate rendered pursuant to this Ordinance relating to the security for the bonds; and

(iii) any notice or report required to be given under the Disclosure Agreement; and

(iv) such additional information it may reasonably request.

Article 27. The Trustee or County (as appropriate) shall notify the Insurer of any failure of the County to provide relevant notices, certificates, etc.

Article 28. The County will permit the Insurer to discuss the affairs, finances and accounts of the County or any information the Insurer may reasonably request regarding the security for the bonds with appropriate officers of the County. The Trustee or County (as appropriate) will permit the Insurer to have access to the Improvements and have access to and to make copies of all books and records relating to the bonds at any reasonable time.

Article 29. The Insurer shall have the right to direct an accounting at the County's expense, and the County's failure to comply with such direction within 30 days after receipt of written notice of the direction from the Insurer shall be deemed a default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered owner of the bonds.

Article 30. Notwithstanding any other provision of this Ordinance, the Trustee or County (as appropriate) shall immediately notify the Insurer if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any event of default hereunder.

Article 31. Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the bonds shall be paid by the Insurer pursuant to the Insurance Policy, the bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the County, and the assignment and pledge of the collections of the Tax and all covenants, agreements and other obligations of the County to the registered owners shall continue to exist and shall run to the benefit of the Insurer, and the Insurer shall be subrogated to the rights of such registered owners.

Article 32. As long as the Insurance Policy shall be in full force and effect, the County and the Trustee agree to comply with the following provisions:

(a) At least one day prior to all interest payment dates the Trustee will determine whether there will be sufficient funds in the Bond Fund to pay the principal of or interest on the bonds on such interest payment date. If the Trustee determines that there will be insufficient funds in such account, the Trustee shall so notify the Insurer. Such notice shall specify the amount of the anticipated deficiency, the bonds to which such deficiency is applicable and whether such bonds will be deficient as to principal or interest, or both. If the Trustee has not so notified the

Insurer at least one day prior to an interest payment date, the Insurer will make payments of principal or interest due on the bonds on or before the first day next following the date on which the Insurer shall have received notice of nonpayment from the Trustee.

(b) The Trustee shall, after giving notice to the Insurer as provided in (a) above, make available to the Insurer and, at the Insurer's direction, to the United States Trust Company of New York, as insurance trustee for the Insurer or any successor insurance trustee (the "Insurance Trustee"), the registration books of the County maintained by the Trustee.

(c) The Trustee shall provide the Insurer and the Insurance Trustee with a list of registered owners of bonds entitled to receive principal or interest payments from the Insurer under the terms of the Insurance Policy, and shall make arrangements with the Insurance Trustee (1) to mail checks or drafts to the registered owners of bonds entitled to receive full or partial interest payments from the Insurer, and (2) to pay principal upon bonds surrendered to the Insurance Trustee by the registered owners of bonds entitled to receive full or partial principal payments from the Insurer.

(d) The Trustee shall, at the time it provides notice to the Insurer pursuant to (a) above, notify registered owners of bonds entitled to receive the payment of principal or interest thereon from the Insurer (1) as to the fact of such entitlement, (2) that the Insurer will remit to them all or a part of the interest payments next coming due upon proof of bondholder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered owner's right to payment, (3) that should they be entitled to receive full payment of principal from the Insurer, they must surrender their bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such bonds to be registered in the name of the Insurer) for payment to the Insurance Trustee, and not the Trustee, and (4) that should they be entitled to receive partial payment of principal from the Insurer, they must surrender their bonds for payment thereon first to the Trustee who shall note on such bonds the portion of the principal paid by the Trustee and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(e) In the event that the Trustee has notice that any payment of principal of or interest on a bond which has become Due for Payment and which is made to a registered owner by or on behalf of the County has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in

accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee shall, at the time the Insurer is notified pursuant to (a) above, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from the Insurer to the extent of such recovery if sufficient funds are not otherwise available, and the Trustee shall furnish to the Insurer its records evidencing the payments of principal of and interest on the bonds which have been made by the Trustee and subsequently recovered from registered owners and the dates on which such payments were made.

(f) In addition to those rights granted the Insurer under this Ordinance, the Insurer shall, to the extent it makes payment of principal of or interest on the bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy, and to evidence such subrogation (1) in the case of subrogation as to claims for past due interest, the Trustee shall note the Insurer's rights as subrogee on the registration books of the County maintained by the Trustee upon receipt from the Insurer of proof of the payment of interest thereon to the registered owners of the bonds, and (2) in the case of subrogation as to claims for past due principal, the Trustee shall note the Insurer's rights as subrogee on the registration books of the County maintained by the Trustee upon surrender of the bonds by the registered owners thereof together with proof of the payment of principal thereof.

Article 33. Notwithstanding any other provision of this Ordinance, in determining whether the rights of the bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, the Trustee shall consider the effect on the registered owners of the bonds as if there were no Insurance Policy.

Article 34. To the extent that this Ordinance confers upon or gives or grants to the Insurer any right, remedy or claim under or by reason of this Ordinance, the Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right remedy or claim conferred, given or granted hereunder.

Article 35. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the County, the Trustee, the Insurer, and the registered owners of the bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the County shall be for the sole and exclusive benefit of the County, the Trustee, the Insurer and the registered owners of the bonds.

Article 36. The provisions of this Ordinance are separable and in the event that any Article or part hereof shall be held to be invalid, such invalidity shall not affect the remainder of this Ordinance.

Article 37. All ordinances and resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Article 38. It is hereby ascertained and declared that the Improvements are immediately needed to replace the County's existing hospital (with nursing home) so that adequate medical care will be available for residents of the County. The Refunding and Improvements cannot be accomplished without the issuance of the bonds. The bonds cannot be sold at the interest rates set forth herein unless this Ordinance is immediately effective. 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: November 16, 2000.

APPROVED:

ATTEST:


County Clerk



County Judge

(SEAL)

CERTIFICATE

The undersigned, County Clerk of Van Buren County, Arkansas, hereby certifies that the foregoing pages are a true and correct copy of Ordinance No. 2000-20, passed at a regular session of the Quorum Court of the County, held at the regular meeting place of the Court at 6:30 o'clock p.m. on the 16th day of November, 2000, and that the Ordinance is of record in Ordinance Record Book No. D at Page 150 seq, now in my possession.

GIVEN under my hand and seal this 16 day of November, 2000.


County Clerk

(SEAL)