

ORDINANCE NO. 2000-284

AN ORDINANCE AUTHORIZING THE CONSTRUCTION OF IMPROVEMENTS TO THE SEWER SYSTEM FOR THE CITY OF CLINTON, ARKANSAS; AUTHORIZING THE ISSUANCE AND SALE OF A REVENUE BOND FOR THE PURPOSE OF FINANCING THE COST OF THE IMPROVEMENTS; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BOND; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

BE IT ORDAINED by the City Council of the City of Clinton, Arkansas that:

Section 1. Certain terms used herein are defined in the bond form appearing in Section 5 of this instrument; other terms used herein shall have the following definitions:

"Authorized Officers" means James Beavers, Mayor, and Bobbye Bennett, Recorder/Treasurer, or their lawfully appointed or elected successors.

"Bond" means City of Clinton, Arkansas Water and Sewer Revenue Bond authorized by this Ordinance in the Principal Amount.

"Code" The Internal Revenue Code of 1986, as amended.

"Construction Fund" means a special fund which has been designated City of Clinton 2000 Water and Sewer Construction Fund.

"Depreciation Fund" means a special fund which has been designated City of Clinton Series 2000 Water and Sewer Depreciation Fund.

"Loan Agreement" means an agreement between the Issuer and Arkansas Soil and Water Conservation Commission No. PAB-98A05 dated June 15, 2000.

"Operation and Maintenance Fund" means a special fund which has been heretofore created and designated "City of Clinton, Arkansas Water and Sewer Operation and Maintenance Fund."

"Prior Bond Funds" means the special funds which have been heretofore created for the purpose of providing funds to pay the principal of and interest on the Prior Issues.

"Rebate Amount" shall mean all amounts to be paid to the United States Treasury in accordance with the Rebate Agreement, if any, executed and delivered by the Issuer.

"Revenue Fund" means a special fund which has been designated City of Clinton Water and Sewer Revenue Fund."

Section 2. The Improvements shall be accomplished. Acquiring, constructing and equipping the Improvements as more specifically described in the Report prepared by the Project Consultant are hereby approved, authorized and directed. The Authorized Officers are hereby authorized to take, or cause to be taken, all action necessary to accomplish the Improvements and to execute all required contracts and documents, including but not limited to the Loan Agreement and a Non-Arbitrage Certificate. The City Council hereby finds and declares that the period of usefulness of the System will be more than 30 years, which is longer than the term of the Bond.

Section 3. (a) Under the authority of the laws of the State of Arkansas, including particularly the Acts, the issuance of the Bond is hereby authorized and the Bond is ordered issued for the purposes of accomplishing the Improvements, funding the reserves and paying necessary expenses incidental thereto and to the issuance of the Bond.

(b) The Bond shall mature on the Maturity Date and bear interest from the Date of Issue at the Interest Rate.

(c) The Bond shall be issuable only as a single fully registered Bond without coupons in one denomination and shall be numbered "R-1".

(d) The Trustee is designated to act for the Registered Owner.

(e) The Bond shall be dated the date of issue. Principal and interest on the Bond shall be payable on the Payment Date. Payment of each installment of principal and interest shall be made to the person in whose name the Bond is registered on the registration books of the Issuer maintained by the Trustee, as bond registrar, at the close of business on the Record Date, by check or draft, mailed by the Trustee to such Registered Owner, at his address on such registration books. Principal and interest due on maturity of the Bond shall be payable at the principal corporate trust office of the Trustee.

\* Note: Page 266 was skipped  
(exists on CD)  
(no info exists)

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(f) Only such Bond as shall have endorsed thereon a Certificate of Authentication substantially in the form set forth herein duly executed by the Trustee shall be entitled to any right or benefit hereunder. No Bond shall be valid and obligatory for any purpose unless and until such Certificate of Authentication shall have been duly executed by the Trustee, and such certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered hereunder.

(g) In case the Bond shall become mutilated or be destroyed or lost, the Issuer shall cause to be executed and the Trustee may authenticate and deliver a new Bond of like date, number, 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 Registered Owner paying the reasonable expenses and charges for the Issuer and Trustee in connection therewith, and, in the case of, the Bond being destroyed or lost, his filing with the Trustee evidence satisfactory to it that the Bond was destroyed or lost, and of his ownership thereof, and furnishing the Issuer and Trustee with indemnity satisfactory to them. The Trustee is hereby authorized to authenticate any such new Bond. Upon the issuance of a new Bond under this Section, the Issuer 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.

(h) The Issuer shall cause to be maintained books for the fully registered Bond dated on the Dated Date, of the same maturity, of authorized denomination or denominations, for the same Aggregate Principal Amount, less the amount of partial redemption, if any, will registration and for the transfer of the Bond as provided herein and in the Bond. The Trustee shall act as the bond registrar. Each Bond is transferable only at the principal office of the Trustee by the Registered Owner thereof or by his attorney duly authorized in writing. Upon such transfer the ownership of the Bond shall be registered to the subsequent Registered Owner, and a new be issued in exchange therefor to the subsequent Registered Owner.

(i) No charge shall be made to any Registered Owner of any Bond for the privilege of transfer, but any Registered Owner of the Bond requesting and such transfer 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 transfer and any other expenses of the Issuer or the Trustee incurred in connection therewith, shall be paid by the Issuer.

(j) The person in whose name the Bond shall be registered shall be deemed and regarded as the absolute Registered Owner thereof for all purposes, and payment of or on account of the principal or interest of the 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. Neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

(k) In any case where the date of maturity of interest on or principal of the Bond or the date fixed for redemption of the Bond shall be a Saturday or Sunday or shall be in the State of Arkansas 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 not a Saturday or Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close 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.

(l) The Bond shall be executed on behalf of the Issuer by the manual signatures of the authorized officers and the seal affixed.

Section 4. The sale of the Bond to the Arkansas Soil and Water Conservation Commission for the purchase price of 97% of par, plus accrued interest, if any, is hereby authorized subject to the Interest Rate, Maturity Date and other terms and provisions set forth in detail herein.

Section 5. The Bond shall be in substantially the following form and the Authorized Officers are hereby expressly authorized and directed to make all recitals on behalf of the Issuer contained therein:

REGISTERED

REGISTERED

No. R-1

\$175,257.73

UNITED STATES OF AMERICA  
STATE OF ARKANSAS  
CITY OF CLINTON  
VAN BUREN COUNTY, ARKANSAS  
WATER AND SEWER REVENUE BOND

As used in this bond the following terms shall have the following definitions:

"Act or Acts", whether one or more, means Act of 1987 Annotated, Title 14, Chapter 234, Subchapter 2; Title 14, Chapter 235, Subchapter 2; Title 14, Chapter 164, Subchapter 4; Title 19, Chapter 9, Subchapter 6.

"Aggregate Principal Amount" means \$175,257.73.

"Bond Fund" means a special fund which has been created by the Issuer's Authorizing Action and is designated "City of Clinton, Arkansas 2000 Water and Sewer Bond Fund."

"Bond" means a Bond issued by the Issuer on the Date of Issue in the Aggregate Principal Amount.

"Date of Issue" means the date the Bond is issued and delivered to the original purchaser, which is \_\_\_\_\_, 2000.

"Dated Date" means the Date of Issue or if this Bond is exchanged and registered to a subsequent Registered Owner, the Payment Date immediately prior to such exchange or registration.

"Improvements" means construction of a sewer treatment plant for the City of Clinton more specifically described in the plans and specifications prepared by the Project Consultant dated October 1998.

"Interest Rate" means 5.15%.

"Issuer" means City of Clinton, Van Buren County, Arkansas.

"Issuer's Authorizing Action" means City of Clinton, Van Buren County, Arkansas Ordinance No. 2000-284 \_\_\_\_\_ duly adopted and approved by Issuer on August 10 \_\_\_\_\_, 2000.

"Maturity Date" means the date which is 30 years from the Date of Issue or \_\_\_\_\_.

"Payment Date" means six months from the Date of Issue and every six months thereafter, the same being \_\_\_\_\_ and \_\_\_\_\_.



"Payment Schedule" means equal semi-annual installments of \$5,767.00 on each Payment Date after the Date of Issue.

"Principal Amount" means \$175,257.73.

"Prior Issues" means: (1) 1964 Water and Sewer Revenue Bonds in the original amount of \$311,000.00, (2) 1993 Water and Sewer Revenue Bonds in the original amount of \$330,000.00, (3) 1996 Water and Sewer Revenue Bonds in the original amount of \$1,090,000.00, (4) 1997 Water and Sewer Revenue Bonds in the original amount of \$1,785,000.00, (5) 1999 Water and Sewer Bonds in the original amount of \$3,235,000.00.

"Project Consultant" means The Mehlburger Firm.

"Record Date" means the fifteenth day of the month (whether or not a business day) next preceding each Payment Date.

"Redemption Schedule" means the following schedule for optionally redeeming this Bond on the Redemption Dates set forth in the following schedule at the Redemption Price (expressed as percentages of the Principal Amount), together with accrued interest to the Redemption Date:

<u>Redemption Dates</u> <u>(Dates Inclusive)</u>	<u>Redemption price</u>
Prior to July 1, 2006	No Redemption.
July 1, 2006 and thereafter	Par.

"System" means the Water and Sewer System operated by the Issuer or an entity authorized by Issuer to do so.

"Trustee" means

Regions Bank  
ATTN: Ms. Debi DeHan, Corporate Trust Administrator  
Corporate Trust Department  
Post Office Box 1471  
Little Rock, Arkansas 72203.

KNOW ALL MEN BY THESE PRESENTS:

That the Issuer, for value received, hereby promises to pay, by check draft or wire transfer to the order of Arkansas Soil and Water Conservation Commission or registered assigns (collectively, the "Registered Owner"), at the principal office of the Trustee, the Principal Amount with interest thereon, at the Interest Rate per annum shown above, in such coin or currency from the Dated Date hereof, payable as provided in the Payment Schedule until payment in full of such Principal Amount or if this Bond or a portion thereof shall be duly called for redemption, until the date fixed for redemption, and to pay interest on overdue principal and interest (to the extent allowed by law) at the rate borne by this Bond. The installment of principal and interest shall be first applied to accrued interest at the Interest Rate set forth herein and the balance thereof shall be applied to principal. Payment shall be made to the person in whose name this Bond is registered on the registration books of the Issuer maintained by the Trustee at the close of business on the Record Date, irrespective of any transfer or exchange of this Bond, subsequent to the Record Date and prior to such Payment Date.

This Bond is issued for the purpose of financing and paying the costs of the construction of improvements, the funding of reserves, and paying necessary expenses incidental thereto and to the issuance of the Bond.



This Bond is designated a qualified tax-exempt obligation pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code"), and is issued pursuant to and in full compliance with provisions of the Constitution and laws of the State of Arkansas, including particularly the Act, and pursuant to the Issuer's Authorizing Action, and does not constitute an indebtedness of the Issuer within any constitutional or statutory limitation.

This Bond is not a general obligation of the Issuer, but is a special obligation of the Issuer payable solely from receipts received from the operation of the System (the "Revenues"). This Bond is secured by a statutory mortgage lien upon the System and a pledge by the Issuer of the Revenues pursuant to the provisions of the Act in favor of the Registered Owner of the Bond. In this regard, the security is subordinate as to lien, pledge and security to the pledge of Revenues to the Prior Issues.

An amount of revenues sufficient to pay the principal of and interest on the Bond of this issue has been duly pledged and set aside as a special fund for that purpose, and will be deposited from time to time into the Bond Fund created pursuant to the Issuer's Authorizing Action, under which this Bond is authorized to be issued. Reference is hereby made to the Issuer's Authorizing Action for a detailed statement of the terms and conditions upon which this Bond is issued, of the terms and conditions for the issuance of additional bonds, of the nature and extent of the security for this Bond, and the rights and obligations of the Issuer, the Trustee and the Registered Owner.

The Bond is subject to mandatory redemption at par from bond proceeds not used to pay the cost of the Improvements on the first Payment Date following the date of the Project Consultant's completion certificate, and to redemption at the option of the Issuer, pursuant to the Redemption Schedule. Notice of redemption identifying portions of the Bond to be redeemed shall be given by the Trustee, not less than fifteen (15) days prior to the date fixed for redemption, by mailing a copy of the redemption notice by first class mail, postage prepaid, to the Registered Owner of the Bond to be redeemed.

In the event of a partial redemption, prepayments shall be applied in inverse order of maturity, and length of the payment schedule shall be reduced accordingly and the amount due on each Payment Date shall not be reduced.

The Issuer has fixed and has covenanted and agreed to maintain rates for the services of the System which shall be sufficient at all times to provide for the proper and reasonable expenses of operation and maintenance of the System and for the payment of the principal of and interest on the Bond of this issue, and Prior Issues, including Trustee's fees, if any, as the same become due and payable, to maintain a debt service reserve and to make the required deposit for the depreciation of the System.

This Bond is transferable by the Registered Owner hereof only as provided in the Issuer's Authorizing Action. The Issuer and the Trustee may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of principal and interest due hereon and for all other purposes. Neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Issuer's Authorizing Action until it shall have been authenticated by execution of the Certificate of Authentication hereon duly signed by the Trustee. This Bond is issued with the intent that the laws of the State of Arkansas shall govern its construction.



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 of Arkansas, 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 the Revenues have been pledged in accordance with the Act sufficient to pay the Bond and interest thereon until all of the Bond and interest thereon have been fully paid and discharged.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed by the undersigned Authorized Officers and its corporate seal to be impressed, lithographed or imprinted on this Bond, all as of the Dated Date shown above.

ARKANSAS

CITY OF CLINTON  
VAN BUREN COUNTY,

By:   
James Beavers, Mayor

ATTEST:

  
Bobbye Bennett, Recorder/Treasurer

**TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This Bond is issued under the provisions of the within mentioned Issuer's Authorizing Action.

**TRUSTEE:**

Regions Bank  
Attention: Ms. Debi DeHan  
Corporate Trust Administrator  
Post Office Box 1471  
Little Rock, Arkansas, 72203

By: \_\_\_\_\_  
Authorized Signature \_\_\_\_\_

(Form of Assignment)

**ASSIGNMENT**

FOR VALUE RECEIVED, \_\_\_\_\_, Arkansas ("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 firm of the New York Stock Exchange or a commercial bank or a trust company.



Section 6. Principal of and interest on the Bond is payable according to the Payment Schedule.

Section 7. (a) The Issuer hereby expressly pledges, mortgages and appropriates to the Trustee all of the receipts received from the operation of the System (the "Revenues") after the adoption hereof, to secure the equal and ratable payment of the principal of and interest on the Bond and the bonds of the Prior Issues, when due at maturity or at redemption prior to maturity, the payment of the fees and charges of the Trustee, and as security for the performance of all other obligations of the Issuer hereunder; and the Bond is hereby secured by the lien of such pledge; and the Revenues shall be used for no other purpose than to pay the principal of and interest on the Bond, and the bonds of the Prior Issues, and Trustee's fees, except as otherwise specifically provided herein. The Bond and interest thereon shall not constitute an indebtedness of the Issuer within any constitutional or statutory limitation. The Bond is not general obligations of the Issuer, but are special obligations of the Issuer payable solely from Revenues. Nothing herein shall be construed as requiring the Issuer to use any funds or revenues from any sources other than the Revenues for the payment of the Bond, but nothing herein shall be construed as prohibiting the Issuer from doing so.

The Bond is hereby further secured by a statutory mortgage lien upon the System which exists pursuant to the provisions of Arkansas Code of 1987 Annotated §14-234-103; §14-164-411, and applicable decisions of the Supreme Court of the State of Arkansas, including City of Harrison v. Braswell, 209 Ark. 1094, 194 S.W.2d 12 (1946), in favor of the Registered Owner of the Bond, and the System is hereby mortgaged to the Trustee as security for the equal and ratable payment of the principal and interest on the Bond and the bonds of the Prior Issues and as security for the performance of all other obligations of the Issuer hereunder. To the end that a record of the pledge of the Revenues, the statutory mortgage lien, and of the agreements and obligations of the Issuer may be given notice of and preserved, an Authorized Officer is hereby authorized and directed to file with the Circuit Clerk of the County in which the Improvements are located, a copy of this instrument duly certified, with instructions that the same be recorded in the office of said Circuit Clerk as deeds and mortgages and security interests are recorded.

(b) The Issuer, and the officers and employees of the Issuer shall execute, perform and carry out the terms of this pledge in strict conformity with the provisions of the Issuer's Authorizing Action.

(c) The Bond is issued subordinate as to lien, pledge of revenues and security to the Prior Issues.

Section 8. All Revenues derived from the operation of the System, including any improvements hereafter at any time constructed, shall be paid as and when received into a special fund, in the name of the Issuer, heretofore designated the Revenue Fund. All monies at any time in the Revenue Fund shall be applied to the payment of the reasonable and necessary expenses of operation and maintenance of the System, to the payment of the principal of and interest on the Bond of this issue and the Prior Issues (and bonds subsequently issued on a parity with this Bond), to the maintenance of the Depreciation Fund as herein required, to the payment of the Trustee's fees and otherwise as described herein.

Section 9. (a) After making the payments set forth in Section 8, there is hereby established and created with the Trustee, a trust fund of and in the name of the Issuer which is designated the Bond Fund. Monies in the Bond Fund shall be used in the following order of priority as and when necessary solely for the following purposes:

- (1) to pay the Trustee's fees and expenses; and
- (2) to pay principal and interest on the Bond.

(b) There shall be paid from the Revenue Fund into the Bond Fund, beginning on the first business day of the month, which is six (6) months prior to the initial Payment Date and continuing on or before the first business day of each month thereafter until all of the outstanding debt of this Bond issue with interest thereon has been paid in full, or provision made for such payment, a sum equal to (i) one-sixth (1/6) of the installment of principal and interest on the Bond coming due during the next six (6) months; plus (ii) an amount sufficient to provide for Trustee's fees; and (iii) any sum necessary to pay the Rebate Amount, if any. Credit shall be given on the initial payments to the Bond Fund for any amounts of accrued interest therein.

(c) If the Revenues are insufficient to make the required payment, on the first business day of the month, into the Bond Fund, the amount of any such deficiency in the payment made shall be added to the amount otherwise required to be paid into the Bond Fund on the first business day of the next month.

(d) When the monies held in the Bond Fund shall be and remain sufficient to pay the principal of and interest on all of the Bond then outstanding, and Trustee's fees in connection therewith and the Rebate Amount, if any, there shall be no obligation to make further payments into the Bond Fund.

(e) If a surplus shall exist in the Bond Fund over and above the amount required for making all principal and interest payments during the succeeding twelve months on all of the outstanding Bond, with Trustee's fees, all payments of the Rebate Amount, if any, due in the succeeding twelve months, and over and above the Debt Service Reserve Amount, such surplus may be applied to the payment of the principal of and interest on the Bond that may be called for redemption prior to maturity. All monies deposited in the Bond Fund shall be expended within a thirteen-month period beginning on the date of deposit, and any amount received from investment of money held in the Bond Fund shall be expended within one (1) year from the date of receipt and in any event all money in the Bond Fund in excess of a carryover amount not to exceed the greater of (A) one year's earnings on the Bond Fund, or (B) one-twelfth (1/12) of the annual debt service on the Bond, shall be depleted at least once a year as provided in this Section or by transfer to the Revenue Fund.

(f) In addition to other security pledged herein, the Bond shall be specifically secured by a pledge of all monies and Revenues required to be placed into the Bond Fund. The pledge in favor of the Bond is hereby irrevocably made according to the terms hereof, and the Issuer and its officers and employees shall execute, perform and carry out the terms thereof in strict conformity with the provisions hereof.

(g) When the Bond shall have been paid within the meaning hereof and all payments of the Rebate Amount have been made, if any, the Trustee shall take all appropriate action to cause (i) the pledge and lien hereof to be discharged and canceled; and (ii) all monies held by it pursuant hereto and which are not required for the payment of such Bond to be paid over or delivered to or at the direction of the Issuer.

Section 10. After making the required payments into the Bond Fund, there shall be paid from the Revenue Fund into a fund hereby created and designated the Depreciation Fund, on the first business day of the month in which the first payment to the Bond Fund is made pursuant to Section 9 hereof and continuing on the first business day of each month thereafter while the Bond is outstanding, three percent (3%) of the gross revenues of the System; however, the amount of such payment shall be reduced by deposits made to Depreciation Funds established by Prior Issues. The monies in the Depreciation Fund shall be used solely for the purpose of paying the cost of maintenance or repairs, renewals or replacements, the cost of acquiring, installing or repairing equipment, the cost of enlarging, extending, reconstructing or improving the System or any part thereof, engineering expenses related to the foregoing, the cost of acquiring any lands, rights in land, easements or franchises deemed by the Issuer to be necessary or useful in connection with the ownership or