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AN ORDINANCE AUTHORIZING THE CONSTRUCTION OF CERTAIN EXTENSIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATER AND SEWER SYSTEMS OF THE CITY OF CLINTON, ARKANSAS; AUTHORIZING THE ISSUANCE OF WATER AND SEWER IMPROVEMENT REVENUE BONDS FOR THE PURPOSE OF FINANCING THE COST TO THE CITY OF THE CONSTRUCTION; PROVIDING FOR THE PAYMENT OF PRINCIPAL AND INTEREST ON THE BONDS; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

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WHEREAS, the Water and Sewer Systems ("Systems" or "System") presently serving the City of Clinton, Arkansas (the "City"), are inadequate for the immediate needs of the inhabitants of the City; and

WHEREAS, the Systems are now and will hereafter be operated as one municipal undertaking; and

WHEREAS, the City Council has determined that the existing Systems should be improved and that certain extensions, betterments and improvements thereto should be constructed, particularly, extensions to the water distribution system with related improvements; and

WHEREAS, the Council has had prepared by a duly qualified consulting engineer a preliminary report and estimates of cost of the needed extensions, betterments and improvements ("improvements"); and

WHEREAS, the plans and estimates have been examined and approved by the City Council and a copy thereof is on file in the office of the City Recorder, where it may be inspected by any interested person; and

WHEREAS, the total estimated cost of accomplishing the improvements is approximately \$920,000; and

WHEREAS, the City does not have available sufficient funds with which to construct the improvements, but can obtain the same by the issuance of Water and Sewer System Improvement Revenue Bonds in the aggregate principal amount of Two Hundred Seventy

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Six Thousand Dollars (\$276,000), which, together with funds to be obtained from an agency or agencies of the Government of the United States of America and other available funds, will be sufficient to finance the cost of the improvements, including all costs necessary and incidental thereto and to the issuance of the bonds; and

WHEREAS, the City has outstanding an issue of Waterworks and Sewer Refunding and Improvement Revenue Bonds dated March 1, 1964, (the "1964 Bonds") to the payment of which the net revenues of the System are pledged; and

WHEREAS, the City has duly advertised the public sale of its \$276,000 in principal amount of Water and Sewer System Improvement Revenue Bonds, and at the public sale held on the 22nd day of September, 1971, the best and only bid submitted was that of the United States of America, Department of Commerce, Economic Development Administration, which bid was par and accrued interest for \$276,000 principal amount of bonds bearing interest at the rate of four and three-fourths per cent (4-3/4%) per annum;

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

SECTION 1. The improvements shall be constructed.

SECTION 2. The bid of the United States of America, Department of Commerce, Economic Development Administration, of par and accrued interest for \$276,000 principal amount of bond bearing interest at the rate of 4-3/4% per annum is accepted and the bonds are hereby sold to the United States of America for that price.

SECTION 3. The City Council hereby finds and declared that the period of usefulness of the System after the completion of the improvements will be more than forty years, which is longer than the term of the proposed bonds.

SECTION 4. Under the authority of the Constitution and laws of the State of Arkansas, including particularly Act No. 131 of the Acts of Arkansas of 1933, as amended, Act No. 132 of

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the Acts of Arkansas of 1933, as amended, and the decision of the Supreme Court of the State of Arkansas in the case of City of Harrison v. Braswell, 209 Ark. 1094, 194 S. W. 2d (1946), City of Clinton, Arkansas, Water and Sewer System Improvement Bonds, Series 1971 (the "bonds") are hereby authorized and ordered issued in the principal amount of Two Hundred Seventy Six Thousand Dollars (\$276,000), the proceeds of the sale of which are necessary to provide sufficient funds to pay the cost of the City of accomplishing the improvements, including expenses incidental thereto and to the issuance of the bonds. The bonds shall be dated March 1, 1971, and shall bear interest at the rate of four and three-fourths per cent (4-4/3%) per annum. Interest shall be payable semi-annually on March 1 and September 1 of each year, commencing September 1, 1971. The bonds shall mature on March 1 in each of the years 1974 and 2011, inclusive, as follows (but shall be subject to redemption or prepayment prior to maturity as set forth in the face of the bonds):

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
1974	\$2,000	2001	\$5,000
1975	2,000	2002	5,000
1976	2,000	2003	6,000
1977	2,000	2004	7,000
1978	2,000	2005	22,000
1979	2,000	2006	23,000
1980	2,000	2007	24,000
1981	2,000	2008	25,000
1982	2,000	2009	26,000
1983	2,000	2010	26,000
1984	2,000	2011	26,000
1985	2,000		
1986	2,000		
1987	3,000		
1988	3,000		
1989	3,000		
1990	3,000		
1991	3,000		
1992	4,000		
1993	4,000		
1994	4,000		
1995	4,000		
1996	4,000		
1997	5,000		
1998	5,000		
1999	5,000		
2000	5,000		

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Declaration of an Emergency:

It has been found that the present limits of wastewaters have or have excessive characteristics or concentrations of metals and other toxic substances in excess of the existing water quality standards of the State. The foregoing deficiencies constitute a hazard to the health and wellbeing of the citizens of Clinton; therefore, creating an emergency which is declared to exist, and this Ordinance Amendment, being necessary for preservation of the public peace, health, safety and well being shall be in full force and effect immediately upon its passage and approval.

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Passed: February 12, 1976 Approved: John B. Evans, Mayor.

Attest: Cecil Burgess, Clerk Recorder

By Jay W. Jackson, Acting Recorder.

The bonds shall be initially issued as a single bond, registered as to both principal and interest, payable to United States of America, Department of Commerce, Economic Development Administration, or assigns, in the principal amount of \$276,000 (the "single registered bond"), with principal and interest payable on the dates and in the amounts set forth above in this Section 4. There is one exchange privilege. At the request of the owner thereof, the single registered bond may be exchanged for coupon bonds payable to bearer but subject to registration as to principal or as to principal and interest, in the denomination of \$1,000 to \$10,000 each (in multiples of \$1,000), numbered from 1 upwards, in the principal amount then unpaid.

In the case of the single registered bond, payment of principal and interest shall be by check or draft mailed to the registered owner thereof, without presentation or surrender of the bonds (except for final payment), and such payments shall fully discharge the obligation of the City to the extent of all such payments. The Trustee shall keep a payment record and make proper notations thereon of all payments of principal and interest, and the registered owner may at any time submit his bond to the Trustee for completion of the payment record attached to the bond as to all payments theretofore made.

When used in this Ordinance without qualification, the term "bonds" shall refer to and include the bond or bonds outstanding hereunder, whether that be the single registered bond or the coupon bonds payable to bearer but registrable as to principal or as to principal and interest.

In the event the exchange privilege is exercised, payment of bearer bonds and interest coupons shall be made at the principal office of Worthen Bank & Trust Company, Little Rock, Arkansas (the "Trustee and "Paying Agent"), or, at the option of the holder, at Bankers Trust Company, New York, New York (the alternate "Paying Agent"). Payment of principal, when registered as to

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principal, and of interest, when registered as to interest, shall be by check or draft mailed to the registered owner at the address shown on the bond registration book of the City, maintained by the Trustee, without presentation or surrender of such registered bond(except for final payment), and such payments shall fully discharge the obligation of the City to the extent af all payments. The registration book of the City shall be maintained by the Trustee.

In the event the exchange privilege is exercised, no accrued interest shall be paid; the interest commencement date of coupon bonds shall be the preceding interest payment date, and the first coupon shall be for the six-month period commencing with the preceding interest payment date. Other provisions peculiar to the particular bond in the event the exchange privilege is exercised are set forth in the forms contained in Section 6 of this Ordinance.

Payment of principal and interest shall be in any coin or currency of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts. When the principal of and interest on any bond has been fully paid, the bond shall be cancelled and delivered to the City Recorder.

SECTION 5. The bonds shall be executed on behalf of the City with either the manual or facsimile signature of the Mayor and with the manual signature of the City Recorder and shall have impressed thereon the seal of the City. Interest coupons attached to each of the bonds shall have the facsimile signature of the Mayor lithographed or printed thereon. The facsimile signature of the Mayor shall have the same force and effect as if he had personally signed each of the bonds and coupons.

The bonds are not general obligations of the City but are special obligations, the principal of and interest on which are secured by a pledge of and are payable from net revenues derived from operation of the System. The pledge of revenues in favor of these bonds shall be subordinate to the pledge of revenues

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in favor of the 1964 Bonds. The bonds and interest thereon shall not constitute an indebtedness of the City within any constitutional or statutory limitation.

SECTION 6. The bonds and coupons shall be in substantially the following form, and the Mayor and City Recorder are hereby authorized and directed to make all the recitals contained therein:

(Form of single registered bond)

UNITED STATES OF AMERICA
STATE OF ARKANSAS
COUNTY OF VAN BUREN
CITY OF CLINTON

4-3/4% WATER AND SEWER SYSTEM IMPROVEMENT REVENUE BOND, SERIES 1971.

No R-1

\$276,000

KNOW ALL MEN BY THESE PRESENTS:

That the City of Clinton in the County of Van Buren, State of Arkansas (the "City"), for value received, hereby acknowledges itself to owe and promises to pay to The United States of America, Secretary of Commerce, or his successors and assigns ("Payee"), solely from the special fund provided as hereinafter set forth, the principal sum of TWO HUNDRED SEVENTY-SIX THOUSAND DOLLARS (\$276,000) in installments on the first day of March in each of the years and in the principal amounts as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
1974	\$2,000	1993	\$ 4,000
1975	2,000	1994	4,000
1976	2,000	1995	4,000
1977	2,000	1996	4,000
1978	2,000	1997	5,000
1979	2,000	1998	5,000
1980	2,000	1999	5,000
1981	2,000	2000	5,000
1982	2,000	2001	5,000
1983	2,000	2002	5,000
1984	2,000	2003	6,000
1985	2,000	2004	7,000
1986	2,000	2005	22,000
1987	3,000	2006	23,000
1988	3,000	2007	24,000
1989	3,000	2008	25,000
1990	3,000	2009	26,000
1991	3,000	2010	26,000
1992	4,000	2011	26,000

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and to pay interest on the unpaid balance of the aggregate principal sum at the rate of four and three-fourths (4-3/4%) per cent per annum, payable semi-annually on March 1 and September 1 of each year, commencing September 1, 1971.

During the time the Payee is the registered owner of this Bond, payment of the principal installments and interest due shall be made at the Federal Reserve Bank of Richmond, Richmond, Virginia, or such other fiscal agent as the Payee shall designate. During such time as an alternate payee is the registered owner hereof, the payment shall be made at the principal office of Worthen Bank & Trust Company, Little Rock, Arkansas ("Trustee" and "Paying Agent"), or, at the option of the alternate payee, at the principal office of Bankers Trust Company, New York, New York ("Alternate Paying Agent"). Payments of principal and interest, including prepayments of installments of principal as hereinafter provided, shall be made to the registered owner and this Bond need not be presented. Each payment shall be noted on a payment record maintained by the Trustee, and if payment is made at the office of the fiscal agent or Alternate Paying Agent, written notice of the making of such notation shall be promptly sent to the Trustee. All such payments shall fully discharge the obligation of the City hereon to the extent of the payments so made. The registered owner may present this Bond to the Trustee at any time for verification and completion of the payment record attached hereto. Upon final payment of principal and interest, this Bond shall be submitted to the Trustee for cancellation and surrender to the City.

This bond is issued for the purpose of paying a portion of the cost of constructing extensions, betterments and improvements to the Waterworks and sewer system (the "System") of the City and is issued pursuant to and in full compliance with the Constitution and Laws of the State of Arkansas, including particularly Act No. 131 of the Acts of Arkansas of 1933, as amended, Act No. 132 of the Acts of Arkansas of 1933, as amended, and the

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decision of the Supreme Court of the State of Arkansas in the case of City of Harrison v. Braswell, 209 Ark. 1094, 194 S.W.2d 12(1946), and pursuant to Ordinance No. ____ of the City, duly adopted and approved on the ____ day of _____, 1971 (the "Authorizing Ordinance"). As provided in the Authorizing Ordinance, this bond is exchangeable upon surrender hereof to the City, for coupon bonds bearing interest at the rate borne by this bond, in an aggregate principal amount equal to the unpaid principal amount of this bond, in the form provided in the Authorizing Ordinance, payable to bearer but subject to registration as to principal or as to principal and interest, in the denomination of \$1000 to \$10,000 each (in multiples of \$1,000), numbered from 1 upwards, maturing in the respective amounts and at the respective times as the unpaid principal installments hereof, with interest payable semi-annually on March 1 and September 1 of each year.

The City shall have the right to prepay principal installments, in inverse chronological order, in multiples of \$1,000, from funds from any source, on any interest paying date on and after March 1, 1981, at a price of the principal amount thereof, plus accrued interest, plus a premium of the principal amount being prepaid, as follows:

- 3% if prepaid March 1, 1981 to September 1, 1985, inclusive;
- 2% if prepaid March 1, 1986 to September 1, 1990, inclusive;
- 1% if prepaid March 1, 1991 to September 1, 1995, inclusive;
- No premium if prepaid March 1, 1996 or thereafter.

Notice of any prepayment shall be given at least thirty (30) days prior to the date fixed for such prepayment by mailing to the registered owner of this bond notice fixing such date of prepayment and specifying the amount of principal to be prepaid and the amount of accrued interest thereon to the date of such prepayment.

This bond does not constitute an indebtedness of the City within any constitutional or statutory limitation or provision, and the taxing power of the City is not pledged to the payment of the principal of or interest on the bond. The bond is a special obligation secured by a pledge of and payable solely from revenues derived from the operation of the System, a sufficient

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amount of which has been duly set aside and pledged as a special fund for that purpose, identified as the "1971 Water and Sewer Revenue Bond Fund," created by the Authorizing Ordinance. The pledge of revenues in favor of this bond is subordinate to the pledge of revenues in favor of the Water and Sewer Refunding and Improvement Revenue Bonds of the City dated March 1, 1964 (the "1964 Bonds"). The City has fixed and has covenanted and agreed to maintain rates for use of the System which shall be sufficient at all times at least to provide for the payment of the reasonable expenses of operation and maintenance of the System, to provide for the payment of the principal of, interest on and Paying Agent's fees in connection with the 1964 Bonds and these bonds as the same become due and to establish and maintain a debt service reserve, and to provide for depreciation of the System, all as set forth in the Authorizing Ordinance.

This bond may be assigned, and upon assignment the assignor shall promptly notify the Trustee by registered mail, and the assignee shall surrender this bond to the Trustee for transfer on the registration records and verification of the endorsement made on the payment record attached hereto of the portion of the portion of the principal amount hereof and interest hereon paid or prepaid, and every assignee shall take this bond subject to this condition.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and laws of the State of Arkansas to exist, happen and be performed precedent to and in the issuance of this bond, do exist, have happened and have been performed in regular and due time, form and manner as required by law; that the bond does not exceed any constitutional or statutory limitation of indebtedness, and that provision has been made for the payment of the principal of and interest on this bond, as provided in the Authorizing Ordinance,

IN WITNESS WHEREOF, the City of Clinton, Arkansas, has caused this bond to be executed in its name by its Mayor and Recorder, thereunto duly authorized, and its corporate seal

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to be affixed, all as of the first day of March, 1971

The interest commencement date of this bond is _____

CITY OF CLINTON, ARKANSAS

By _____
Mayor

(facsimile signature)

ATTEST:

ROY C PATTON

City recorder

(Seal)

(Form of Assignment)

For value received, the registered owner las listed below
sells, conveys, transfers, assigns and delivers this bond to
the assignee last listed below:

Registered Owner	Assignee	Date	Trustee (signature of appropriate official and title)
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(The following payment record shall be attached to the bond)

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Duem	Interest Payment	Date	Trustee (Signature of Appropriate Official & Title)
September 1, 1971					
March 1, 1972					
September 1, 1972					
March 1, 1973					
September 1, 1973					
March 1, 1974					
September 1, 1974					
March 1, 1975					
September 1, 1975					
March 1, 1976					
September 1, 1976					
March 1, 1977					
September 1, 1977					
March 1, 1978					
September 1, 1978					
March 1, 1979					
September 1, 1979					

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March 1, 1980	September 1, 1995
September 1, 1980	March 1, 1996
March 1, 1981	September 1, 1996
September 1, 1981	March 1, 1997
March 1, 1982	September 1, 1997
September 1, 1982	March 1, 1998
March 1, 1983	September 1, 1998
September 1, 1983	March 1, 1999
March 1, 1984	September 1, 1999
September 1, 1984	March 1, 2000
March 1, 1985	September 1, 2000
September 1, 1985	March 1, 2001
March 1, 1986	September 1, 2001
September 1, 1986	March 1, 2002
March 1, 1987	September 1, 2002
September 1, 1987	March 1, 2003
March 1, 1988	September 1, 2003
September 1, 1988	March 1, 2004
March 1, 1989	September 1, 2004
September 1, 1989	March 1, 2005
March 1, 1990	September 1, 2005
September 1, 1990	March 1, 2006
March 1, 1991	September 1, 2006
September 1, 1991	March 1, 2007
March 1, 1992	September 1, 2007
September 1, 1992	March 1, 2008
March 1, 1993	September 1, 2008
September 1, 1993	March 1, 2009
March 1, 1994	September 1, 2009
September 1, 1994	March 1, 2010
March 1, 1995	September 1, 2010
	March 1, 2011

PRINCIPAL INSTALLMENTS ON WHICH PAYMENTS HAVE BEEN
MADE PRIOR TO MATURITY

<u>PRINCIPAL DUE DATE AMOUNT</u>	<u>PRINCIPAL PAYMENT</u>	<u>BALANCE</u>	<u>DATE PAID</u>	<u>TRUSTEE (SIGNATURE OF APPROPRIATE OFFICIAL AND TITLE)</u>
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(Form of Coupon Bond)

UNITED STATES OF AMERICA
STATE OF ARKANSAS
COUNTY OF VAN BUREN
CITY OF CLINTON

4-3/4% WATER AND SEWER SYSTEM IMPROVEMENT REVENUE BOND, SERIES 1971

No. _____ \$ _____

KNOW ALL MEN BY THESE PRESENTS:

That the City of Clinton, Van Buren County, Arkansas (the "City"), acknowledges itself to owe and, for value received, hereby promises to pay to bearer, or if this bond be registered to the registered owner hereof, solely from the special fund provided as hereafter set forth the principal sum of ONE THOUSAND DOLLARS

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in lawful money of the United States of America on the first day of March, _____, and to pay solely from said special fund interest hereon at the rate of four and three-fourths per cent ($4\text{-}\frac{3}{4}\%$) per annum, from date hereof until paid, which interest shall be payable semi-annually on March 1 and September 1 of each year, commencing September 1, 1971, upon presentation and surrender of the annexed coupons as they severally become due. Payment of principal, when registered as to principal, and payment of interest, when registered as to interest, shall be by check or draft mailed to the registered owner at his address reflected on the registration book of the City, maintained by the Trustee. Payment of principal, when payable to bearer, and payment of interest evidenced by coupons, shall be made at the principal office of Worthen Bank & Trust Company, Little Rock, Arkansas (the "Trustee" and the "Paying Agent") or at the option of the holder at Bankers Trust Company, New York, New York (the "Alternate Paying Agent").

This bond is one of an issue of two hundred seventy-six bonds aggregating Two Hundred Seventy Six Thousand Dollars (\$276,000), numbered consecutively from 1 to _____, inclusive, all of like tenor and effect except as to number, maturity and right of prior redemption (the "bonds"), issued for the purpose of paying the cost to the City of constructing extensions, betterments and improvements to the water and sewer system of the City (which is operated as one municipal undertaking (the "System")) and paying expenses incidental thereto and incidental to the authorization and issuance of the bonds.

The bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas, particularly Act No. 131 of the Acts of Arkansas of 1933, as amended, Act No. 132 of the Acts of Arkansas of 1933, as amended, and the decision of the Supreme Court of the State of Arkansas in City of Harrison v. Braswell, 209 Ark. 1094, 194 S.W.2d 12(1946), and pursuant to Ordinance No. _____ of the City, duly adopted and approved on the _____ day of _____, 1971 (the "Authorizing Ordinance"), and do not constitute an indebtedness of

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the City within any constitutional or statutory limitation. The bonds are not general obligations of the City but are special obligations secured by a pledge of and payable solely from revenues derived from the operation of the System. In this regard, the pledge of System revenues to the bonds is subordinate to a prior pledge in favor of an issue of Waterworks and Sewer Refunding and Improvement Revenue Bonds of the City, dated March 1, 1964 (the "1964 Bonds"). A special fund, designated the "1971 Water and Sewer Revenue Bond Fund", has been created by the Authorizing Ordinance and provision has been made for the deposit into the special fund of revenues derived from the operation of the System in sufficient amounts to pay the interest on the bonds as due and to pay the principal of the bonds on the maturity dates thereof. Reference is hereby made to the Authorizing Ordinance for a detailed statement of the nature and extent of the security (including, without limitation, a covenant to maintain rates for the services of the System which shall be sufficient at all times to provide for the operation and maintenance expenses of the System, to provide for the payment when due of the principal of, interest on and Paying Agent's fees in connection with the 1964 Bonds and the bonds of this issue, and to make adequate provision for depreciation), the rights, duties and obligations of the City, the Trustee and the holders and registered owners of the bonds and the terms upon which the bonds are issued and secured.

The bonds are subject to redemption prior to maturity in inverse numerical order, in whole or in part, with there to be no partial redemption of any bond, from funds from any source, on any interest paying date on and after March 1, 1981, at a price of the principal amount being redeemed plus accrued interest plus a premium of the principal amount being redeemed as follows:

3% if redeemed March 1, 1981, to September 1, 1985, inclusive;
 2% if redeemed March 1, 1986, to September 1, 1990, inclusive;
 1% if redeemed March 1, 1991, to September 1, 1995, inclusive;
 No premium if redeemed March 1, 1996 or thereafter.

Notice of the call for redemption shall be published one time in a newspaper published in the City of Little Rock, Arkansas,

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