ORDINANCE NO. 2000-03

AN ORDINANCE AUTHORIZING THE CONSTRUCTION OF EXTENSIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATER AND SEWER SYSTEM OF THE CITY OF ATKINS, ARKANSAS; AUTHORIZING THE ISSUANCE AND SALE OF WATER AND SEWER REFUNDING AND CONSTRUCTION REVENUE BONDS; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Atkins, Arkansas (the "City") owns a water and sewer system, which is operated as a single, integrated municipal undertaking (the "System"); and

WHEREAS, the City Council has caused to be prepared general plans and estimates of cost for the acquisition, construction and equipping of needed extensions, betterments and improvements to the System (the "Improvements"), and a copy of such plans and estimates of cost are on file in the principal office of the System where they may be inspected by any interested person; and

WHEREAS, the City is the obligor under a Lease-Purchase Agreement with the Arkansas Soil and Water Conservation Commission ("Soil and Water") dated February 5, 1993, as amended pursuant to Revision No. 1, dated May 12, 1994 (the "Lease"); and

WHEREAS, in order to receive a debt service savings, the City is proposing to refund the Lease in full on the first available date (the "Refunding"); and

WHEREAS, the City Council has made arrangements for the sale of $1,795,000 in principal amount of Water and Sewer Refunding and Construction Revenue Bonds, Series 2000 (the "bonds"), to Stephens Inc. (the "Purchaser"), at a price of 98% of par plus accrued interest (the "Purchase Price") pursuant to a Bond Purchase Agreement (the "Agreement") which has been presented to and is before this meeting; and

WHEREAS, the Preliminary Official Statement, dated September 27, 2000, offering the bonds for sale (the "Preliminary Official Statement") has been presented to and is before this meeting; and

WHEREAS, the Limited Continuing Disclosure Agreement between the City and First Arkansas Valley Bank, Russellville, Arkansas (the "Disclosure Agreement") providing for the ongoing disclosure obligations of the City with respect to the bonds, has been presented to and is before this meeting; and

WHEREAS, there are outstanding an issue of Water and Sewer Revenue Bonds, Series 1987B (the "1987B Bonds") authorized by Ordinance No. 87-8 of the City, adopted April 20, 1987, as supplemented by Ordinance No. 87-9 of the City, adopted June 2, 1987 and as amended by Ordinance No. 87-10 of the City, adopted July 10, 1987 (the "1987 Ordinance") and an issue of Water and Sewer Refunding and Construction Revenue Bonds, Series 1995 (the "1995 Bonds") authorized by Ordinance No. 95-08 of the City, adopted September 12, 1995 (the "1995 Ordinance"); and

WHEREAS, the coverage test for securing the bonds with a lien on revenues of the System on a parity with the lien on System revenues in favor of the 1987B Bonds and the 1995 Bonds has been met;

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

Section 1. The Improvements and the Refunding are hereby authorized to be accomplished. The Mayor and City Clerk are hereby authorized to take, or cause to be taken, all action necessary to accomplish the same and to execute all required contracts.

Section 2. The City Council hereby finds and declares that the period of usefulness of the System after the Improvements are completed will be more than 30 years, which is longer than the term of the bonds.

Section 3. The offer of the Purchaser for the purchase of the bonds from the City 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 Mayor is hereby authorized and directed to execute and deliver the Agreement on behalf of the City and to take all action required on the part of the City to fulfill its obligations under the Agreement.

Section 4. 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 Mayor be, and he is hereby, authorized and directed, for and on behalf of the City, to execute the Preliminary Official Statement and the final Official Statement in the name of the City for use in connection with the sale of the bonds as set forth in the Agreement.

Section 5. The Disclosure Agreement, in substantially the form submitted to this meeting, is approved, and the Mayor is

hereby authorized and directed to execute and deliver the Disclosure Agreement on behalf of the City. The Mayor is authorized and directed to take all action required on the part of the City to fulfill the City's obligations under the Disclosure Agreement.

Section 6. Under the authority of the Constitution and laws of the State of Arkansas (the "State"), including particularly Title 14, Chapter 234, Subchapter 2, Title 14, Chapter 235, Subchapter 2 and Title 14, Chapter 164, Subchapter 4 of the Arkansas Code of 1987 Annotated and applicable decisions of the Supreme Court of the State, including particularly City of Harrison v. Braswell, 209 Ark. 1094, 194 S.W. 2d 12 (1946), City of Atkins, Arkansas Water and Sewer Refunding and Construction Revenue Bonds, Series 2000 are hereby authorized and ordered issued in the principal amount of $1,795,000 for the purpose of financing, with other available funds, the accomplishment of the Improvements and the Refunding, funding a debt service reserve and paying expenses of issuing the bonds. The bonds shall mature on June 1 in the years and in the amounts and shall bear interest as follows:

Year (June 1)	Principal Amount	Interest Rate
2008	$480,000	5.00%
2012	350,000	5.25
2016	430,000	5.65
2020	535,000	5.85

The bonds shall be dated November 1, 2000 and shall be issuable only as fully registered bonds without coupons in the denomination of $5,000 or any integral multiple thereof. Unless the City shall otherwise direct, the bonds shall be numbered from 1 upward in order of issuance. Each bond shall have a CUSIP number.

Interest on the bonds shall be payable on June 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 City maintained by First Arkansas Valley Bank, Russellville, 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.

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 November 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 Section 8 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 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 City 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 City 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 City 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 City may pay the same without the surrender thereof. Upon the issuance of a new bond under this Section, the City 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 City shall cause books 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.

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 City or the Trustee incurred in connection therewith shall be paid by the City. The City shall not 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.

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 (and premium, if any) 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.

Section 7. The bonds shall be executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk and shall have impressed or imprinted thereon the seal of the City. The bonds, together with interest thereon, are secured by and are payable solely from revenues derived from the System ("Revenues") which are hereby pledged and mortgaged for the equal and ratable payment of the bonds. In this regard, the pledge of Revenues in favor of the bonds shall be on a parity with the 1987B Bonds and the 1995 Bonds, and the bonds shall be deemed to be "Water and Sewer Revenue Bonds" within the meaning of the 1987 Ordinance. The bonds shall not constitute an indebtedness of the City within any constitutional or statutory limitation.

Section 8. The bonds and the Certificate shall be in substantially the following form and the Mayor and City 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
COUNTY OF POPE
CITY OF ATKINS
WATER AND SEWER REFUNDING
AND CONSTRUCTION REVENUE BOND,
SERIES 2000

Interest Rate: _____% Maturity Date: June 1, ____
Dated Date: November 1, 2000
Registered Owner: _____
Principal Amount: _____ Dollars
CUSIP No.: _____

KNOW ALL MEN BY THESE PRESENTS:

That the City of Atkins, County of Pope, State of Arkansas (the "City"), for value received, hereby promises to pay, but solely from the source as hereinafter provided and not otherwise, to the Registered Owner shown above upon the presentation and surrender hereof at the principal corporate office of First Arkansas Valley Bank, Russellville, 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 interest thereon, but solely from the source as hereinafter provided and not otherwise, in like coin or currency from the interest commencement date specified below at the Interest Rate per annum shown above, payable June 1, 2001 and semiannually thereafter on the first days of June and December of each year, until payment of such principal sum 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 City 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 prior to the first interest payment date, in which event it shall bear interest from the Dated Date shown above, 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 hereof interest is in default hereon, in which event it shall bear interest from the date to which interest has been paid.

This bond is one of an issue of City of Atkins, Arkansas Water and Sewer Refunding and Construction Revenue Bonds, Series 2000, aggregating One Million Seven Hundred Ninety-Five Thousand Dollars ($1,795,000) in principal amount (the "bonds"), and is issued for the purpose, with other available funds, of financing the acquisition, construction and equipping of extensions, betterments and improvements to the City's municipal water and sewer (combined) system (the "System"), refunding certain obligations of the City payable from System revenues, funding a debt service reserve and paying expenses of 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"), including particularly Title 14, Chapter 234, Subchapter 2, Title 14, Chapter 235, Subchapter 2, and Title 14, Chapter 164, Subchapter 4 of the Arkansas Code of 1987 Annotated and applicable decisions of the Supreme Court of Arkansas, including particularly City of Harrison v. Braswell, 209 Ark. 1094, 194 S.W. 2d 12 (1946), and pursuant to Ordinance No. _____, duly adopted on October 10, 2000 (the "Authorizing Ordinance"), and do not constitute an indebtedness of the City within any constitutional or statutory limitation. The bonds are not general obligations of the City, but are special obligations payable solely from the revenues derived from the operation of the System. The pledge of System revenues to the payment of the bonds is on a parity with the pledge in favor of the Water and Sewer Revenue Bonds, Series 1987B and Water and Sewer Refunding and Construction Revenue Bonds, Series 1995. An amount of System revenues sufficient to pay the principal of and interest on the bonds has been duly pledged and set aside into the 2000 Water and Sewer Revenue Bond Fund created by the Authorizing Ordinance. Reference is hereby made to the Authorizing Ordinance for a detailed statement of the terms and conditions upon which the bonds are issued, of the nature and extent of the security for the bonds, and the rights and obligations of the City, the Trustee and

the registered owners of the bonds. The City 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 bonds, including Trustee's fees, as the same become due and payable, to establish and maintain any required reserves and to make the required deposit for the depreciation of the System.

(REFERENCE IS HEREBY MADE TO FURTHER PROVISIONS OF THIS BOND ON THE REVERSE SIDE HEREOF WHICH HAVE THE SAME EFFECT AS IF SET FORTH IN THIS PLACE.)

THE CITY HAS DESIGNATED THIS BOND AS A "QUALIFIED TAX-EXEMPT OBLIGATION" WITHIN THE MEANING OF SECTION 265(b) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

IN WITNESS WHEREOF, the City of Atkins, Arkansas has caused this bond to be executed by its Mayor and City Clerk, their facsimile signatures thereunto duly authorized and its corporate seal to be impressed or imprinted on this bond, all as of the Dated Date shown above.

CITY OF ATKINS, ARKANSAS

ATTEST:

By (facsimile signature)
Mayor

(facsimile signature)
City Clerk

(SEAL)

(Reverse Side of Bond)

CITY OF ATKINS, ARKANSAS
WATER AND SEWER REFUNDING AND
CONSTRUCTION REVENUE BOND,
SERIES 2000

The bonds shall be subject to optional, extraordinary and mandatory sinking fund redemption as follows:

(1) The bonds are subject to redemption at the option of the City, from funds from any source, in inverse order of maturity (bonds within a maturity to be selected by lot in such manner as the Trustee may determine) in whole at any time or in part on any interest payment date on and after June 1, 2007, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date.

(2) The bonds must be redeemed 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).

(3) To the extent not previously redeemed, the bonds are subject to mandatory sinking fund redemption by lot in such manner as the Trustee shall determine, on June 1 in the years 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 June 1, 2008

Year	Principal Amount	Year		Principal Amount
2001	$50,000	2005		$65,000
2002	20,000	2006		70,000
2003	60,000	2007		75,000
2004	65,000	2008	(maturity)	75,000

Bonds Maturing June 1, 2012

Year	Principal Amount	Year		Principal Amount
2009	$80,000	2011		$90,000
2010	85,000	2012	(maturity)	95,000

Bonds Maturing June 1, 2016

Year	Principal Amount	Year		Principal Amount
2013	$100,000	2015		$110,000
2014	105,000	2016	(maturity)	115,000

Bonds Maturing June 1, 2020

Year	Principal Amount	Year		Principal Amount
2017	$125,000	2019		$135,000
2018	130,000	2020	(maturity)	145,000

The provisions for mandatory sinking fund redemption of the bonds are subject to the provisions of the Authorizing Ordinance which permit the City to receive credit for bonds previously redeemed or for bonds acquired by the City and surrendered to the Trustee.

Notice of redemption identifying the bonds or portions thereof (which shall be $5,000 or a multiple thereof) to be redeemed 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 deposited with the Trustee as provided in 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 hereof 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 City and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and premium, if any, hereon and interest due hereon and for all other purposes, and neither the City 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 precedent to and in the issuance of the bonds do exist,

have happened and have been performed in due time, form and manner as required by law; that the indebtedness represented by the bonds, together with all obligations of the City, does not exceed any constitutional or statutory limitation; and that the above referred to revenues pledged to the payment of the principal of and premium, if any, and interest on the bonds as the same become due and payable will be sufficient in amount for that purpose.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Authorizing Ordinance until the Certificate of Authentication hereon shall have been signed by the Trustee.

(Form of Trustee's Certificate)

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds designated Series 2000 in and issued under the provisions of the within mentioned Authorizing Ordinance.

Date of Authentication: _____

FIRST ARKANSAS VALLEY BANK
Russellville, 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.

Section 9. (a) The rates charged for water services of the System heretofore fixed by Ordinance No. 95-04 of the City (as codified in Section 10.08.01 of the Atkins Municipal Code) and the rates for sewer services of the System heretofore fixed by Ordinance No. 92-2 of the City (as codified in Section 10.12.01 of the Atkins Municipal Code) and the conditions, rights and obligations pertaining thereto, as set out in such Ordinances, are hereby ratified, confirmed and continued.

(b) The City covenants that the rates described above shall never be reduced while any of the bonds are outstanding unless there is obtained from an independent certified public accountant ("Accountant") a certificate that the Net Revenues of the System ("Net Revenues" being defined as gross Revenues less the expenses of operation and maintenance of the System, including all expense items properly attributable to the operation and maintenance of the System under generally accepted accounting principles applicable to municipal water and sewer facilities other than depreciation, interest and amortization of deferred bond discount expenses), with the reduced rates, will always be equal to the amount required to be set aside for the Depreciation Fund (described below) and leave a balance equal to at least 125% of the aggregate average annual principal and interest requirements on all outstanding obligations to which Revenues are pledged ("System Obligations"). The City further covenants that the rates for all services of the System shall, if and when necessary from time to

time, be increased in such manner as will produce Net Revenues at least equal to 125% of the aggregate average annual principal and interest requirements on the 1987B Bonds, the 1995 Bonds, the bonds and all System Obligations ranking on a parity of security with the bonds. The City also agrees that the Net Revenues shall always be sufficient to make the required deposits into the Depreciation Fund and to otherwise comply with the provisions of this Ordinance, the Lease and all ordinances authorizing System Obligations while such System Obligations are outstanding.

(c) None of the facilities or services afforded by the System shall be furnished without a charge being made therefor. In the event that the City or any department, agency, or instrumentality thereof shall avail itself of the facilities and services afforded by the System, the reasonable value of the service or facilities so afforded shall be charged against the City or such department, agency, or instrumentality and shall be paid for as the charges accrue. The revenues so received shall be deemed to be Revenues derived from the operation of the System and shall be used and accounted for in the same manner as the other Revenues.

Section 10. The City covenants that it will continuously operate the System as a revenue-producing undertaking and will not sell or lease the same, or any substantial portion thereof; provided, however, that nothing herein shall be construed to prohibit the City from making such dispositions of properties of the System and such replacements and substitutions for properties of the System as shall be necessary or incidental to the efficient operation of the System as a revenue-producing undertaking.

Section 11. All of the provisions of the 1987 Ordinance and the 1995 Ordinance (the "Prior Bond Ordinances"), except those provisions clearly inapplicable hereto, including, without limitation, the provisions pertaining to the collection and the handling of Revenues and funds, to the operation, maintenance and care of the System, and to the depreciation of the System, are hereby made applicable hereto and are incorporated herein by reference as though fully set forth at this point. The effect of the above covenant shall be to continue the applicable provisions in full force and effect even after the payment of the 1987B Bonds and the 1995 Bonds and until the bonds are paid, or provision made therefor. Notwithstanding any provisions hereof, all the provisions of this Ordinance shall be interpreted in such manner as to preserve all the substantive rights of the owners of the 1987B Bonds and the 1995 Bonds.

Section 12. There is presently being maintained, in connection with the 1987B Bonds and the 1995 Bonds, certain funds established by or incorporated into the Prior Bond Ordinances, specifically: (1) the Water and Sewer Fund which is hereby re-designated as the "Water and Sewer Revenue Fund" (the "Revenue Fund"); (2) the Operation and Maintenance Fund; (3) the Depreciation Fund; (4) the 1987B Water and Sewer Revenue Bond Fund;

and (5) the 1995 Water and Sewer Revenue Bond Fund. All of these funds and the covenants and restrictions set forth in connection therewith, are hereby ratified, confirmed and continued for the security and protection of the 1987B Bonds, the 1995 Bonds and the bonds. It is the intent of this provision that the funds, covenants and restrictions referred to above shall continue in full force and effect as security for the bonds after the 1987B Bonds and the 1995 Bonds have been paid and retired; provided, however, that as the 1987B Bonds and the 1995 Bonds are paid in full, the moneys in the respective bond funds established therefor shall be transferred to the Revenue Fund.

Section 13. (a) There shall be transferred and paid from the Revenue Fund into a special fund, hereby created and designated "2000 Water and Sewer Revenue Bond Fund" (the "Bond Fund"), the sums in the amounts and at the times hereafter stated in subsection (b) for the purpose of providing funds for the payment of the principal of and premium, if any, and interest on the bonds and the Trustee's fees in connection therewith as the same become due, and to create and maintain a debt service reserve.

(b) There shall be paid from the Revenue Fund into the Bond Fund the following:

(i) First, into a special account within the Bond Fund which is hereby created and designated "Debt Service Account," commencing on the first business day of the month succeeding the month in which the bonds are originally issued and on the first business day of each month thereafter until all outstanding bonds, principal and interest, have been paid in full, or provision made for such payment, a sum equal to 1/6 of the next installment of interest and 1/12 of the next installment of principal, on all outstanding bonds; and

(ii) Second, into a special account within the Bond Fund which is hereby created and designated "Reserve Account," commencing on the first business day of the month succeeding the month in which the amount on hand in the Reserve Account is less than $156,467.50 (the "Reserve Requirement"), a sum equal to 1/12 of the amount necessary to restore the amount on hand in the Reserve Account to the Reserve Requirement.

Notwithstanding the above, the monthly payments into the Debt Service Account through May 2001 shall be adjusted in order to provide sufficient funds to pay principal and interest on the bonds through June 1, 2001.

The City shall also pay into the Debt Service Account in the Bond Fund such additional sums as necessary to provide for the Trustee's fees and expenses (including reasonable legal fees). The City shall receive a credit against monthly deposits into the Debt Service Account in the Bond Fund required by clause (i) of this

subsection (b) from bond proceeds deposited therein, all interest earnings on moneys in the Debt Service Account and all transfers from the Reserve Account in the Bond Fund into the Debt Service Account.

(c) If Revenues are insufficient to make the required payment on the first business day of the following 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) If for any reason there shall be a failure at any time to make any of the required payments into the Debt Service Account, any sums then held in the Reserve Account shall be used to the extent necessary for the payment of the principal of and premium, if any, and interest on the bonds, and the Trustee's fees.

(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 next succeeding 12 month period and over and above the Reserve Requirement, such surplus shall be applied by the City to the redemption of the bonds that may be called for redemption prior to maturity or shall be transferred by the City to the Revenue Fund.

(f) When the moneys held in the Bond Fund shall be and remain sufficient to pay the principal of and interest on all of the bonds then outstanding plus Trustee's fees, the City shall not be obligated to make any further payments into the Bond Fund.

(g) It shall be the duty of the City to cause to be withdrawn from the Bond Fund before the due date for the principal and/or interest on any bond, at maturity or redemption prior to maturity, and deposited with the Trustee at least one business day before the due date the amount of such bond and interest due thereon for the sole purpose of paying the same, together with the Trustee's fee. No withdrawal of funds from the Bond Fund shall be made for any other purpose except as otherwise authorized in this Ordinance.

(h) The bonds shall be specifically secured by a pledge of all Revenues to be deposited into the Bond Fund on a parity of security with the 1987B Bonds and the 1995 Bonds. This pledge in favor of the bonds is hereby irrevocably made according to the terms of this Ordinance, and the City and its officers and employees shall execute, perform and carry out the terms thereof in strict conformity with the provisions of this Ordinance.

Section 14. Monthly deposits into the Bond Fund shall be made prior to moneys in the Revenue Fund being deposited into the Depreciation Fund.

Section 15. Any surplus in the Revenue Fund, after making all disbursements required by the provisions of this

Ordinance and making full provision for the funds hereby provided, may be used, at the option of the City, for any other lawful municipal purpose.

Section 16. So long as any of the bonds are outstanding, the City shall not issue or attempt to issue any bonds claimed to be entitled to a priority of lien on Revenues over the lien securing the bonds. The City reserves the right to issue additional bonds to finance or pay the cost of making any future extensions, betterments or improvements to the System, or to refund such bonds, but the City shall not authorize or issue any such additional bonds ranking on a parity with the bonds, unless and until (1) there have been procured and filed with the Trustee a statement by an Accountant reciting, based upon necessary investigation, that Net Revenues (Net Revenues being gross Revenues less the expenses of operation and maintenance of the System, including all expense items properly attributable to the operation and maintenance of the System under generally accepted accounting principles applicable to municipal water and sewer facilities excluding depreciation, interest and amortization of deferred bond discount expenses) derived from the operation of the System for the fiscal year preceding the year in which such additional bonds are proposed to be issued were not less than 125% of the maximum annual debt service requirements (principal, interest and trustee's fees) on the bonds, the 1987B Bonds, the 1995 Bonds, all System Obligations ranking on a parity of security with the bonds and the additional bonds then proposed to be issued; or (2) there shall have been procured and filed with the Trustee a statement by an Accountant or an independent consulting engineer not in the regular employ of the City reciting, based upon necessary investigation, that "Adjusted Net Revenues" derived from the operation of the System for the fiscal year preceding the year in which such additional bonds are proposed to be issued would have been not less than 125% of the maximum annual debt service requirements (principal, interest, and trustee's fees) on the bonds, the 1987B Bonds, the 1995 Bonds, all System Obligations ranking on a parity of security with the bonds and the additional bonds then proposed to be issued. "Adjusted Net Revenues" means Net Revenues adjusted (i) for rate increases passed prior to issuance of such additional bonds, (ii) for customers added prior to issuance of such additional bonds, and (iii) for additional revenues to be derived from the completion of a project to be funded from such additional bonds provided that such project would provide service to a new area with a pre-existing customer base.

The additional bonds, the issuance of which is restricted and conditioned by this Section, shall be understood to mean System Obligations ranking on a parity of security with the bonds and not System Obligations subordinate in security to the bonds.

Section 17. The bonds shall be subject to redemption prior to maturity in accordance with the terms set out in the bond form in Section 8 hereof. The City covenants and agrees to cause to be paid into the Bond Fund sufficient funds to redeem the bonds

in the amounts and on the dates set forth in the bonds. Therefore, in calculating the monthly payments to be deposited into the Bond Fund, the term "next installment of principal" shall include the principal of the bonds maturing on the next principal payment date and the principal of the bonds which will be redeemed in accordance with the mandatory sinking fund redemption provisions of the bonds on the next interest payment date scheduled for such redemption.

The City may acquire bonds by purchase at a price not in excess of par plus accrued interest, inclusive of brokerage fees, and surrender to the Trustee any bonds so acquired, in exchange for which the City shall receive a credit under this Ordinance in an amount equal to the principal amount of the bonds so acquired and surrendered, for and of the then next date for mandatory sinking fund redemption of bonds of the same maturity.

Section 18. The City shall cause proper books of accounts and records to be kept (separate from all other records and accounts) in which complete and correct entries shall be made of all transactions relating to the operation of the System, and such books shall be available for inspection by the owner of any of the bonds at reasonable times and under reasonable circumstances. The City agrees to have these records audited by an Accountant at least once each year, and a copy of the audit shall be delivered to the Trustee and made available to the registered owners of the bonds requesting the same in writing. In the event that the City fails or refuses to make the audit, the Trustee or any registered owner of the bonds may have the audit made, and the cost thereof shall be charged against the Operation and Maintenance Fund.

Section 19. The City covenants and agrees that it will maintain the System in good condition and operate the same in an efficient manner and at reasonable cost. While any of the bonds are outstanding, the City agrees that it will insure and at all times keep insured, in the amount of the full insurable value thereof, in a responsible insurance company or companies selected by the City and authorized and qualified under the laws of the State to assume the risk thereof, properties of the System, to the extent that such properties would be covered by insurance by private companies engaged in similar types of businesses against loss or damage thereto from fire and other perils included in extended coverage in the State. The insurance policies are to carry a clause making them payable to the Trustee as its interest may appear, and satisfactory evidence of said insurance shall be filed with the Trustee. In the event of loss, the proceeds of such insurance shall be applied solely toward the reconstruction, replacement or repair of the System, and in such event the City will, with reasonable promptness, cause to be commenced and completed the reconstruction, replacement and repair work. If such proceeds are more than sufficient for such purposes, the balance remaining shall be deposited to the credit of the Revenue Fund, and if such proceeds shall be insufficient for such purposes the deficiency shall be supplied first from moneys in the Depreciation Fund and second from moneys in the Operation and Maintenance Fund

and third from surplus moneys in the Revenue Fund. Nothing shall be construed as requiring the City to expend any moneys for the operation and maintenance of the System or for premiums on its insurance which are derived from sources other than the operation of the System, but nothing shall be construed as preventing the City from doing so.

Section 20. Any bond shall be deemed to be paid within the meaning of this Ordinance when payment of the principal of and interest on such bond (whether at maturity or upon redemption as provided herein, or otherwise), either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment, (1) cash and/or (2) direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America ("Government Securities") (provided that such deposit will not affect the tax-exempt status of the interest on any of the bonds or cause any of the bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code")), 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 shall have been paid or the payment thereof provided for to the satisfaction of the Trustee.

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.

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, the Trustee shall take all appropriate action to cause (i) the pledge and lien of this Ordinance to be discharged and cancelled, and (ii) all moneys held by it pursuant to this 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 City. In determining the sufficiency of the deposit of Government Securities there shall be considered the principal amount of such Government Securities and interest to be earned thereon until the maturity of such Government Securities.

Section 21. If there be any default in the payment of the principal of or interest on any of the bonds, or if the City defaults in any Bond Fund requirement or in the performance of any of the other covenants contained in this Ordinance, the Trustee may, and upon the written request of the registered owners of not less than 10% in principal amount of the then outstanding bonds, shall, by proper suit, compel the performance of the duties of the officials of the City under the laws of Arkansas. And in the case of a default in the payment of the principal of and interest on any of the bonds, the Trustee may and upon written request of the registered owners of not less than 10% in principal amount of the

then outstanding bonds, shall apply in a proper action to a court of competent jurisdiction for the appointment of a receiver to administer the System on behalf of the City and the registered owners of the bonds with power to charge and collect (or by mandatory injunction or otherwise to cause to be charged and collected) rates sufficient to provide for the payment of the expenses of operation, maintenance and repair and to pay any bonds and interest outstanding and to apply the Revenues in conformity with the laws of Arkansas and with this Ordinance. When all defaults in principal and interest payments have been cured, the custody and operation of the System shall revert to the City.

No registered owner of any of the outstanding bonds shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law for the protection or enforcement of any power or right unless 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 registered 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 power 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 granted to the Trustee, 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 costs, expenses 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. Such notification, request and offer of indemnity are, at the option of the Trustee, conditions precedent to the execution of any remedy. No one or more registered 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 thereunder except in the manner herein described. All proceedings at law or in equity shall be instituted, had and maintained in the manner herein described and for the benefit of all registered owners of the outstanding bonds.

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

The Trustee may, and upon the written request of the registered owners of not less than 50% 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.

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 for the benefit of all the registered owners of such bonds, subject to the provisions of this Ordinance.

No delay or omission of the Trustee or of any registered 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 acquiescence therein; and every power and remedy given by this Ordinance to the Trustee and to the registered owners of the bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

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

Section 22. (a) The terms of this Ordinance shall constitute a contract between the City and the registered 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 subsections (b) and (c).

(b) The Trustee may consent to any variation or change in this Ordinance to cure any ambiguity, defect or omission in this Ordinance or any amendment hereto, which in the opinion of the Trustee is not materially adverse to the interests of the owners of the bonds, without the consent of the owners of the outstanding bonds.

(c) The 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 City 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 Section shall permit or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any bond, or (b) a reduction in the principal amount of any bond or the rate of interest thereon, or (c) the creation of a lien or pledge superior to the lien and pledge created by this Ordinance, or (d) a privilege or priority of any bond or bonds over any other bond or bonds, or (e) a reduction in the aggregate principal amount of the bonds required for consent to such supplemental ordinance.

Section 23. When the bonds have been executed, they shall be authenticated by the Trustee and the Trustee shall deliver

the bonds to the Purchaser upon payment in cash of the Purchase Price. The accrued interest shall be paid to the City and deposited into the Debt Service Account in the Bond Fund. The amount of the Reserve Requirement shall be paid to the City from the Purchase Price and deposited into the 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 Mayor and City Clerk (the "Delivery Instructions") shall be paid from the Purchase Price. The amount of the Purchase Price necessary to accomplish the Refunding as set forth in the Delivery Instructions shall be paid to Soil and Water.

The remainder of the Purchase Price shall be remitted to the City for deposit into a special account designated "Water and Sewer Revenue Bond Construction Fund, Series 2000" (the "Construction Fund"). The moneys in the Construction Fund shall be disbursed solely in payment of the costs of accomplishing the Improvements, paying necessary expenses incidental thereto, and paying expenses of issuing the bonds. Disbursements shall be on the basis of checks signed by at least two persons designated by the City which shall contain at least the following information: the person to whom payment is being made; the amount of the payment; and the purpose by general classification of the payment. In the case of all items of expense over which the City's consulting engineer (the "Engineer") shall exercise supervision, each check shall be accompanied by a certificate signed by the Engineer (or by a representative thereof designated by the Engineer) certifying approval thereof.

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 and the financing thereof, this fact shall be evidenced by a certificate signed by the Mayor and the Engineer, which certificate shall state, among other things, the date of the completion and that all obligations payable from the Construction Fund have been discharged. In the event moneys remain in the Construction Fund, such moneys may be used to finance additional water and sewer improvements approved by the City Council. If no additional improvements are to be financed, a copy of the certificate shall be filed with the depository of the Construction Fund, and a copy with the Trustee, and upon receipt thereof the depository of the Construction Fund shall transfer any remaining balance to the Bond Fund for the purpose of redeeming the bonds.

Section 24. There shall be a statutory mortgage lien upon the water facilities which are part of the System (including all extensions, improvements and betterments now or hereafter existing) which shall exist in favor of the owners of the bonds, and each of them and such water facilities shall remain subject to such statutory mortgage lien until payment in full of the interest on and principal of the bonds, provided, however, that such statutory mortgage lien shall be interpreted according to the

decision of the Supreme Court of the State in City of Harrison v. Braswell, supra.

Section 25. (a) The City covenants that it shall not take any action or suffer or permit any action to be taken or conditions to exist which causes or may cause the interest payable on the bonds to be included in gross income for federal income tax purposes. Without limiting the generality of the foregoing, the City covenants that the proceeds of the sale of the bonds and 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 City shall assure that (i) not in excess of 10% of the Net Proceeds of the bonds is used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the bonds during the term thereof is, under the terms of the bonds or any underlying arrangement, directly or indirectly secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the City, in respect of property or borrowed moneys used or to be used for a Private Business Use; and (ii) that, in the event that both (A) in excess of 5% of the Net Proceeds of the bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the bonds during the term thereof is, under the terms of the bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the City, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Improvements.

The City shall assure that not in excess of 5% of the Net Proceeds of the bonds are used, directly or indirectly, to make or finance a loan to persons other than state or local governmental units.

As used in this subsection (b), the following terms shall have the following meanings:

"Net Proceeds" means the face amount of the bonds, plus accrued interest less any proceeds deposited into the Reserve Account in the Bond Fund.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

(c) The bonds are hereby designated as "qualified tax-exempt obligations" within the meaning of the Code. The City represents that the aggregate principal amount of its qualified tax-exempt obligations (excluding "private activity bonds" within the meaning of Section 141 of the Code which are not "qualified 501(c)(3) bonds" within the meaning of Section 145 of the Code), including those of its subordinate entities, issued in calendar year 2000 will not exceed $10,000,000.

The City further covenants and represents that (i) the aggregate principal amount of its tax-exempt obligations (not including "private activity bonds" within the meaning of Section 141 of the Code), including those of its subordinate entities, issued in calendar year 2000 will not exceed $5,000,000 and (ii) at least 95% of the proceeds of the bonds will be expended for the governmental activities of the City.

(d) The City 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. Nothing in this Section shall prohibit investments in bonds issued by the United States Treasury.

(e) The City 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 required by Section 149(e) of the Code.

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

(g) The City covenants that it will not enter into any wholesale water contracts with non-governmental entities or modify existing wholesale water contracts with non-governmental entities if such contracts or modifications of existing contracts will cause a violation of this Section.

Section 26. (a) Moneys held for the credit of the Bond Fund shall be continuously invested and reinvested by the City in Permitted Investments (as hereinafter defined), all of which shall mature, or which shall be subject to redemption by the holder thereof, at the option of such holder, as follows: not later than the payment date for interest or principal and interest for moneys in the Debt Service Account and not later than seven (7) years or the final maturity of the bonds, whichever is earlier, for moneys in the Reserve Account.

(b) Moneys held for the credit of any other fund, including the Construction Fund, shall be continuously invested and reinvested by the City in Permitted Investments or other investments as may, from time to time, be permitted by law, 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 the moneys held for the credit of the particular fund will be required for the purposes intended.

(c) Obligations so purchased as an investment of moneys in any fund shall be deemed at all times to be a part of such fund and the interest accruing thereon and any profit realized from such investments shall be credited to such fund, and any loss resulting from such investment shall be charged to such fund, provided, however, that if earnings on investments of moneys in the Reserve Account in the Bond Fund increase the amount thereof in excess of the Reserve Requirement, the earnings to the extent of the excess shall be transferred out of the Reserve Account and into the Debt Service Account in the Bond Fund.

(d) "Permitted Investments" are defined as direct or fully guaranteed obligations of the United States of America (including any such obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) ("Government Obligations") or certificates of deposit or time deposits of banks, including the Trustee, to the extent insured by the Federal Deposit Insurance Corporation ("FDIC") or if in excess of insurance coverage, collateralized with Government Obligations or other obligations authorized by law to secure public deposits.

(e) Moneys so invested in Government Obligations or in certificates of deposit of banks to the extent insured by FDIC, need not be secured by the depository bank or banks.

(f) All investments and deposits shall have a par value (or market value when less than par), exclusive of accrued interest at all times at least equal to the amount of money credited to such funds and shall be made in such a manner that the money required to be expended from any fund will be available at the proper time or times.

(g) Investments of moneys in all funds shall be valued in terms of current market value as of the last day of each year, except that direct obligations of the United States (State and Local Government Series) in book-entry form shall be continuously valued at par or face principal amount.

Section 27. (a) The Trustee shall only be responsible for the exercise of good faith and reasonable prudence in the execution of its trust. The recitals in this Ordinance and in the face of the bonds are the recitals of the City 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 the registered owners of not less than 10% in principal amount of the 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 at any

time by giving 60 days' notice in writing to the City Clerk and to the registered owners of the bonds, and the majority in value of the registered owners of the outstanding bonds at any time, with or without cause, may remove the Trustee. In the event of a vacancy in the office of Trustee, either by resignation or by removal, the majority in value of the registered owners of the outstanding bonds may appoint a new Trustee, such appointment to be evidenced by a written instrument or instruments filed with the City Clerk. If the majority in value of the registered owners of the outstanding bonds shall fail to fill a vacancy within 45 days after the same shall occur, then the City shall forthwith designate a new Trustee by a written instrument filed in the office of the City Clerk. The original Trustee and any successor Trustee shall file a written acceptance and agreement to execute the trust imposed upon it or them 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 registered owners of the bonds agree. Such written acceptance shall be filed with the City 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.

(b) Every successor Trustee appointed pursuant to this Section shall be a trust company or bank 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 $10,000,000.

(c) Any resignation by the Trustee shall not be effective until the appointment of a successor Trustee under this Section.

Section 28. The provisions of this Ordinance are hereby declared to be separable and if any provision shall for any reason be held illegal or invalid, such holding shall not affect the validity of the remainder of this Ordinance.

Section 29. All ordinances and resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 30. It is hereby ascertained and declared that the Improvements are immediately needed for the preservation of the public peace, health and safety and to remove existing hazards thereto. The Improvements cannot be accomplished without the issuance of the bonds, which cannot be sold at the interest rates specified 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: October 10, 2000.

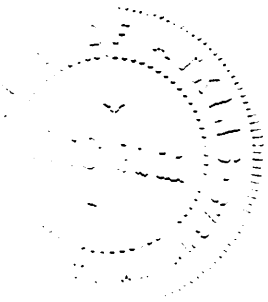
ATTEST:

Brenda Graves
City Clerk

APPROVED:

Jerry D. Barnett
Mayor

(SEAL)



CERTIFICATE

The undersigned, City Clerk of the City of Atkins, Arkansas, hereby certifies that the foregoing pages are a true and correct copy of Ordinance No. 2000-03, adopted at a regular session of the City Council of the City of Atkins, Arkansas, held at the regular meeting place of the City Council in the City at 7:00 p.m., on the 10th day of October, 2000, and that said Ordinance is of record in Ordinance Record Book No. _____, Page _____, now in my possession.

GIVEN under my hand and seal this 10th day of October, 2000.

Brenda Baker
City Clerk

(SEAL)

