ORDINANCE NO. 316

AN ORDINANCE PROVIDING FOR THE NOTICE OF SALE OF $223,000.00 OF SEWER SYSTEM REVENUE IMPROVEMENT BONDS OF THE CITY OF ATKINS, ARKANSAS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ATKINS, ARKANSAS:

Section 1. That the City Recorder of the City of Atkins, Arkansas, be, and he is hereby, authorized and directed to publish in a newspaper published and having a general circulation in the City of Atkins, Arkansas, by one insertion, not less than fifteen (15) days before the date of sale, the Official Notice of Sale of the Sewer System Revenue Improvement Bonds of the City in the form substantially as follows:

OFFICIAL NOTICE OF SALE

$223,000.00 CITY OF ATKINS, ARKANSAS
5% SEWER SYSTEM REVENUE IMPROVEMENT
BONDS

1. Sealed bids in envelopes addressed to the City of Atkins, and marked "Proposal for Sewer System Revenue Improvement Bonds", will be received by the City of Atkins, Arkansas, at the City Council Chambers, City Hall, Atkins, Arkansas, up to 10:00 o'clock, A.M., Central Time, on the 28th day of September, 1973, for the purchase at not less than par of the City's $223,000.00 Sewer System Revenue Improvement Bonds.

2. The bonds will be dated as of the date of delivery; will bear interest at the rate of 5% per annum, with the first interest payment due on January 1 next following delivery of the bonds, and semi-annually thereafter, on July 1 and January 1 of each year; and will mature serially on January 1 in each of the years 1975 through 2013, inclusive.

3. The bonds will be negotiable coupon bonds, or at the option of the successful purchaser or purchasers, the bonds in the amount purchased may be issued as a single bond fully registered as to principal and interest but subject to conversion to coupon bonds at the request of the registered owner and at the expense of the City. The bonds will be payable at such place as may be designated in the purchaser's bid; except that a single fully registered bond shall be payable at the address of the registered owner appearing on the Bond Registration Book.

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4. The bonds, or the installments of principal on a single fully registered bond, will be subject to redemption on the next available interest payment date, in inverse numerical order at par and accrued interest, from any proceeds of the sale of the bonds remaining after payment of all costs of the construction of the improvements to the system; PROVIDED, HOWEVER, if any such remaining funds amount to less than $1,000, such remaining funds shall be deposited in a Sinking Fund, and the bonds, or installments on principal, will be subject to redemption prior to maturity at the option of the City on any interest payment date, on and after January 1, 1984, in inverse numerical order, at the principal amount thereof and accrued interest at the date of redemption, from surplus revenues derived from the operation of the sewer and waterworks system of the City in excess of the debt service requirements of the bonds of this issue and to establish and maintain all reserves required in connection therewith, PROVIDED FURTHER, that this provision for such prior redemption shall not be effective until such time as all of the City of Atkins Water and Sewer Refunding and Improvement Revenue Bonds dated June 1, 1962, have been paid; and the City, at its option, may call bonds of this issue for redemption prior to maturity on any interest payment date after January 1, 1984, in inverse numerical order at par plus accrued interest, from any other available funds. Notice of the call for the redemption shall be published by the City Recorder not less than thirty (30) days before the date of such redemption by one insertion in a newspaper of general circulation in the State of Arkansas, which notice shall give the number and maturity of each bond being called, or maturity of installments of principal

being prepaid. After the date mentioned in said call, the bond or bonds so called, or maturities of principal so prepaid, will cease to bear interest; PROVIDED, funds for their payment are on deposit at that time.

5. The bonds will be secured by a first lien on and a pledge of the surplus revenues derived from the operation of the sewer system and from surplus revenues of the waterworks system remaining after setting aside sufficient funds to meet the debt service requirements of the City of Atkins, Arkansas Water and Sewer Refunding and Improvement Bonds dated June 1, 1962, setting up all necessary reserves therefor, and providing for the operation and maintenance of the systems.

6. Bonds will be awarded on the basis of the bid or bids resulting in the lowest net interest cost (i.e. interest cost after deducting the total amount of any premium bid from the amount of interest from the date of the bonds to their respective maturities).

7. The Farmers Home Administration, U. S. Department of Agriculture has entered into a Loan Agreement with the City of Atkins, pursuant to which it proposes to buy these bonds at par at a 5% interest rate, provided no other equally or more favorable bids are submitted.

8. The City will furnish without cost to the purchaser, within forty-five (45) days from the date of sale, the bonds ready for delivery at the City Hall in the City of Atkins, together with the unqualified approving opinion of Messrs. Rose, Nash, Williamson, Carroll & Clay, a Professional Association,

bond counsel of the City of Little Rock, Arkansas, which approving opinion will be printed on the back of the bonds and will be certified by the City Recorder of Atkins, Arkansas. The City Recorder will authenticate the bonds, and the City will deliver the customary closing papers including a certificate that no litigation is then pending affecting the issuance of the bonds.

9. Each bid must be accompanied by a certified or cashier's check in the sum equal to two per cent (2%) of the principal amount of the bonds payable to the order of the City, to be its liquidated damages if the bidder fails to make good its bid and applied to the purchase price if it gets the bonds; otherwise, to be returned. No interest will be paid on good faith checks.

10. The City reserves the right, in its discretion, to reject any and all bids and to waive any irregularity or informality in any bid.

11. In the opinion of bond counsel, at the present time, the income from the said bonds is exempt from the Federal and State Income Tax.

12. For further information, communicate with Everett Ewell, Mayor, Atkins, Arkansas, or Rose, Nash, Williamson, Carroll & Clay, of Little Rock, Arkansas.

CITY OF ATKINS, ARKANSAS

By _____
Mayor

Section 2. It is ascertained and declared that the lack of an adequate sewer system for the City of Atkins, Arkansas, endangers the life, health and property of the inhabitants of the City; that it is necessary that the City of Atkins, Arkansas, immediately construct extensions, betterments and improvements to the sewer system to protect and preserve the life, health and property of its inhabitants; that it is necessary to finance the cost of construction thereof by the sale of revenue bonds; and only by the adoption of this Ordinance can the City proceed to the expeditious sale of bonds and the construction of extensions, betterments and improvements to the sewer system. IT IS, THEREFORE, declared that an emergency exists, that this Ordinance is necessary for the immediate preservation of the public peace, health, and safety, and that this Ordinance shall take effect and be in force from and after its adoption.

PASSED: September 4, 1973.

APPROVED: [signature]
Mayor

ATTEST: [signature]
City Recorder

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