ORDINANCE NO. 322

AN ORDINANCE AUTHORIZING THE ISSUANCE OF WATERWORKS SYSTEM REVENUE IMPROVEMENT BOND IN THE PRINCIPAL AMOUNT OF $748,000.00 FOR THE PURPOSE OF AIDING IN THE CONSTRUCTION OF BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS SYSTEM OF THE CITY OF ATKINS, ARKANSAS.

WHEREAS, the City Council of the City of Atkins, Arkansas (herein sometimes referred to as "Council") has determined to construct betterments and improvements to its waterworks system and has caused to be filed with the City Recorder by a duly qualified engineer, chosen by the Council, plans and specifications and an estimate of costs of constructing said improvements, to which reference is made for a description of the betterments and improvements; and

WHEREAS, according to the above mentioned estimate the cost of constructing the said improvements, exclusive of funds from Federal and other grants, will be the sum of approximately $748,000.00, including engineering, legal costs, and other expenses incidental to the issuance of the bonds hereinafter authorized, which report has been examined and approved by the City Council; and

WHEREAS, the City is authorized under Act No. 131 of the Acts of the General Assembly of Arkansas of the year 1933, as amended, to issue and sell revenue bonds for the purpose of financing the cost of constructing the said betterments and improvements to the waterworks system, including printing, legal and other expenses incident to the issuance of the bonds; and

WHEREAS, to secure funds necessary to finance the construction of the said improvements and the engineering, legal and other costs incidental to the issuance of bonds for the said purposes, the Council has determined to issue the Waterworks System Revenue Improvement Bond hereinafter authorized, to be payable solely from the surplus revenues of the waterworks and sewer systems, in excess of the debt service requirements of the Water and Sewer Refunding and Improvement Bonds of the City dated June 1, 1962, the Waterworks and Sewer System Revenue Improvement Bonds, Series A and Series B of the City, dated _____, 1973, and the Sewer System Revenue Improvement Bond of the City dated _____, 197__;

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

Section 1. That the betterments and improvements (hereinafter referred to as "improvements") to the waterworks system of the City of Atkins, Arkansas (hereinafter referred to as the "System") be constructed in accordance with the plans hereinbefore referred to.

Section 2. That under the authority of Act No. 131 of the Acts of the General Assembly of the State of Arkansas of the year 1933, as amended, the City is hereby authorized to borrow the sum of Seven Hundred Forty-eight Thousand Dollars ($748,000.00), from the United States of America, acting through the Farmers Home Administration, and issue as evidence thereof a "Waterworks System Revenue Improvement Bond". Said bond shall bear interest at the rate of five per cent (5%) per annum, payable annually beginning January 1 next following the date thereof, with

principal and interest payable in annual amortized installments beginning on the second January 1 next following the date thereof, and on each succeeding January 1 thereafter, until the face amount of the bond, plus interest thereon, is fully paid, except that the final payment of the entire indebtedness if not sooner paid, shall be due and payable forty (40) years from the date of the bond. PROVIDED, HOWEVER, the said schedule for the payment of the bond may be modified by a Supplementary Payment Agreement providing for payments on a monthly basis so long as the bond is held, or insured, by the United States of America.

If interim certificates, as hereinafter authorized, are issued to the purchaser of the bond, said bond shall be dated as of the date of the delivery of the first interim certificate, otherwise, the bond shall be dated as of the date of its delivery. Said bond shall be issued in fully registered form, without interest coupons; it shall be registered as to principal and interest by the Recorder of the City in a bond registration book and a certificate of such registration shall be endorsed on the bond. Thereafter, both the principal and interest shall be payable to the registered owner at his address appearing on the bond registration book.

The bond, together with interest thereon, shall be payable solely out of the 1974 Waterworks Revenue Bond and Interest Sinking Fund as hereinafter defined, and shall be a valid claim of the holder thereof only against said Fund, and the amount of the revenues pledged to said Fund, which amount of said revenues is hereby pledged and mortgaged for the payment of the bond and shall be used for no other purpose than

to pay the principal of and interest on the bond. The said bond shall contain a recital that it is issued pursuant to said Act No. 131 of the General Assembly of Arkansas of the year 1933, as amended.

Pending the preparation and delivery of the permanent and definitive bond hereinabove authorized, interim certificates of indebtedness in the aggregate principal amount of said bond, may be issued for the purpose of providing construction funds immediately and in anticipation of the issuance of such permanent and definitive bond. The interim certificates shall be in such denomination or denominations as the City Council shall determine, be dated the day of delivery, bear interest at the bond rate, or if issued to evidence loan funds obtained on an interim basis, at such loan rate, and be payable on or before three (3) years after their date. Upon delivery of the permanent and definitive bond, the interim certificates, to the extent then outstanding, with accrued interest, shall be exchanged for, or paid from the proceeds of, the permanent and definitive bond.

Section 3. The said bond and interim certificates of indebtedness shall be signed by the Mayor and City Recorder and sealed with the corporate seal of the City and be in substantially the following forms:

UNITED STATES OF AMERICA

STATE OF ARKANSAS

COUNTY OF POPE

CITY OF ATKINS

5% WATERWORKS SYSTEM REVENUE IMPROVEMENT BOND

KNOW ALL MEN BY THESE PRESENTS:

That the City of Atkins (herein called the "City"), in the County of Pope, and State of Arkansas, hereby acknowledges itself to owe, and for value received promises to pay to the registered owner hereof but solely from the special Fund provided therefor as hereinafter set forth, the principal sum of

SEVEN HUNDRED FORTY-EIGHT THOUSAND DOLLARS

($748,000.00), plus interest on the unpaid balance at the rate of five per cent (5%) per annum. The said principal and interest shall be payable in the following installments on or before the following dates: Interest only on the 1st day of January, 197__, and $_____ on the first day of January, 197__, and annually thereafter on the first day of January until principal and interest are fully paid, except that the final installment on the entire indebtedness evidenced hereby, if not sooner paid, shall be due and payable forty (40) years from the date of this bond. This bond shall be registered as to principal and interest in a bond registration book, such registration to be attached hereto and as a part hereof, and no transfer shall be valid unless made on the bond registration book and similarly noted on the registration herein. Thereafter, both the principal and

interest shall be payable in lawful money of the United States to such registered owner at his address appearing on the bond registration book.

This bond is issued for the purpose of aiding in the construction and installation of betterments and improvements (hereinafter referred to as the "improvements") to the waterworks system of the City of Atkins, Arkansas (herein referred to as the "System") under and pursuant to and in full compliance with the Constitution and laws of the State of Arkansas, including particularly Act No. 131 of the regular session of the General Assembly of the State of Arkansas of the year 1933, as amended, and pursuant to ordinances and proceedings of the City Council duly passed, and does not constitute an indebtedness of the said City within any constitutional or statutory limitations.

Both principal of and interest on this bond are payable solely from a fixed amount of the surplus revenues derived from the operation of the waterworks and sewer systems of the City in excess of the debt service requirements of the Water and Sewer Refunding and Improvement Bonds of the City dated June 1, 1962, the Waterworks and Sewer System Revenue Bonds, Series A and Series B, of the City dated _____, 197__, and the Sewer System Revenue Improvement Bond of the City dated _____, 197__, which amount shall be sufficient to pay the principal of and interest on this bond as the same become due and payable. Said amount has been duly set aside and pledged as a special fund for that purpose and identified as the "1974 Waterworks Revenue Bond and Interest Sinking Fund", created by Ordinance

No. _____, duly adopted by the City Council of the City of Atkins, on the _____ day of _____, 1974, under which this bond is authorized to be issued, and in said Ordinance the City of Atkins has fixed and has covenanted and agreed to maintain rates to be charged for the use of and services rendered by the waterworks and sewer systems which rates shall be sufficient at all times to provide for the payment of the principal of and interest on this bond as the same become due and payable, to provide and maintain a reserve for contingencies, to provide for the creation of separate depreciation funds for necessary replacements and repairs to the waterworks and sewer systems, and to provide for the payment of the reasonable expenses of operation and maintenance of the systems.

This bond is expressly made negotiable under said Act No. 131, as amended, and is issued with the intent that the laws of the State of Arkansas shall govern the construction thereof.

By virtue of the authority of said Act No. 131 of the General Assembly of the State of Arkansas for the year 1933, as amended, there is granted and created a statutory mortgage lien on the improvements to the System to and in favor of the holder of this bond; and said improvements shall remain subject to such statutory mortgage lien until the payment in full of all of this bond, both principal and interest, shall have been paid.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the City. Refunds and extra payments as defined in the regulations of the Farmers Home Administration according to the source of

funds involved, shall, after payment of interest, be applied to the installments last to become due under this bond and shall not affect the obligation of the City to pay the remaining installments as scheduled herein.

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, have existed, have happened, and have been performed in due time, form and manner, as required by law, and that sufficient of the income and revenue which is deemed to be derived from the operation of said waterworks and sewer systems has been pledged to and will be set aside into said special fund for the payment of the principal of and interest on said bond; and that the indebtedness represented by this bond and the issue of which it forms a part does not exceed any Constitutional or statutory limitations.

IN WITNESS WHEREOF, the City of Atkins, Arkansas, by its City Council has caused this bond to be signed by the Mayor and City Recorder thereof and sealed with the corporate seal of said City, all as of the _____ day of _____, 1974.

CITY OF ATKINS, ARKANSAS

By: _____
Mayor

ATTEST:

_____
City Recorder

(S E A L)

There shall be attached to and made a part of said bond a registration certificate in substantially the following form:

I, the undersigned, City Recorder within and for the City of Atkins, Pope County, Arkansas, DO HEREBY CERTIFY that the within bond has been registered as to principal and interest as indicated in the registration blank below in a book provided for that purpose and in the manner required by law. The principal of and interest on this bond shall be payable only to the registered owner hereof named in the registration blank below or his legal representative, and this bond shall be transferrable only by an appropriate notation on the bond registration book of the City.

Date of Registration	Name of Registered Owner	Signature of Registration Agent

CITY OF ATKINS

COUNTY OF POPE

STATE OF ARKANSAS

INTERIM CERTIFICATE OF INDEBTEDNESS

No. _____ $_____

For value received, the City of Atkins, Pope County, Arkansas, hereby acknowledges itself indebted and promises to pay to _____, at its office in the City of _____, County of _____, Arkansas, the principal sum of

_____ DOLLARS

($_____), on January 1, 19___, plus interest thereon from the date hereof at the rate of _____% per annum, payable annually on January 1 in each year beginning January 1 next following the date hereof.

This Certificate is one of a series of _____ Certificates in an aggregate amount not to exceed $748,000.00, issued for the purpose of providing construction funds in anticipation of the issuance of a permanent and definitive bond purchased by FARMERS HOME ADMINISTRATION for constructing betterments and improvements to the waterworks system of the City in accordance with the Bond Ordinance of the City passed and approved on the _____ day of _____, 1974, This is a special obligation payable solely from revenues of the waterworks and sewer systems and from a pledge of the proceeds of the definitive bond, and it does not constitute an indebtedness of the City within any

Constitutional or statutory limitation. The City covenants and agrees that on or, at its option, before the maturity date hereof this, and other such certificates, to the extent then outstanding, with accrued interest, to date of payment without penalty, shall be exchanged for, or paid from the proceeds, of such permanent and definitive bond.

IN WITNESS WHEREOF, the City of Atkins, Arkansas, has caused this certificate to be signed by the Mayor and City Recorder and sealed with the corporate seal of said City on the _____ day of _____, 1974.

CITY OF ATKINS, ARKANSAS

By: _____
Mayor

ATTEST:

_____
City Recorder

(S E A L)

Section 4. The rates for the services of the waterworks and sewer systems established by Ordinance No. _____ of the Ordinances of the City of Atkins, passed and approved on the _____ day of _____, 19___, are hereby confirmed. The said rates are deemed reasonable and necessary minimum rates to be charged and will produce a total revenue sufficient to pay the total operation and maintenance expenses of the waterworks and sewer systems, to provide for the payment of all outstanding bonds of the City payable from the revenues of the waterworks and sewer systems, and to provide for the payment of the bond issued hereunder, both principal and interest, as the same fall due and are payable, and to create and maintain all funds relative thereto.

Said rates shall never be reduced until the bond herein authorized has been paid in full and shall, when necessary, be increased in an amount sufficient to provide for the maintenance of the funds hereinafter described.

Section 5. The Treasurer of the City shall be the custodian of the revenues derived from the waterworks and sewer systems and shall give sufficient bond for the faithful discharge of all duties as such custodian (the amount of such bond to be $100,000.00, but in no event less than the total funds at any time in the hands of the Treasurer and to be approved by this Council). A like bond in a sufficient amount to be approved by the Council shall be required of each person handling funds of the System.

Section 6. After there shall have been paid from the Water and Sewer Fund of the City, established by Ordinance No. 258 of the Ordinances of the City of Atkins, Arkansas, passed and

approved August 7, 1962, the funds required to be paid therefrom into the Water and Sewer Operation and Maintenance Fund established by said Ordinance No. 258, the funds required to be paid into the Water and Sewer Refunding and Improvement Revenue Bond Fund of the City, established by said Ordinance No. 258, to meet the debt service requirements of the Water and Sewer Refunding and Improvement Bonds of the City, dated June 1, 1962, and the funds required to be paid into the Water and Sewer Depreciation Fund established by said Ordinance No. 258, and to establish and maintain all reserve funds in connection therewith, and after all payments therefrom shall have been made as required by Ordinances No. 310 and 311 of the City of Atkins, Arkansas, passed and approved January 8, 1973, and by Ordinance No. 317 of the Ordinances of the City of Atkins, Arkansas, passed and approved September 28, 1973, there shall be paid by the City Treasurer from the said Water and Sewer Fund of the City, and deposited into a fund which is hereby created and designated "1974 Waterworks Revenue Bond and Interest Sinking Fund" (hereinafter sometimes called the "Sinking Fund"), on or before the fifth day of business of each month until the bond issued hereunder and the interest thereon have been paid in full, or provisions made for such payment, a sum equal to one-twelfth (1/12th) of the next installment of principal of and interest on the bond plus the sum of Three Hundred Twenty-one Dollars ($321.00) to establish a debt service reserve until there shall have been accumulated a debt service reserve in the amount of Thirty-eight Thousand Five Hundred Dollars ($38,500.00); PROVIDED, HOWEVER, that when in any fiscal year no principal of or interest on the bond is in default and the amount in the Sinking Fund provides a reserve in the sum of $38,500.00, and so long as the said debt service reserve is so maintained, the amount so deposited

each month into the said Fund shall equal one-twelfth (1/12th) of the next installment of principal and interest.

If the revenues in any month are insufficient to make the required payment on the fifth business day of the following month into the Sinking Fund, then the amount of any deficiency in the payment made shall be added to the amount otherwise required to be paid into the Sinking Fund on or before the fifth day of the next month. The amount by which payments in any fiscal year exceed the aggregate amount of interest and principal payable in the next succeeding fiscal year, shall be held in said Sinking Fund as a reserve for contingencies and used solely as provided herein; PROVIDED, HOWEVER, that when the moneys held in the Sinking Fund, including the reserve for contingencies, shall be and remain sufficient to pay the principal of and interest on the bond then outstanding, the City Treasurer shall not be obligated to make any further payments into the Sinking Fund. If, for any reason, the City Treasurer shall fail at any time to make any of such payments into the Sinking Fund, any sums then held as a reserve for contingencies shall be used to the extent necessary in the payment of the interest on and the principal of the bond, but such reserve shall be reimbursed from the next available revenues of the System. All moneys in the Sinking Fund shall be used solely for the purpose of paying the interest on and the principal of the bond issued hereunder.

Section 7. It shall be the duty of the City Treasurer to withdraw from the Sinking Fund at least five (5) days before the maturity date of each annual installment of principal of the bond issued hereunder or interest payment thereon, and to forward to the place of payment, an amount equal to the amount of such principal or interest payment for the sole purpose of paying the same, and no withdrawal of funds from the Sinking Fund shall be made for any other purpose except as otherwise authorized by this Ordinance. Such deposit shall be at the sole risk of the City and shall not operate as a payment of the bond or interest until so applied.

Section 8. Until the bond herein authorized to be issued has been paid in full, both principal and interest, the City shall maintain the said Water and Sewer Fund, Water and Sewer Operation and Maintenance Fund, and Water and Sewer Depreciation Fund as created and established by said Ordinance No. 258, passed and approved on the 7th day of August, 1962.

Section 9. If a surplus shall exist in the Water and Sewer Fund over and above the amount required to make all deposits required to be made into the Water and Sewer Operation and Maintenance Fund, the Water and Sewer Depreciation Fund, and the Sinking Fund, and so long as there is no default in the payment of the principal of or interest on the bond authorized hereunder, such surplus may be applied by the Council to the payment of the principal of and accrued interest on any of the said bonds of the City as may be called for redemption before maturity or to any other lawful purpose.

So long as there is no default in the payment of the principal of or interest on the bond authorized hereunder, the Council may invest funds on deposit to the credit of the Sinking Fund and on deposit to the credit of the Water and Sewer Revenue Depreciation Fund in excess of the requirements of the respective Funds in the direct obligations of, or in obligations the principal of and the interest on which are guaranteed by, the United States of America.

Section 10. This bond, together with the interest thereon, shall be payable solely out of the Sinking Fund as hereinbefore defined and shall be a valid claim of the holder thereof only against said Fund and the amount of the revenues pledged for the payment of the bond herein authorized, and shall be used for no other purpose than to pay the principal of and interest on the said bond as the same accrue, except as herein provided.

Section 11. The Water and Sewer Fund, the Water and Sewer Operation and Maintenance Fund, and the Water and Sewer Depreciation Fund authorized by said Ordinance No. 258, and the Sinking Fund herein created shall be established and maintained so long as the bond is outstanding in such depository bank or banks, which must hold membership in the Federal Deposit Insurance Corporation, as may be lawfully designated from time to time, subject however, to the giving of security by such depository as now or as hereafter may be required by law. The depository bank or banks shall give security, either by corporate bond or by the escrow of bonds or other direct or fully guaranteed

obligations of the United States of America, for all sums on deposit with it or them in excess of $20,000.00, or in excess of insured funds.

Section 12. IT IS HEREBY COVENANTED and AGREED by the City with the holder or holders of the bond authorized to be issued hereunder that it will perform all duties with reference to the waterworks and sewer systems required by the Constitution and laws of the State of Arkansas, including making and collecting of reasonable and sufficient rates lawfully established for services rendered by the systems, segregating the revenues of the systems and its application to the respective Funds herein referred to and defined, and the City hereby irrevocably covenants, binds and obligates itself not to pledge, mortgage or otherwise encumber the systems or any part thereof, or any revenues derived from the operation of the systems or any part thereof, and that it will not sell, lease or otherwise dispose of the systems or any portion thereof, unless and until the principal of and interest on the bond issued hereunder shall be paid in full, or unless and until provisions shall have been made for the payment of the bond and interest thereon in full, and the City further covenants and agrees with the holder of the bond to maintain the systems in a satisfactory condition and to operate the same continuously in an efficient and economical manner.

Section 13. The City will maintain the systems in good condition and operate the same in an efficient manner and at a reasonable cost. So long as the bond is outstanding, the City agrees to maintain fire, and extended insurance on all above-ground structures exclusive of reservoirs, standpipes and elevated tanks, coverage of which may be at the option of the City, in an amount which normally would be carried by a private

company engaged in a similar type of business. In the event of loss, the proceeds of such insurance shall be applied solely towards the reconstruction, replacement or repairs of the systems. In such event, the City will, with reasonable promptness, cause to be commenced and completed the reconstruction, replacement, or repairs.

If the operation of the systems requires the use on public highways of a motor vehicle or vehicles owned by the City, the City will maintain public liability insurance to the limit of not less than $50,000 in respect to bodily injury or death to any one person, to the limit of not less than $100,000 in respect to any one accident, and to the limit of $5,000 in respect to damage to property.

If five or more persons are employed by the City in the operation and maintenance of the systems, the City will maintain Workmen's Compensation Insurance for the benefit of all persons so employed.

Nothing herein shall be construed as requiring the City to expend any funds for premiums on its insurance required by this Section, which are derived from sources other than the operation of the systems, but nothing herein shall be construed as preventing the City from doing so.

Section 14. The City will keep proper records, books, and accounts, relating to the systems in accordance with generally accepted accounting practices for facilities of like type and size, in which complete and correct entries shall be made of all transactions pertaining thereto. All such books,

records, and accounts, shall at all times during normal business hours be subject to the inspection by the holder of the bond issued hereunder and to any agent or representative of any such holder. So long as the bond issued hereunder is outstanding, the City will furnish to the holder periodic operating statement of the systems in such form and substance and for such periods as may be required. Not later than ninety (90) days after the close of each fiscal year (or as soon after the close of each fiscal year as provisions may be made therefor) the City will furnish to any holder of the bond issued hereunder and who shall request the same in writing, an audit covering such fiscal year certified by the Division of Local Audits of the office of the State Comptroller or by an independent certified public accountant. The said audit shall reflect in reasonable detail the financial condition and records of the operation of the City and of the systems and shall include, but shall not be limited to, the following information: An evaluation of the manner in which the City has complied with its covenants hereunder; a statement of the operating income and expenses; an analysis of each Fund provided herein including the deposits, withdrawals and beginning and ending balance; a general balance sheet; the schedule of rates charged for each class of service as of the commencement of the fiscal year, the gross revenues received and the number of connections; schedule of insurance policies and fidelity bonds in force showing with respect to each policy and bond the nature and amount of the risk covered, the expiration date, and the name of the insurer; names and titles of principal officers of the City and of the

Waterworks and Sewer Commission, if any; and a general statement concerning any events or circumstances which might possibly affect the financial status of the systems.

Section 15. There shall be a statutory mortgage lien on the betterments to the System, including the real property on which they are situated, as provided in the said Act No. 131, as amended, which shall exist in favor of the holder of the bond, and the said betterments shall remain subject to such statutory mortgage lien until payment in full of the interest on and principal of the bond. If there be any default in the payment of either the interest on or principal of the bond, and such default shall continue for thirty (30) days thereafter, and if default shall be made in the due and punctual performance of any of the other covenants and agreements contained in the bond or in this Ordinance, the holder of the bond may enforce the statutory mortgage lien upon the said betterments in accordance with the provisions of Section 7 of the said Act No. 131, and may by proper suit compel the performance of the duties of the officials of the City, as set forth in said Act.

If there be default in the payment of the principal of or interest on the bond, and such default shall continue for thirty (30) days thereafter, any court having jurisdiction in any proper action may appoint a receiver to administer the said System on behalf of the City, with power to charge and collect rates sufficient to provide for the payment of the bond and interest thereon and for the payment of the operating expenses and to apply the income and revenues in conformity with the said Act and this Ordinance providing for the issuance of said bond.

Section 16. The proceeds from the sale of the bond and/or interim certificates of indebtedness shall be disbursed as follows:

(a) In case of interim certificates of indebtedness, the amount provided for the payment of interest during the construction period shall be deposited in the Sinking Fund and the balance of the proceeds shall be deposited in a special account of the City designated "1974 Waterworks System Construction Fund" in a bank that is a member of the Federal Deposit Insurance Corporation and disbursed by it solely for the payment of the cost of constructing the betterments, cost of necessary engineering, legal and administrative services, clerical and other miscellaneous expenses.

(b) In case of the permanent and definitive bond, the amount necessary, if any, to pay in full the outstanding principal and accrued interest to date of payment of any interim certificates of indebtedness shall be used for that purpose, and the balance shall be deposited into the Construction Fund and used for the accomplishment of the improvements and the expenses incurred by the City in authorizing, selling and issuing the bond.

Any unexpended balance remaining in the Construction Fund after payment of all construction costs and expenses shall be used solely for making prepayments on the bond.

Section 17. While the bond herein authorized remains outstanding, the City shall not issue or attempt to issue any bond or bonds secured by revenues of any part of the systems claimed to be entitled to priority of lien over the lien securing the bond of this issue. The City expressly reserves the right to issue, in one or more series, additional bonds or obligations of the City to finance or pay the costs of constructing betterments and improvement to the systems, or to either of them; PROVIDED, HOWEVER, that the City shall not authorize or issue any such additional revenue bonds so long as the bond of this issue is outstanding, on a parity with the bond authorized to be issued hereunder, except when necessary to complete the construction of the betterments authorized herein, or unless the net revenues of the systems (defined as gross revenues less the expense of essential operation and maintenance) for the fiscal year immediately preceding the issuance of the additional revenue bonds equal at least 120% of the average annual debt service requirements of all bonds of the City then outstanding and payable from the revenues of the systems and of the additional revenue bonds then proposed to be issued, all of which shall be certified by an independent certified public accountant; PROVIDED FURTHER, HOWEVER, the City may issue additional bonds to finance or pay the costs of constructing betterments and improvements to the systems, or to either of them, on a parity with the bonds authorized to be issued hereunder if the holders of not less than 85% of the then outstanding bonds authorized to be issued hereunder shall consent thereto.

Section 18. The Mayor and City Recorder are hereby directed to publish for one insertion in a newspaper published in Pope County and of general circulation in the City of Atkins the Ordinance to which is attached a notice signed by them in substantially the following form:

"N O T I C E

NOTICE IS HEREBY GIVEN that the City Council of the City of Atkins, Arkansas, has adopted the Ordinance hereinafter set out; and the said City contemplates the issuance of the bond described in said Ordinance; that any person interested may appear before the Council on the _____ day of _____, 1974, at _____ o'clock, __.M., at the usual place of meeting at the City Hall, and present protests. At such hearing all objections and suggestions will be heard and the said Council will take such action as is deemed proper in the premises.

DATED this _____ day of _____, 1974.

_____
Mayor of Atkins, Arkansas

ATTEST:

_____
City Recorder"

Section 19. If any provisions of this Ordinance shall for any reason be held illegal or invalid by the courts, it shall not affect the validity of the remainder of the Ordinance.

Section 20. All ordinances or resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 21. This Ordinance shall not create any right of any character, and no right of any character shall arise under or pursuant to it, until the bond authorized by this Ordinance, shall be issued and delivered.

Section 22. It is ascertained and declared that on account of the lack of an adequate waterworks system to serve the City of Atkins, the health and lives of the inhabitants thereof and their property are daily endangered and that in order to protect the safety of its inhabitants and their lives from disease and other dangers, betterments and improvements to its waterworks system must be constructed immediately. 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 this Ordinance shall take effect and be in force from and after its passage.

PASSED: August 6th, 1974.

APPROVED: Elbert H. Ewell
Mayor

ATTEST: Dallas L. Swan
City Recorder

(S E A L)