

ORDINANCE NO. A-352

AN ORDINANCE AUTHORIZING THE ISSUANCE OF SEWER REVENUE BONDS FOR THE PURPOSE OF IMPROVING AND ENLARGING THE MUNICIPALLY OWNED SEWER SYSTEM; SETTING UP CERTAIN FUNDS; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Conway, Arkansas, owns its present sewer system, on which there is an indebtedness of \$68,500 evidenced by Conway Sewer Revenue Bonds dated May 1, 1951, and maturing on November 1 of the years 1960 to 1971, inclusive; and

WHEREAS, the City needs to improve and enlarge the municipal sewer system in order to meet the expanding commercial, industrial and domestic needs and to protect the public health and general welfare of the inhabitants of the City, and for that purpose has had Marion L. Crist & Associates of Little Rock, Arkansas, Consulting Engineers, prepare plans, specifications, and estimates of cost of the improvements needed, which they have done and have filed their report with the City Clerk, showing an estimated cost of approximately \$121,166, and these plans are on file in the office of the City Clerk subject to inspection by any and all persons interested; and

WHEREAS, the City does not have the money to make these improvements but it can secure a federal grant of \$30,000, issue \$90,000 in sewer revenue bonds, and advance the \$1,166 out of general revenues, and after due notice the City has sold the proposed issue of \$90,000 in sewer revenue bonds to Harrow Smith Company and Southern Securities Corporation, both of Little Rock, Arkansas, at a price of par plus accrued interest for bonds bearing interest at the rate of 4.41% per annum plus a premium of \$13.00 which resulted in a net interest cost of 4.4088%, with the further agreement that the buyers will pay the cost of printing the bonds, the trustee's fee, and the fee of the approving attorneys, but they

reserved the right to convert the bonds to bonds bearing a lower rate of interest, subject to the conditions set out in the notice of sale, and have presented a computation showing that the cost of maturing an issue of \$90,000 in 4.41% bonds dated February 1, 1960, and maturing serially on February 1 of each year as follows:

\$2000 in 1961, 1962 and 1963  
2500 in 1964 and 1965  
4000 in 1966, 1967 and 1968  
4500 in 1969, 1970 and 1971  
5000 in 1972 and 1973  
5500 in 1974 and 1975  
6000 in 1976 and 1977  
6500 in 1978  
7000 in 1979 and 1980

is \$139,656.60, and have also presented a computation showing that the conversion of the issue to \$93,000 in bonds dated February 1, 1960, and maturing serially and bearing interest as hereinafter set out, will cost a total of \$139,204, so that by the conversion the City will receive the same money but will pay out \$452.60 less than it would pay if the bonds were not converted, and therefore the conversion is within the terms of the agreement with the buyers and has been approved by the City's fiscal agents, and the buyers are now ready to accept delivery of the bonds as soon as the City can legally make delivery; now, therefore,

BE IT ORDAINED by the City Council of the City of Conway,  
Arkansas:

SECTION 1. That the City Council hereby finds there is a necessity for the improvement and enlargement of the municipal sanitary sewer system, and that the plans and specifications prepared by Marlon L. Crist & Associates, Consulting Engineers, be and the same are hereby approved and adopted, and the council does hereby determine that it is to the best interests of the City to make the improvements set out in said plans.

SECTION 2. That the sale of the revenue bonds to Harrow Smith Company and Southern Securities Corporation of Little Rock, Arkansas,

is at a fair price and one that is allowed by law, and the conversion of said bonds from \$90,000 in 4.41% bonds to \$93,000 in bonds bearing interest as hereinafter set out will result in a saving to the City of \$452.60, and the Council does therefore approve and confirm both the sale of the bonds and their conversion to lower interest rates.

SECTION 3. That the municipal sewer system is now operated by a Sewer Committee and that said Committee shall supervise the construction of the improvements and continue the operation of the system.

SECTION 4. That the Council does hereby declare that a brief description of the improvements and enlargements to be made is as follows: The improvement and enlargement of the existing sewage treatment facilities, including additional lands, oxidation ponds, and piping with appurtenant facilities and equipment; and that the life of the system is well beyond the term of the proposed bond issue. (All of these improvements are hereinafter termed the "Works," and the collective sewer system, including the new improvements and enlargements to be constructed, is hereinafter termed the "System.")

SECTION 5. That under the authority of the general statutes of the State of Arkansas, and particularly Act No. 132 of the Acts of the General Assembly of the State of Arkansas for the year 1933, as amended (sometimes hereinafter termed "Act No. 132, as amended"), sewer revenue bonds of the City be issued in the total amount of \$93,000, the proceeds of the sale of which shall be used to pay the cost of the Works, including engineering and legal fees and other necessary expenses; that the bonds be designated "City of Conway, Arkansas, \_\_\_% Sewer Revenue Bond of 1960," be dated as of February 1, 1960; be numbered from 1 to 97, both inclusive; be sometimes hereinafter referred to as "bonds"; be in the denomination of \$1000 each except Nos. 3, 6, 32, 37, 42, 58, 64, and 83, which shall be in the

denomination of \$500 each; be callable as hereinafter set forth;

and mature in numerical order on February 1 of each year as follows:  
each y

YEAR	BOND NOS. inclusive ( )	AMOUNT
1961	1, 2 and 3	
1962	4, 5 and 6	2500
1963	7, 8 and 9	3000
1964	10, 11 and 12	3000
1965	13, 14 and 15	3000
1966	16 to 19	4000
1967	20 to 23	4000
1968	24 to 27	4000
1969	28 to 32	4500
1970	33 to 37	4500
1971	38 to 42	4500
1972	43 to 47	5000
1973	48 to 52	5000
1974	53 to 58	5500
1975	59 to 64	5500
1976	65 to 70	6000
1977	71 to 76	6000
1978	77 to 83	6500
1979	84 to 90	7000
1980	91 to 97	7000

The bonds shall bear interest payable semi-annually on February 1 and August 1 of each year, beginning August 1, 1960, at the following rates per annum: Nos. 1 to 37, inclusive, at 3.80%; Nos. 38 to 70, inclusive, at 4%; and Nos. 71 to 97, inclusive, at 4.25%. The bonds shall be signed by the Mayor and City Clerk and sealed with the corporate seal of the City; the interest upon the bonds shall be evidenced by coupons thereto attached, the coupons to be signed by said Mayor by his facsimile signature and the Mayor shall by the execution of the bonds adopt as and for his own proper signature his facsimile signature appearing on said coupons. The bonds and coupons shall be payable in any coin or currency which on the date of payment is legal tender for payment of debts due the United States of America, at the office of The First National Bank in Little Rock, Little Rock, Arkansas.

The bonds, together with interest thereon, shall be payable solely out of the Sewer Revenue Bond Fund as hereinafter defined, on a parity with the City's issue of Sewer Revenue Bonds dated May 1

1951, a, & shall be a valid claim of the holder thereof only against such Fund, and the amount of the revenues pledged to said Fund, which amount of said revenues is hereby pledged and mortgaged for the equal and ratable payment of the bonds and of the outstanding balance of the City's May 1, 1951 Sewer Revenue bond issue, and shall be used for no other purpose than to pay the principal and interest of the bonds, except as hereinafter set out.

SECTION 6. Said bonds and coupons shall be in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF ARKANSAS  
COUNTY OF FAULKNER  
CITY OF CONWAY

\_\_\_% Sewer Revenue Bond of 1960

NO. \_\_\_\_\_

\$ \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS:

That the City of Conway, in the County of Faulkner, State of Arkansas, for value received hereby promises to pay, solely from the special fund provided therefor as hereinafter set forth, to bearer, the sum of

\_\_\_\_\_ , DOLLARS

on the first day of February, 19\_\_\_, with interest thereon at the rate of \_\_\_\_\_ per centum (\_\_\_%) per annum from date until paid, payable semi-annually on the first day of February and August of each year, beginning August 1, 1960, upon presentation and surrender of the annexed coupons as they severally become due. Both principal hereof and interest hereon shall be payable in any coin or currency which on the date of payment is legal tender for payment of debts due the United States of America, at the office of The First National Bank in Little Rock, Little Rock, Arkansas.

This bond is one of a series of bonds aggregating Ninety-three Thousand Dollars (\$93,000), all of like tenor and effect except as

to number, denomination, interest rate, and maturity, numbered from 1 to 97, both inclusive, and issued for the purpose of improving and enlarging the municipal sanitary sewer system. (The improvements together with the existing system are hereinafter called the "System.")

This bond and the series of which it forms a part are issued pursuant to and in accordance with the provisions of the laws and Constitution of the State of Arkansas, and particularly Act No. 132 of the Acts of the General Assembly of the State of Arkansas for the year 1933, as amended, and do not constitute an indebtedness of the City of Conway within any constitutional or statutory limitation. Said bonds and the outstanding balance of the City's May 1, 1951 Sewer Revenue Bond issue are payable on a parity solely from a fixed amount of the gross revenues of the System, which amount shall be sufficient to pay the principal of and interest on the bonds of both issues 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 "Sewer Revenue Bond Fund," created by Ordinance No. A-265 of the City of Conway, adopted on the 12<sup>th</sup> day of June, 1951, and enlarged by the ordinance of the City of Conway under which this bond is authorized to be issued, and said City has fixed and has covenanted and agreed to maintain rates for sewer services which shall be sufficient at all times to provide for the payment of the reasonable expenses of Operation, repair and maintenance of said System and to provide for the payment of the principal of and interest on its bonds of both the May 1, 1951 issue and this issue as the same become due and payable.

This bond is expressly made negotiable by the statutes under which it is issued, and is issued with the intent that the laws of the State of Arkansas shall govern the construction thereof.

The bonds of this issue are callable for payment prior to maturity in inverse numerical order at par and accrued interest

as follows: If called for payment from surplus revenue derived from the operation of the System or the proceeds of this bond issue not used in construction, on any interest paying date; if called for payment from funds from any other source, on any interest paying date on and after February 1, 1965. In the event a call is made, the City shall publish notice of such call for redemption once a week for two weeks in some newspaper of general circulation throughout the State of Arkansas and published in the City of Little Rock, Arkansas, giving the number and maturity of each bond being called, the first publication to be at least fifteen days prior to the date fixed for redemption, and after the date fixed for redemption each bond so called will cease to bear interest, provided funds for its payment are on deposit with the paying agent at that time.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all conditions, acts and things required to exist, to be performed, and to happen precedent to and in the issuance of this bond do exist, have been performed, and have happened 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 system has been pledged to and will be set aside into said special fund for the payment of the principal of and interest on the Sewer Revenue Bonds of May 1, 1951, and this issue of Sewer Revenue Bonds of 1960.

This bond shall not be valid until it shall have been authenticated by the certificate hereon, duly signed by The First National Bank in Little Rock, Little Rock, Arkansas.

IN WITNESS WHEREOF, the City of Conway, Arkansas, by its City Council, has caused this bond to be signed by the Mayor and City Clerk thereof, and sealed with the corporate seal of said City, and has caused the coupons hereto attached to be executed by the

facsimile signature of said Mayor, all as of the first day of February, 1960.

CITY OF CONWAY, ARKANSAS

(Seal)

By \_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

(Form of Coupon)

No. \_\_\_\_\_

\$ \_\_\_\_\_

On the first day of ~~February~~ <sup>August</sup>, 19\_\_\_\_, the City of Conway, Faulkner County, Arkansas, unless the bond to which this coupon is attached is sooner called for payment, promises to pay to bearer the sum of \_\_\_\_\_ DOLLARS in any coin or currency which on said date is legal tender for payment of debts due the United States of America, solely out of the fund specified in the bond to which this coupon appertains, at the office of The First National Bank in Little Rock, Little Rock, Arkansas, being interest then due on its Sewer Revenue Bond of 1960 dated ~~Feb~~ <sup>its</sup> February 1, 1960, and numbered \_\_\_\_\_.

CITY OF CONWAY, ARKANSAS

By \_\_\_\_\_  
Mayor

(All coupons shall be for six months' interest. The Mayor's signature on the coupons may be lithographed or engraved.)

On the back of the bonds is to appear the following:

CERTIFICATE

This is one of the 97 bonds aggregating \$93,000 described within.

THE FIRST NATIONAL BANK IN LITTLE ROCK,  
LITTLE ROCK, ARKANSAS, Trustee

By \_\_\_\_\_  
Authorized Officer

Little Rock, Arkahsas

\_\_\_\_\_

SECTION 7. (a) The City Council, after a hearing held upon the notice required by statute, fixed the rates to be charged for the services to be furnished by the System, in Ordinance No. A-350, passed and approved December 8, 1959.

(b) The Council hereby finds the rates so fixed to be reasonable and the necessary minimum rates to be charged, and that they will produce a total revenue sufficient to pay the costs of the operation, repair and maintenance of the System and provide for the payment of the principal and interest of the May 1, 1951 bonds and the bonds issued to finance the cost of the Works as the same become due and payable, and to create all funds herein provided. Except as herein authorized, the rates for the services rendered and to be rendered by the System, as set out in said Ordinance No. A-350, shall never be reduced until all of the bonds of this issue and all interest thereon have been paid in full, and shall when necessary be increased in an amount sufficient to provide for the maintenance of the funds hereinafter described.

(c) Whenever the outstanding balance of the bond issue authorized by this ordinance shall have been reduced to 50% of the original amount, exclusive of interest, and in the judgment of the Trustee the earnings of the System are sufficient to permit it, the Trustee may authorize a reduction in the rates; provided, no reduction in rates shall be made that will produce an estimated net revenue, after setting up necessary funds for operation, maintenance, and depreciation of the System, less than 150% of the average annual requirements for the payment of principal and interest of all revenue bonds then outstanding. Although a reduction in rates may be made, the rates shall be raised at any time later if the amount of net revenue for any year is less than 150% of such annual requirements. The decision of the Trustee, hereinafter named, as to the necessity for terminating any reduction in rates or increasing the rates at any time shall be final.

SECTION 8. Sections 10, 11, 13, and 25 of Ordinance No. A-265 shall remain in full force and effect.

SECTION 9. To the requirements set out in Section 12 of said Ordinance No. A-265 shall be added the requirement that the monthly payments therein set forth shall be increased by one-fifth of each semi-annual payment of interest and one-tenth of each annual payment of principal until the reserve fund of \$7000 has been increased to \$14,000, and as long as the reserve is maintained at \$14,000 the monthly payments into said Bond Fund shall be one-sixth of the next semi-annual interest payment and one-twelfth of the next annual payment of principal of both issues plus the paying charges. Except for this additional payment, the provisions of said Section 12 shall remain in full force and effect for the equal benefit of both bond issues.

SECTION 10. No additional sewer revenue bonds may be issued which would have a lien on the sewer revenue prior to the lien position of this issue and the Sewer Revenue Bonds dated May 1, 1951. Additional sewer revenue bonds on a parity with these bonds may be issued whenever the net revenues of the System for the two preceding calendar years, plus the anticipated net revenues of the improvements to be made, would equal 150% of the maximum amount that will become due in any calendar year for both principal and interest on all sewer revenue bonds then outstanding and the bonds then proposed to be issued.. ("Net revenues" are defined as gross revenues less operating expenses, which shall include salaries, wages, cost of maintenance and operation, materials and supplies, pumping costs, costs of sewage disposal services, and insurance, as well as all other items that are normally regularly included under recognized accounting practices.)

In order to make extensions, improvements, or repairs to the System, the City may issue bonds secured by a second lien on the net

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Sewer Revenue Bond Fund,

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November 1 of the next suc-

the purchase of bonds hereby

ng manner; The City shall designate a date

nor more than twenty days

from the time said date is designated, at which time it will receive sealed tenders of bonds and act upon such offers in open Council session, Notice of the time and place of receiving such sealed tenders shall be published at least once not less than ten days before such date in a newspaper of general circulation published in the City of Little Rock, Arkansas. Said notice shall also be given in writing to the Trustee, not less than ten days before such date. The entire surplus available for the retirement of bonds computed as aforesaid shall be used to purchase bonds offered at the lowest price; provided, however, that all tenders which are not for less than par and accrued interest shall be rejected and the City shall proceed to call bonds for redemption according to the provisions set out in the face of the bonds. All bonds so purchased or redeemed shall be canceled. The City will not be required or permitted to call any bond for partial payment.

**SECTION 13.** The owner or owners of all improved property lying within the area that is now served or will, after the construction of the Works, be served by the System, are hereby directed and required to connect all toilet and waste water facilities of such improved property with the System as soon as the service is available; and the owners of property that is improved after the completion of the Works and can be served by the System shall immediately connect the toilet and waste water facilities of such property with the system.

**SECTION 14.** If after investigation the Sewer Committee shall determine that improved property that can be but is not connected to the System constitutes a nuisance or a health hazard or both, it shall send a written notice to the owner or owners of such improved property to make such connection within thirty days from the date of said notice, and any property owner failing or refusing to connect

his improved property after being notified to do so shall be guilty of a misdemeanor and upon conviction shall be fined in any sum not less than two dollars and not exceeding ten dollars, and each day's failure or refusal after expiration of the time fixed in the notice to make the connection shall be a separate offense; provided, this shall not apply to property lying more than three hundred feet from a place where a connection can be made with the system.

SECTION 15. It is hereby declared that no provision of this ordinance is intended to or shall be construed to impair the obligation of the City's contract with the holders of the City's Sewer Revenue Bonds of May 1, 1951, and the City Council hereby finds that the revenues of the present system plus the anticipated revenues resulting from the Works fully meet the requirements of Section 19 of said Ordinance No. A-265 for the issuance of bonds on a parity with the City's Sewer Revenue Bands dated May 1, 1951.

SECTION 46. The terms "City" and "Bond Fund" as used in this section shall mean, respectively, the Incorporated Town or the City issuing the Bonds and the Fund provided by this ordinance for the payment of the Bonds.

For and in consideration of the purchase and acceptance of the Bonds authorized by this ordinance and to facilitate their payment, with interest, the City agrees to the following terms:

(a) None of the facilities or services afforded by the System shall be furnished without a reasonable charge being made therefor. In the event that the City or any department, agency, or instrumentality thereof shall avail itself of the facilities or services afforded by the System, the reasonable value of the services and facilities so afforded shall be charged against the City or such department, agency, or instrumentality, and shall be paid for as the charges therefor accrue. The revenues so received from the City shall be deemed to be revenues derived from the operation of the System; provided, however, that nothing herein shall be construed as requiring the City or any department, agency, or instrumentality thereof to avail itself of the facilities or services afforded by the System.

(b) The City will maintain the System in good condition and operate the same in an efficient manner and at a reasonable cost. So long as any of the Bonds are outstanding, the City agrees to maintain fire, lightning and tornado insurance on the System in an amount which normally would be carried by a private company engaged in a similar type of business. These insurance policies are to be taken with companies approved by the Trustee, are to carry a clause making them payable to the Trustee as its interest may appear, are to be kept continuously in force, and either the original policies of insurance shall be placed in the custody of the Trustee or the Trustee shall be furnished evidence satisfactory to it that the policies have been issued and carry the loss payable to the Trustee clause. In the event of loss, the proceeds of such insurance are to be applied solely toward the reconstruction, replacement, or repair of the System. In such event the City will, with reasonable promptness, cause to be commenced and completed the reconstruction, replacement and repairs. Nothing herein shall be construed as requiring the City to expend any funds for premiums on its insurance on the System which are derived from sources other than the operation of the System.

(c) The City Treasurer shall be the custodian of the revenues derived from the System, and shall give bond as such custodian. Such bond shall be in an amount not less than \$ 10,000 and shall be approved by the Trustee.

(d) The System shall be operated upon a fiscal year basis, beginning July 1 of each year and ending and including the following June 30.

(e) So long as any of the Bonds are outstanding, the City will not mortgage, pledge, or otherwise encumber the System or any part thereof or any revenues therefrom, except as herein provided, and will not sell, lease, or otherwise dispose of any substantial portion of the same. The obligations of the City set out in this ordinance, the pledge of revenues, and the City's agreement not to mortgage, pledge, or otherwise encumber the System, shall be made a matter of public record by having a certified copy of this ordinance recorded as a mortgage in the office of the Circuit Clerk and ex-officio Recorder of Faulkner County, Arkansas.

(f) All revenues from the System shall be deposited in such depository or depositories as may be lawfully designated from time to time, subject, however, to the giving of security by each such depository as now or as hereafter may be required, and provided each such depository shall hold membership in the Federal Deposit Insurance Corporation. All deposits shall be made in the name of the City and be so designated as to indicate the particular fund to which the revenues belong. Payments from each fund set out in this ordinance shall be made by check or voucher signed by two duly designated persons and drawn on the depository in which the moneys in said fund shall have been deposited, and each such check or voucher shall briefly specify the purpose of the expenditure.

(g) The Bonds, together with interest thereon, are not general obligations of the City nor do they constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely out of the Bond Fund and shall be a valid claim of the holders thereof only against said Fund, and the amount of the revenues pledged to said Fund, which Fund is hereby pledged for the equal and ratable payment of the Bonds and shall be used for no other purpose than to pay the principal and interest of the Bonds as the same mature, except as provided in this ordinance.

(h) It is covenanted and agreed by the City with the holder or holders of the Bonds, or any of them, that it will faithfully and punctually perform all duties with reference to the System required by the Constitution and statutes of the State of Arkansas, including the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the System and applying the revenues therefrom to the respective funds herein created.

(i) The City will keep proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of any transactions relating to the System. The City agrees to have these records audited by an independent certified public accountant at least once each year, and it shall furnish the Trustee a copy of this audit. In the event that the City fails or refuses to make the audit, the Trustee may have the audit made, the cost thereof to be charged to the cost of operation.

(j) If there be any default in the payment of either the principal or the interest on any of the Bonds, the holder or holders thereof may enforce any mortgage lien granted by statute and may by proper suit compel the performance of the duties of the officials of the City, as set forth in the statutes authorizing the Bonds. If there be default in the payment of the principal or interest on the Bonds or if the City shall fail to keep any other obligation which it herein assumes, and such default shall continue for thirty days thereafter, any court having jurisdiction in any proper action, which may be instituted either by the Trustee on behalf of all the bondholders, or by the holder of a Bond in default, may appoint a receiver to administer the System on behalf of the City, with power to charge and collect rates sufficient to provide for the expenses of the receivership, the payment of the Bonds and interest thereon, and the payment of the operating expenses, and to apply the income and revenues in conformity with said statutes and this ordinance providing for the issuance of said Bonds, but when all defaults are cured, the receivership shall be ended and the management and control of the System restored to the City.

(k) The City further covenants and agrees that if default is made in the payment of any Bond or coupon, or if the City fails to meet any Bond Fund requirements, the holder of such Bond may declare that Bond immediately due and payable and in default, and either the Trustee on behalf of all the bondholders or any bondholder for himself may institute suit to enforce the pledge lien herein granted. The failure to exercise this option upon any default shall not be a waiver of the right to exercise it upon any subsequent default.

(l) The Bonds authorized hereby shall be callable for payment before maturity according to the terms set out in the bond form.

(m) The City hereby agrees to make all payments on Bonds and interest only through the designated paying agent. All Bonds paid or purchased, either at or before maturity, shall be canceled when such payment or purchase is made, together with all unmatured coupons appertaining thereto, shall be returned to the City, and shall not be reissued. All unpaid interest coupons maturing on or prior to the date of such payment or purchase shall continue to be payable to the respective bearers thereof.

(n) The charges for paying Bonds and interest coupons shall be  $\frac{1}{8}$  of 1% on principal and 5c per coupon; provided, the minimum fee for any semi-annual payment shall be \$ 5.00. No withdrawal from the Bond Fund shall be made for any purpose other than the payment of Bonds and interest, and the monthly deposits in the Bond Fund or with the Trustee shall be at the sole risk of the City and shall not operate as a payment of the Bonds or coupons until so applied.

(o) Wherever reference is made in this ordinance to a Trustee, it shall refer to

The First National Bank in Little Rock, Little Rock, Arkansas.

The said Trustee shall be responsible only for wilful misconduct in the execution of this trust. The recitals of fact herein contained, and contained in the Bonds, except the recitals in the Trustee's Certificate, are statements of the City and shall not be construed as being made by the Trustee. The Trustee shall not be required to effect insurance against fire or damage to mortgaged property, nor to advance any money to pay insurance premiums, nor to pay any charges or special assessments against said property, nor to see that this pledge of revenue is properly recorded and kept in force as a pledge, nor shall it be required to take notice or be deemed to have had notice of any default of the City in the failure to perform any of the conditions of this ordinance, unless said Trustee shall have been specifically notified in writing of said default; nor shall it be required to take any action hereunder until it shall have been indemnified to its satisfaction by the holders of the Bonds, or some of them, against loss or damage on account thereof. The Trustee is authorized in its discretion to release any real or personal property no longer used in the operation of the System. The holder or holders of a majority in value of the Bonds at any time outstanding may at their option remove the Trustee, and may appoint a successor trustee for one either removed or resigned, by an instrument duly acknowledged and filed for record in the office of the Circuit Clerk and ex-officio Recorder of

Faulkner

County.

Clerk

The Trustee may resign at any time upon ten days' written notice to the City. The successor trustee shall have all the rights and powers of the originally appointed Trustee.

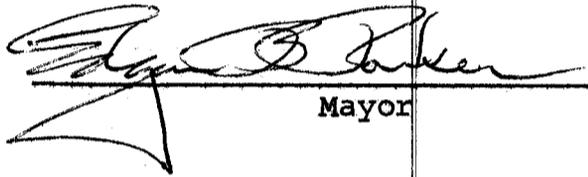
(p) It is hereby declared that the provisions of this ordinance are separable, and if any provision of this ordinance shall for any reason be held illegal or invalid, it shall not affect the validity of the remainder of the ordinance.

(q) It is hereby declared that the provisions of this ordinance constitute a contract by and between the City and the holders of the Bonds and interest coupons issued by authority hereof; and after the Bonds have been issued and paid for, the terms of said provisions shall not be changed except with the written consent of the holders of all Bonds and coupons then outstanding.

SECTION 17. It is hereby ascertained and declared that there is immediate need, in order to protect the health and property of the inhabitants of the City, for the improvement and enlargement of the sewer system serving the City of Conway, Arkansas; therefore, an emergency exists and this ordinance is necessary for the preservation and passage.

Passed: Feb 9- \_\_\_\_\_, 1960.

APPROVED:

  
\_\_\_\_\_  
Mayor

(Seal)

Attest:

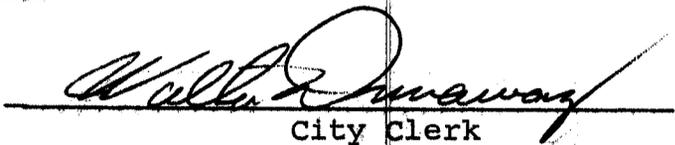
  
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City Clerk

**CERTIFICATE OF RECORD**  
**CERTIFICATE**

STATE OF ARKANSAS  
County of Franklin

I, the undersigned, City Clerk of the City of Conway, Arkansas, hereby certify the foregoing to be a true copy of an ordinance passed by the City Council at a duly called and constituted meeting at which more than two-thirds of the total number of members-elect of the Council were present and voted for said ordinance, which is now of record in Book 5 page 518-523 of the records of said City.

CERTIFIED under my hand and the seal of said City this \_\_\_\_\_ day of 2nd of Feb, 1960.

  
\_\_\_\_\_  
City Clerk

(seal)