

filed with the Town Recorder and the Bondholder a statement by a certified public accountant not in the regular employ of the Town ("Accountant") reciting the opinion that (i) the Net Revenues (Net Revenues being gross Revenues less operation and maintenance expenses, but not including interest and depreciation) for the fiscal year preceding the year in which such additional bonds are to be issued were not less than 110% of the maximum annual debt service requirements (including principal, interest and servicing and administrative fees) on all outstanding System Bonds and the bonds then proposed to be issued or (ii) the Net Revenues for the fiscal year succeeding the year in which such additional bonds are to be issued are projected to be sufficient in amount, taking in consideration any enacted increase in Revenues, to be not less than 110% of the maximum annual debt service requirements (including principal, interest and servicing and administrative fees) on all outstanding System Bonds and the bonds then proposed to be issued.

The additional bonds, the issuance of which is restricted and conditioned by this Section, shall not be deemed to mean bonds the security and source of payment of which are subordinate and subject to the priority of the bonds and such additional bonds may be issued without complying with the terms and conditions of this Section.

Section 18. It is covenanted and agreed by the Town with the Bondholder and the Commission that it will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State and by this Ordinance, including, without limitation, the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the System, segregating Revenues and applying them to the respective funds maintained pursuant to the 1983 Ordinance, the 2014 Ordinance and this Ordinance.

The Town covenants and agrees that the Bondholder shall have the protection of all the provisions of the Authorizing Legislation, and that the Town will diligently proceed to enforce those provisions to the end of the Bondholder realizing fully upon its security. And, if the Town shall fail to proceed within 30 days after written request shall have been filed by the Bondholder, the Bondholder may proceed to enforce all such provisions.

If there be any default in the payment of the principal of or interest on the bonds, or if the Town defaults in any ADFA Bond Fund requirement or in the performance of any of the other covenants contained in this Ordinance, the Bondholder may, by proper suit, compel the performance of the duties of the officials of the Town under the laws of the State. In the case of a default in the payment of the principal of and interest on the bonds, the Bondholder may 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 Town and the Bondholder 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, repair and maintenance and to pay the bonds and interest outstanding and to apply Revenues in conformity 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 Town. No remedy herein conferred upon or reserved to the Bondholder is intended to be exclusive of any other remedy or remedies herein provided or provided by law, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or given by law. No delay or omission of the Bondholder 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

default or an acquiescence therein; and every power and remedy given by this Ordinance to the Bondholder may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon. Any costs of enforcement of the bonds or of any provision of this Ordinance, including reasonable attorney's fees, shall be paid by the Town. The Authority may enforce all rights and exercise all remedies available to the Bondholder in the event the Servicing Fee is not paid when due.

Section 19. When the bonds have been executed and sealed as herein provided, they shall be delivered to the Bondholder upon payment of all or a portion of the purchase price in accordance with the Agreement. The sale proceeds shall be deposited, as and when received, in a special account of the Town hereby created in a bank selected by the Town that is a member of the FDIC and designated the "2020 Water Construction Fund" (the "Construction Fund"). The moneys in the Construction Fund shall be used for directly paying, or reimbursing the Town for, the costs paid in accomplishing the Improvements, expenses incidental thereto and the expenses of issuing the bonds approved in accordance with the Agreement. Payments from the Construction Fund shall be by check or voucher signed by two persons designated by the Town Council and drawn on the depository. Each such check or voucher shall briefly specify the purpose of the expenditure.

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 by the consulting 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. A copy of the certificate shall be filed with the depository bank, the Bondholder and the Commission.

Section 20. The terms of this Ordinance shall constitute a contract among the Town, the Bondholder and the Commission and no variation or change in the undertaking herein set forth shall be made while the bonds are outstanding unless consented to in writing by the Bondholder and the Commission.

Section 21. The Town agrees that it will keep proper records, books and accounts relating to the operation of the System, which shall be kept separate from all other records and accounts of the Town, in which complete and correct entries shall be made of all transactions relating to the operation of the System in accordance with generally accepted government accounting standards. Such books shall be available for inspection by the Bondholder and the Commission, or the agent or the representative of either, at reasonable times and under reasonable circumstances. The Town agrees to have these records audited by an Accountant at least once each year and a copy of the audit report shall be furnished to the Commission and the Bondholder on or before 120 days after the close of each fiscal year. In the event the Town fails or refuses to furnish or cause such reports to be furnished, the Bondholder may have the reports made, and the cost thereof shall be charged against the Operation and Maintenance Fund.

Section 22. The Town covenants and agrees that it will maintain the System in good condition and operate it in an efficient manner and at reasonable cost. The Town agrees that, to the extent comparable protection is not otherwise provided to the satisfaction of the Bondholder and the Commission, it will insure, and at all times keep insured in a responsible insurance company or companies selected by the Town and authorized and qualified under the laws of the State to assume the risk thereof, all above-ground structures of the System against loss or damage thereto in amounts and against such risks as are customarily insured against in connection with similar facilities and undertakings as the System. 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 Town will, with reasonable promptness, cause to be commenced and completed the reconstruction, replacement and repair work.

Section 23. In the event the office of Mayor, Town Recorder, Town Treasurer, or Town Council shall be abolished, or any two or more of such offices shall be merged or consolidated, or in the event the duties of a particular office shall be transferred to another office or officer, or in the event of a vacancy in any such office by reason of death, resignation, removal from office or otherwise, or in the event any such officer shall become incapable of performing the duties of his office by reason of sickness, absence from the Town or otherwise, all powers conferred and all obligations and duties imposed upon such office or officer shall be performed by the office or officer succeeding to the principal functions thereof, or by the office or officer upon whom such powers, obligations and duties shall be imposed by law.

Section 24. (a) Moneys held for the credit of all funds created hereby shall be continuously invested and reinvested in direct obligations of, or obligations the principal of and interest on which are fully guaranteed by, the United States Government ("Government Obligations"), or other investments as may be from time to time authorized by law, which mature or which shall be subject to redemption by the holder, at the option of such holder, not later than the date or dates when the moneys will be needed for the purposes intended.

(b) Obligations so purchased as an investment of moneys in any such 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 investment shall be credited to such fund, and any loss resulting from such investment shall be charged to such fund.

(c) Moneys so invested in Government Obligations need not be secured by the depository bank.

Section 25. The Town agrees that the Bondholder may pledge the Series 2020A Bond as security for the ADFA Bonds, and the ADFA Trustee and/or the municipal bond insurer for the ADFA Bonds may exercise any rights and remedies available to the Bondholder under this Ordinance or the Agreement while the Series 2020A Bond is pledged and/or the ADFA Bonds are insured. In addition, the Town agrees that while the Series 2020A Bond is pledged and/or the ADFA Bonds are insured, copies of all financial information shall be furnished to the ADFA Trustee and/or the municipal bond insurer.

Section 26. 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 owner of the bonds, and such water facilities shall remain subject to such statutory mortgage lien until payment in full of the principal of and interest on the bonds.

Section 27. The references to payments of interest in this Ordinance are not intended to imply that interest is payable on the bonds. The Town acknowledges that the interest rate for the bonds is 0%.

Section 28. The Town is hereby authorized to accept the forgiveness of the principal of the Series 2020B Bond under the terms of the 2020B Agreement. Other than as set forth in the Agreement, all rights of the Bondholder and the Commission under this Ordinance with respect to the Series 2020B Bond shall cease when all advances have been made against the purchase price of the Series 2020B Bond under the 2020B Agreement and the principal amount has been forgiven in accordance with the 2020B Agreement.

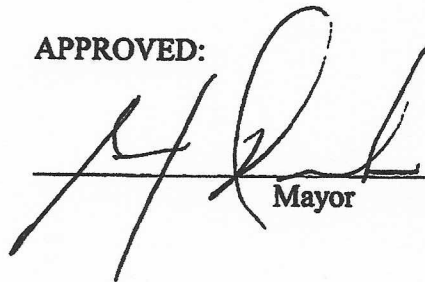
Section 29. The provisions of this Ordinance are hereby declared to be separable, and if any provision shall for any reason be held illegal or invalid, it shall not affect the validity of the remainder of this Ordinance.

Section 30. References in this Ordinance to "Bondholder" shall include the original Bondholder or any registered assign thereof.

Section 31. All ordinances and resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

PASSED October 12, 2020.

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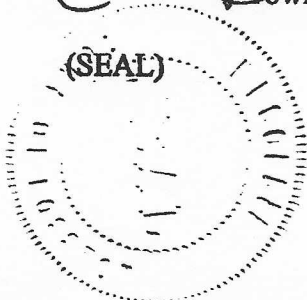


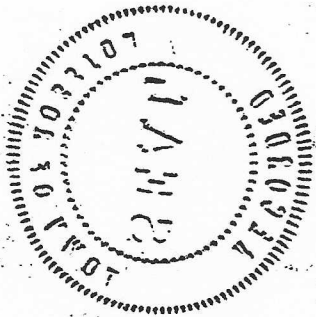
Mayor

ATTEST:



Town Recorder





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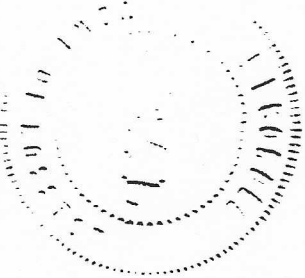
CERTIFICATE

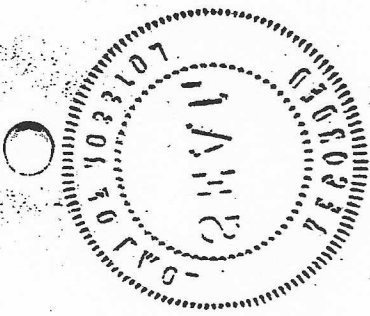
The undersigned, Town Recorder of the Town of Rosston, Arkansas (the "Town"), hereby certifies that the foregoing pages are a true and perfect copy of Ordinance No. 70-28 adopted at a regular session of the Town Council of the Town, held at the regular meeting place in the Town at 5:30 o'clock p.m., on the 12th day of October, 2020, and that the Ordinance is of record in Ordinance Record Book No. 1, Page 2, now in my possession.

GIVEN under my hand and seal on this 12th day of October, 2020.


Town Recorder

(SEAL)





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CONFIDENTIAL