

ORDINANCE NO. 127

AN ORDINANCE AUTHORIZING THE EXECUTION AND ENTERING INTO OF AN AGREEMENT AND CONTRACT WITH ARKANSAS WESTERN GAS COMPANY FOR CERTAIN ENGINEERING, PURCHASING AND RIGHT OF WAY ACQUISITION SERVICES IN CONNECTION WITH THE CONSTRUCTION OF A NATURAL GAS SYSTEM.

BE IT ORDAINED by the Council of the Town of Cotter,
Arkansas:

Section 1. That the Town of Cotter, Arkansas, enter into an agreement and contract with Arkansas Western Gas Company for certain engineering, purchasing, accounting and right of way acquisition services necessary in connection with the construction of a natural gas transmission and distribution system by the Town containing such terms and conditions as set out more fully in the form of contract hereinafter authorized to be executed.

Section 2. That the said agreement and contract shall be in substantially the following form:

A G R E E M E N T

This Agreement and Contract is executed this 7 day of July, 1965, by the undersigned Municipality (hereinafter referred to as "Municipality"), organized under the laws of the State of Arkansas, and Arkansas Western Gas Company (hereinafter called "Company"), an Arkansas Corporation, upon the premises and in consideration of the mutual covenants and agreements hereinafter expressed, to-wit:

WHEREAS, it is deemed to be to the best interest of the Municipality that every effort be made to secure natural gas services for its inhabitants and rural areas adjacent to same;

WHEREAS, it has been determined that the most feasible method of obtaining such service is through the issuance of revenue bonds to finance construction of said system and the entering into an agreement with the Arkansas Western Gas Company covering the operation, lease and sale of such transmission and distribution system; and

WHEREAS, it is contemplated that the total costs, including all expenses in connection with the installation of such transmission and distribution systems and specifically including all costs of issuance and sale of said revenue bonds and including fees, expenses and charges incidental to publications, elections or other proceedings, including condemnation proceedings as same shall become necessary, shall be obtained from the proceeds of revenue bonds to be sold by the Municipality.

NOW, THEREFORE, BE IT KNOWN BY THESE PRESENTS THAT:

1. All fees and expenses incidental to the construction of the gas system and issuance of bonds will be paid from the proceeds of the bond issue.
2. The Company will secure the rights-of-way and settle the damages incurred, for which the Municipality will pay to the Company its actual costs, including its expenses in connection therewith.
3. The Company will represent the Municipality in the construction of its natural gas transmission line and distribution system, and will furnish in connection therewith, subject to the approval of the Council, all necessary engineering services, performed by a professional engineer, registered to practice in Arkansas,

for which the Municipality will pay to the Company six per cent (6%) of the total cost of the improvement.

4. The Company will represent the Municipality in the purchasing and securing of materials, handling, warehousing, tallying of pipe and prepare proper accounting records covering materials, construction and operating purposes, for which the Municipality will pay to the Company three per cent (3%) of the authorized bond issue.

5. The obligations of the respective parties to this agreement are contingent upon the Municipality passing all ordinances, calling elections and executing all leases and agreements, and taking all other action necessary in cooperation with the Company, to secure the expeditious issuance of bonds and construction of the plant.

6. The Council will meet, pass all ordinances, call elections, execute all leases and agreements, and take all other action necessary in cooperation with the Company to secure the expeditious issuance of bonds and construction of the plant.

TOWN OF COTTER, ARKANSAS

By

Frank R. Wallace

Mayor

(SEAL)

ATTEST:

Carley Smith

Recorder

ARKANSAS WESTERN GAS COMPANY

By

Charles J. Schaben

Vice President

Section 3. That the Mayor and Recorder of the Town of Cotter be, and they are hereby, authorized and directed to execute in the name and on behalf of the Town of Cotter the agreement and contract in the form as herein authorized, and to deliver the instrument when so executed to Arkansas Western Gas Company.

Section 4. That it is ascertained and declared that the lack of a distribution system for natural gas to serve the inhabitants of the Town of Cotter subjects the Town to greater fire hazards and greatly endangers the life, health and property of the inhabitants thereof, and that it is necessary that the Town of Cotter, Arkansas, immediately construct a distribution system for natural gas to protect and preserve the life, health and property of its inhabitants, and that only by this ordinance can said system be immediately constructed and put into operation. It is, therefore, declared that an emergency exists and this ordinance being necessary for the immediate preservation of the public peace, health and safety, shall take effect and be in force from and after its passage.

PASSED: July 7, 1965.

APPROVED:

Frank Wallick
Mayor

ATTEST:

Carla Smith
Recorder

(SEAL)

C E R T I F I C A T E

The undersigned, Recorder of the Town of Cotter,
Arkansas, hereby certifies that the foregoing pages, numbered 1 through 4
are a true and correct copy of Ordinance No. 127 adopted at a regular
session of the Council of the Town of Cotter, Arkansas,
held in the regular meeting place in Cotter at 7:30 o'clock
p.m. on the 7 day of July, 1965, and that said Ordinance
is of record in the records of the Town of Cotter,
Arkansas, now in my possession as Recorder.

Given under my hand and seal on this 7 day of July, 1965.

Carla Smith
Recorder

(SEAL)