



1       **WHEREAS**, the City has outstanding (a) its Sewer Revenue Bond, Series 2007B (the “Series 2007B  
2 Bond”), authorized by Ordinance No. 19,769, adopted June 19, 2007 (the “2007B Ordinance”); (b) its  
3 Sewer Revenue Bond, Series 2009A (the “Series 2009A Bond”), authorized by Ordinance No. 20,074,  
4 adopted March 10, 2009 (the “2009A Ordinance”); (c) its Sewer Refunding Revenue Bonds, Series 2011  
5 (the “Series 2011 Bonds”) authorized by Ordinance No. 20,440, adopted June 7, 2011 (the “2011  
6 Ordinance”); (d) its Sewer Revenue Bonds, Series 2012 (the “Series 2012 Bonds”) authorized by  
7 Ordinance No. 20,604, adopted on July 17, 2012 (the “2012 Ordinance”); (e) its Sewer Revenue Bond,  
8 Series 2013 (the “Series 2013 Bond”), authorized by Ordinance No. 20,711, adopted April 2, 2013 (the  
9 “2013 Ordinance”); (f) its Sewer Refunding Revenue Bonds, Series 2014 (the “Series 2014 Bonds”),  
10 authorized by Ordinance No. 20,937, adopted September 16, 2014 (the “2014 Ordinance”); (g) its Sewer  
11 Refunding Revenue Bonds, Series 2015 (the “Series 2015 Bonds”), authorized by Ordinance No. 20,994,  
12 adopted February 24, 2015 (the “2015 Ordinance”); (h) its Sewer Revenue Bond, Series 2016 (the “Series  
13 2016A Bond”) authorized by Ordinance No. 21,258, adopted June 28, 2016 (the “2016A Ordinance”), (i)  
14 its Sewer Refunding Revenue Bonds, Series 2016B (the “Series 2016B Bonds”) authorized by Ordinance  
15 No. 21,317, adopted October 18, 2016 (the “2016B Ordinance”) and (j) its Water Reclamation System  
16 Revenue Bonds, Series 2017 (the “Series 2017 Bonds”) authorized by Ordinance No. 21,479, adopted  
17 September 19, 2017 (the “2017 Ordinance”); and

18       **WHEREAS**, the Bondholder proposes to pledge the bond as collateral for the payment of its  
19 Revolving Loan Fund Revenue Bonds (the “ADFA Bonds”) pursuant to its general bond resolution, as  
20 amended or supplemented from time to time, to the bank or trust company to be named as trustee  
21 thereunder (the “ADFA Trustee”); and

22       **WHEREAS**, the City is required to pay to the Arkansas Development Finance Authority, as servicer  
23 (the “Authority”), a servicing fee equal to 1% per annum of the outstanding principal amount of the Bond  
24 (the “Servicing Fee”);

25       **NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY**  
26 **OF LITTLE ROCK, ARKANSAS:**

27       **Section 1.** The Improvements shall be accomplished. The accomplishment of the Improvements  
28 shall be under the control and supervision of, and all details in connection therewith shall be handled by,  
29 the Commission, and the Commission shall make all contracts and agreements necessary or incidental to  
30 the performance of its duties and the execution of its powers. The Commission shall let all construction  
31 contracts pursuant to and in accordance with existing laws and shall require such performance bonds and  
32 insurance from the contractors as, in the judgment of the Commission, will fully insure the completion of  
33 the Improvements in accordance with the plans and specifications therefor.

34       **Section 2.** The sale to the Bondholder of up to Sixty-One Million, Six Hundred Thousand Dollars  
35 (\$61,600,000.00) in principal amount of a Bond from the City at a price of par for a Bond bearing interest

1 at the rate of 2% per annum and otherwise subject to the terms and provisions hereafter in this ordinance  
 2 set forth in detail be, and is hereby approved and the Bond is hereby sold to the Bondholder. The Mayor  
 3 is hereby authorized and directed to execute and deliver the Agreement on behalf of the City and to take  
 4 all action required on the part of the City to fulfill its obligations under the Agreement. The Agreement is  
 5 hereby approved in substantially the form submitted to this meeting with such changes as may be  
 6 approved by the Mayor, his execution to constitute complete evidence of such approval.

7 **Section 3.** The Board of Directors hereby finds and declares that the period of usefulness of the  
 8 Improvements will be more than thirty-five (35) years, which is longer than the term of the Bond.

9 **Section 4.** Under the authority of the Constitution and laws of the State of Arkansas (the “State”),  
 10 including particularly the Authorizing Legislation, City of Little Rock, Arkansas Water Reclamation  
 11 System Revenue Bond, Series 2018 (the “bond”) is hereby authorized and ordered issued in the principal  
 12 amount of Sixty-One Million, Six Hundred Thousand Dollars (\$61,600,000.00), the proceeds of the sale  
 13 of which are necessary to provide sufficient funds for accomplishing the Improvements, paying expenses  
 14 incidental thereto and expenses of issuing the bond, and funding interest during construction.

15 The Bond shall bear interest at the rate of 2% per annum based upon a 360-day year of twelve (12)  
 16 consecutive thirty (30)-day months. The Bond shall be dated the date of delivery to the Bondholder.  
 17 Interest shall be payable on October 15, 2018, and on each April 15<sup>th</sup> and October 15<sup>th</sup> thereafter.  
 18 Principal shall be payable in installments on October 15, 2021, and each October 15<sup>th</sup> and April 15<sup>th</sup>  
 19 thereafter until the unpaid principal is paid in full as follows:

20

<b>1</b>	<b><u>Date</u></b>	<b><u>Amount</u></b>	<b><u>Date</u></b>	<b><u>Amount</u></b>
2	10/15/21	\$640,235	10/15/36	\$1,000,739
3	04/15/22	649,838	04/15/37	1,015,750
4	10/15/22	659,586	10/15/37	1,030,986
5	04/15/23	669,480	04/15/38	1,046,450
6	10/15/23	679,522	10/15/38	1,062,147
7	04/15/24	689,715	04/15/39	1,078,079
8	10/15/24	700,061	10/15/39	1,094,251
9	04/15/25	710,561	04/15/40	1,110,665
10	10/15/25	721,220	10/15/40	1,127,324
11	04/15/26	732,038	04/15/41	1,144,235
12	10/15/26	743,019	10/15/41	1,161,398
13	04/15/27	754,164	04/15/42	1,178,819
14	10/15/27	765,476	10/15/42	1,196,501
15	04/15/28	776,959	04/15/43	1,214,449
16	10/15/28	788,613	10/15/43	1,232,666
17	04/15/29	800,442	04/15/44	1,251,155
18	10/15/29	812,449	10/15/44	1,269,923
19	04/15/30	824,636	04/15/45	1,288,972
20	10/15/30	837,005	10/15/45	1,308,306
21	04/15/31	849,560	04/15/46	1,327,931
22	10/15/31	862,304	10/15/46	1,347,850

23	04/15/32	875,238	04/15/47	1,368,068
24	10/15/32	888,367	10/15/47	1,388,588
25	04/15/33	901,692	04/15/48	1,409,417
26	10/15/33	915,218	10/15/48	1,430,558
27	04/15/34	928,946	04/15/49	1,452,017
28	10/15/34	942,880	10/15/49	1,473,797
29	04/15/35	957,023	04/15/50	1,495,904
30	10/15/35	971,378	10/15/50	1,518,343
31	04/15/36	985,949	04/15/51	1,541,138

1  
2 The Bond will be registered as to both principal and interest, payable to the Bondholder, or registered  
3 assigns, as set forth hereinafter in the bond form, and shall be numbered R-1.

4 Payment of principal and interest shall be by check or draft mailed to the Bondholder at its address  
5 shown on the Bond Registration Books of the City which shall be maintained by the City Clerk as Bond  
6 Registrar, without presentation or surrender of the Bond (except upon final payment) and such payments  
7 shall discharge the obligation of the City to the extent thereof. The City Clerk shall keep a payment  
8 record and make proper notations thereon of all payments of principal and interest.

9 Payment of principal and interest shall be in any coin or currency of the United States of America  
10 which, as at the time of payment, shall be legal tender for the payment of debts due the United States of  
11 America. When the principal of and interest on the bond have been fully paid, it shall be canceled and  
12 delivered to the City Clerk.

13 **Section 5.** The Bond shall be executed on behalf of the City by the Mayor and City Clerk and shall  
14 have impressed thereon the seal of the City. The Bond is not a general obligation of the City but is a  
15 special obligation, the principal of and interest on which, and Servicing Fee in connection therewith, are  
16 secured by a pledge of and are payable from revenues derived from the System (“Revenues”). The pledge  
17 of Revenues is subordinate to the pledge in favor of the Series 2007B Bonds, the Series 2009A Bond, the  
18 Series 2011 Bonds, the Series 2012 Bonds, the Series 2013 Bond, the Series 2014 Bonds, the Series 2015  
19 Bonds, the Series 2016A Bond, the Series 2016B Bonds and the Series 2017 Bonds (collectively, the  
20 “Prior Bonds”). The bond and interest thereon shall not constitute an indebtedness of the City within any  
21 constitutional or statutory limitation.

22 **Section 6.** The Bond shall be in substantially the following form and the Mayor and City Clerk are  
23 hereby authorized and directed to make all the recitals contained therein:

24 (form of bond)

25 UNITED STATES OF AMERICA  
26 STATE OF ARKANSAS  
27 COUNTY OF PULASKI  
28 CITY OF LITTLE ROCK

29 2% WATER RECLAMATION SYSTEM REVENUE BOND, SERIES 2018

KNOW ALL MEN BY THESE PRESENTS:

That the City of Little Rock, Pulaski County, Arkansas (the "City"), for value received, hereby acknowledges itself to owe and promises to pay to the Arkansas Development Finance Authority, or registered assigns, solely from the special fund provided as hereinafter set forth, the principal sum of

SIXTY ONE MILLION, SIX HUNDRED THOUSAND DOLLARS

(or the total principal amount outstanding as reflected

by the Record of Payment of Advances attached hereto)

with interest on the unpaid balance of the total principal amount at the rate of 2% per annum from the date of each advance. The principal and interest shall be payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America.

Interest on the unpaid balance of the total principal amount shall be payable on October 15, 2018 and on each April 15 and October 15 thereafter. Principal shall be payable in installments on October 15, 2021 and on each April 15 and October 15 thereafter until the unpaid principal is paid as follows:

<u>Date</u>	<u>Amount</u>
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(There will be inserted the schedule set forth in Section 4 of this Ordinance.)

Payments of the principal and interest installments due hereon shall be made, except for final payment, without presentation and surrender of this bond, directly to the registered owner at his address shown on the bond registration book of the City maintained by the City Clerk as Bond Registrar, and such payments shall fully discharge the obligation of the City to the extent of the payments so made.

This Bond is issued for the purpose of providing financing of the costs of constructing betterments and improvements to the City's sewer system which is now identified as a Water Reclamation System (the "System"), interest during construction, and costs of authorizing and issuing this Bond, and is issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas (the "State"), including particularly Title 14, Chapter 164, Subchapter 4 and Title 14, Chapter 235, Subchapter 2 of the Arkansas Code of 1987 Annotated, and pursuant to Ordinance No. \_\_\_\_\_ of the City, duly adopted and approved on the \_\_\_\_ day of \_\_\_\_\_, 2018 (the "Authorizing Ordinance"). Reference is hereby made to the Authorizing Ordinance for the details of the nature and extent of the security and of the rights and obligations of the City and the registered owner of this bond.

This Bond may be assigned with the written approval of the Arkansas Natural Resources Commission ("ANRC"), and in order to effect such assignment the assignor shall promptly notify the City Clerk by registered mail, and the assignee shall surrender this bond along with a written approval of ANRC to the City Clerk for transfer on the registration records. Every assignee shall take this Bond subject to all

1 payments and prepayments of principal and interest (as reflected by the Payment Record maintained by  
2 the City Clerk), prior to such surrender for transfer.

3 This Bond may be prepaid at the option of the City from funds from any source, in whole but not in  
4 part, at any time on and after April 15, 2028, at a prepayment price equal to the principal amount  
5 outstanding, plus accrued interest to the prepayment date. Notice shall be given of such prepayment to the  
6 owner of this bond or registered assigns at least ninety (90) days prior to the prepayment date. Such  
7 notice shall be in writing mailed to the address of the owner of this Bond or registered assigns at the  
8 address as reflected on the Bond Registration Books of the City Clerk.

9 This Bond does not constitute an indebtedness of the City within any constitutional or statutory  
10 limitation or provision, and the taxing power of the City is not pledged to the payment of the principal of  
11 or interest on this Bond. This Bond is a special obligation payable solely from the net revenues derived  
12 from the operation of the System. In this regard, the pledge of net System revenues is subordinate to the  
13 pledge of System revenues to Sewer Revenue Bonds, Series 2007B, 2009A, 2012, 2013 and 2016, Sewer  
14 Refunding Revenue Bonds, Series 2011, 2014, 2015 and 2016B and Water Reclamation System Revenue  
15 Bonds, Series 2017, so long as any of such bonds are outstanding. A sufficient amount of System  
16 revenues to pay principal and interest has been duly set aside and pledged as a special fund for that  
17 purpose, identified as the "2018 ADFa Bond Fund," in the Authorizing Ordinance. The City has fixed  
18 and has covenanted and agreed to maintain rates for use of the System which shall be sufficient at all  
19 times to at least provide for the payment of the reasonable expenses of operation and maintenance of the  
20 System, provide for the payment of the principal of and interest on all the outstanding bonds to which  
21 System revenues are pledged as the same become due, to establish and maintain debt service reserves and  
22 to provide a depreciation fund, all as set forth in the Authorizing Ordinance. This bond is issued with the  
23 intent that the laws of the State shall govern its construction.

24 IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things  
25 required by the Constitution and statutes of the State to exist, happen and be performed precedent to and  
26 in the issuance of this Bond do exist, have happened and have been performed in regular and due time,  
27 form and manner as required by law; that this bond does not exceed any constitutional or statutory  
28 limitation of indebtedness; and that provision has been made for the payment of the principal of and  
29 interest on this bond, as provided in the Authorizing Ordinance.

30 IN WITNESS WHEREOF, the City of Little Rock, Arkansas has caused this bond to be executed in  
31 its name by its Mayor and City Clerk, thereunto duly authorized, and its corporate seal to be affixed, all as  
32 of the \_\_\_\_\_ day of \_\_\_\_\_, 2018.

1 **ATTEST:**

**APPROVED:**

2  
3  
4 \_\_\_\_\_  
5 **Susan Langley, City Clerk**

\_\_\_\_\_

**Mark Stodola, Mayor**

6 **APPROVED AS TO LEGAL FORM:**

7  
8 \_\_\_\_\_  
9 **Thomas M. Carpenter, City Attorney**

10 [A Registration Certificate and Record of Payment  
11 of Advances shall be attached to the bond.]

12 **Section 7.** The City has heretofore fixed sewer rates by Ordinance No. 21,080, adopted on August 4,  
13 2015. Reference is hereby made to such ordinance for the details thereof and other provisions pertaining  
14 thereto, which sewer rates are hereby confirmed and continued as provided therein.

15 The City covenants and agrees that the rates established will produce gross Revenues at least  
16 sufficient to pay monthly operation, maintenance and funded depreciation expenses of the System, pay  
17 the principal of and interest on all outstanding Bonds and notes to which Revenues are pledged  
18 (collectively, "System Bonds"), as the same become due, pay the financing, servicing and administrative  
19 fees in connection therewith as the same become due, and create and maintain any required debt service  
20 reserves ("Required Payments"). The City covenants always to maintain rates (including increases as  
21 necessary) which will provide for the Required Payments. The rates in effect for sewer service at this  
22 time shall not be reduced without the prior written consent of ANRC and the Bondholder.

23 None of the facilities or services afforded by the System shall be furnished without a charge being  
24 made therefor. In the event that the City or any department, agency or instrumentality thereof shall avail  
25 itself of the facilities and services afforded by the System, the reasonable value of the service or facilities  
26 so afforded shall be charged against the City or such department, agency or instrumentality and shall be  
27 paid for as the charges accrue. The revenues so received shall be deemed to be revenues derived from the  
28 operation of the System and shall be used and accounted for in the same manner as the other revenues  
29 derived from the operation of the System.

30 **Section 8.** All of the provisions of the 2007B Ordinance, the 2009A Ordinance, the 2011 Ordinance,  
31 the 2012 Ordinance, the 2013 Ordinance, the 2014 Ordinance, the 2015 Ordinance, the 2016A Ordinance,  
32 the 2016B Ordinance and the 2017 Ordinance (the "Prior Bond Ordinances") (including those  
33 incorporated therein by reference), as now in effect, and except those provisions clearly inapplicable  
34 hereto, including, without limitation, the provisions pertaining to the collection, the investment and the  
35 handling of Revenues and funds, and to the operation, maintenance and care of the System, are hereby

1 made applicable hereto and are incorporated herein by reference as though fully set forth at this point.  
2 The effect of the above covenant shall be to continue the applicable provisions in full force and effect  
3 even after the payment of the Prior Bonds and until the bond is paid, or provision made therefor.

4 **Section 9.** The City covenants that it will continuously operate the System as a revenue-producing  
5 undertaking and will not sell or lease the same, or any substantial portion thereof, without the prior  
6 written approval of the Bondholder and ANRC; provided, however, that nothing herein shall be construed  
7 to prohibit the City from making such dispositions of properties of the System and such replacements and  
8 substitutions for properties of the System as shall be necessary or incidental to the efficient operation of  
9 the System as a revenue-producing undertaking.

10 **Section 10.** (a) After making the required payments into the special fund heretofore created and  
11 designated "Sewer Operation and Maintenance Fund" and into the Bond Funds for the Prior Bonds and  
12 any additional Bonds having a priority on the pledge of Revenues over the pledge in favor of the Bond  
13 and after paying the financing, servicing and administrative fees in connection with the Prior Bonds, there  
14 shall be paid from the special fund heretofore created and designated "Sewer Fund" into an account of the  
15 City in a special fund to be created by the Bondholder (the "2018 ADFA Bond Fund") for the purpose of  
16 paying the principal of and interest on the Bond the amounts specified in (b) below.

17 (b) There shall be deposited from proceeds of the Bond or, at the direction of the Commission, from  
18 moneys in the Sewer Fund, into the 2018 ADFA Bond Fund on October 15, 2018, and on each April 15<sup>th</sup>  
19 and October 15<sup>th</sup> thereafter until April 15, 2021, the interest due on the Bond on such dates. Commencing  
20 on the first business day of each month thereafter, there shall be deposited from moneys in the Sewer  
21 Fund into the 2018 ADFA Bond Fund an amount equal to 1/6 of the amount of interest on and principal  
22 of the Bond next due.

23 (c) If Revenues are insufficient to make the required payment on or before the first business day of  
24 the following month into the 2018 ADFA Bond Fund, then the amount of any such deficiency in the  
25 payment made shall be added to the amount otherwise required to be paid into the 2018 ADFA Bond  
26 Fund on the first business day of the next month.

27 (d) When the moneys held in the 2018 ADFA Bond Fund which represent payments by the City and  
28 interest earnings thereon or proceeds of investments therefrom (collectively, "City Funds") shall be and  
29 remain sufficient to pay in full the principal of and interest on the bond, the City shall not be obligated to  
30 make any further payments into the 2018 ADFA Bond Fund.

31 (e) All moneys in the 2018 ADFA Bond Fund representing City Funds shall be used solely for the  
32 purpose of paying the principal of and interest on the bond and the City shall automatically receive a  
33 credit for the amount of such City Funds on hand in the 2018 ADFA Bond Fund and available for the  
34 payment of any principal and interest currently due on an interest or principal payment date irrespective



1 of whether the Bondholder has applied or caused to be applied such funds on that date for such purpose.  
2 The City shall receive a credit for all earnings and income derived from the investment of the City Funds  
3 each April 15<sup>th</sup> and October 15<sup>th</sup> and such earnings and income shall be credited against the next six (6)  
4 monthly payments.

5 (f) The Bond shall be specifically secured by a pledge of all Revenues required to be placed into the  
6 2018 ADFA Bond Fund. This pledge in favor of the Bond is hereby irrevocably made according to the  
7 terms of this Ordinance, and the City and its officers and employees shall execute, perform and carry out  
8 the terms thereof in strict conformity with the provisions of this ordinance.

9 **Section 11.** After making the payments into the 2018 ADFA Bond Fund required by Section 10  
10 hereof, there shall be paid from the Sewer Fund the Servicing Fee to the Authority. The Servicing Fee  
11 shall be payable on each date interest on the Bond is due and shall be calculated on the same basis as  
12 interest on the Bond. The payment of the Servicing Fee is expressly made subordinate to the payment of  
13 the principal of and interest on the Bond.

14 **Section 12.** After making the required payments in accordance with Sections 10 and 11 hereof,  
15 there shall be paid from the Sewer Fund into a special fund heretofore created and designated the "Sewer  
16 Depreciation Fund" on or before the 15<sup>th</sup> day of each month while the bond is outstanding, 3% of the  
17 Revenues which remain after the required payment into the Sewer Operation and Maintenance Fund has  
18 been made. Once the Sewer Depreciation Fund reaches an amount equal to Six Million, One Hundred  
19 Thousand Dollars (\$6,100,000.00) (the "Required Level"), the City shall not be required to make further  
20 deposits into the Sewer Depreciation Fund; provided, however, that monthly deposits must resume, if the  
21 Sewer Depreciation Fund drops below the Required Level, until such time as the Required Level is again  
22 reached. The moneys in the Sewer Depreciation Fund shall be used solely for the purpose of paying the  
23 cost of replacements made necessary by the depreciation of the System. If in any fiscal year a surplus  
24 shall be accumulated in the Sewer Depreciation Fund over and above the Required Level and over and  
25 above the amount necessary to defray the cost of the probable replacements during the then current fiscal  
26 year and the next ensuing fiscal year, such surplus may be transferred and paid into the Sewer Fund.

27 **Section 13.** The City shall assure that (1) not in excess of 10% of the proceeds of the Bond is used  
28 for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the  
29 interest due on the Bond during the term thereof is, under the terms of the Bond or any underlying  
30 arrangement, directly or indirectly secured by any interest in property used or to be used for a Private  
31 Business Use or in payments in respect of property used or to be used for a Private Business Use or is to  
32 be derived from payments, whether or not to the City, in respect of property or borrowed moneys used or  
33 to be used for a Private Business Use; and (2) that, in the event that both (A) in excess of 5% of the  
34 proceeds of the bond are used for a Private Business Use, and (B) an amount in excess of 5% of the

1 principal or 5% of the interest due on the bond during the term thereof is, under the terms of the bond or  
2 any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used  
3 for said Private Business Use or in payments in respect of property used or to be used for said Private  
4 Business Use or is to be derived from payments, whether or not to the City, in respect of property or  
5 borrowed money used or to be used for said Private Business Use, then said excess over said 5% of  
6 proceeds of the bond used for a Private Business Use shall be used for a Private Business Use related to  
7 the governmental use of the Improvements.

8 The City shall assure that not in excess of 5% of the proceeds of the bond are used, directly or  
9 indirectly, to make or finance a loan to persons other than state or local governmental units.

10 As used in this Section, "Private Business Use" means use directly or indirectly in a trade or business  
11 carried on by a natural person or in any activity carried on by a person other than a natural person,  
12 excluding, however, use by a state or local governmental unit and use as a member of the general public.

13 **Section 14.** The principal and interest installments shall be prepayable prior to maturity as provided  
14 in the bond form in Section 6 hereof.

15 **Section 15.** As long as the bond is outstanding, the City shall not issue or attempt to issue any bonds  
16 having or claimed to be entitled to a priority of lien on Revenues over the lien securing the bond,  
17 including any and all future extensions, betterments and improvements to the System except as provided  
18 in this Section.

19 The City may issue additional revenue bonds having a priority on or on a parity with the lien on  
20 Revenues in favor of the bond to finance or pay the cost of constructing betterments and improvements to  
21 the System or to refund outstanding System Bonds, if there shall have been procured and filed with the  
22 City Clerk and the Bondholder a statement by a certified public accountant not in the regular employ of  
23 the City (the "Accountant") reciting the opinion that (i) in the case of parity bonds either (A) the Net  
24 Revenues (Net Revenues being gross Revenues less operation and maintenance expenses, but not  
25 including depreciation) for the fiscal year preceding the year in which such additional bonds are to be  
26 issued were not less than 110% of Total Annual Debt Service Requirements (Total Annual Debt Service  
27 Requirements being the average annual debt service requirements (including principal, interest and  
28 financing, servicing and administrative fees) on all outstanding System Bonds and the bonds then  
29 proposed to be issued) or (B) the Net Revenues for the fiscal year succeeding the year in which such  
30 additional bonds are to be issued are projected to be sufficient in amount, taking in consideration any  
31 enacted increase in Revenues, to be not less than 110% of the Total Annual Debt Service Requirements,  
32 or (ii) in the case of the senior lien bonds, either (A) the Net Revenues for the fiscal year preceding the  
33 year in which such additional bonds are to be issued were not less than 120% of the Total Annual Debt  
34 Service Requirements or (B) the Net Revenues for the fiscal year succeeding the year in which such

1 additional bonds are to be issued are projected to be sufficient in amount, taking into consideration any  
2 enacted increase in Revenues, to be not less than 120% of the Total Annual Debt Service Requirements.

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

7 **Section 16.** It is covenanted and agreed by the City with the Bondholder, the Authority and ANRC  
8 that it will faithfully and punctually perform all duties with reference to the System required by the  
9 Constitution and laws of the State and by this ordinance, including, without limitation, the making and  
10 collecting of reasonable and sufficient rates lawfully established for services rendered by the System,  
11 segregating Revenues and applying them to the respective funds maintained pursuant to the Prior Bond  
12 Ordinances and this ordinance.

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

18 If there be any default in the payment of the principal of or interest on the bond, or if the City defaults  
19 in any 2018 ADFA Bond Fund requirement or in the performance of any of the other covenants contained  
20 in this Ordinance, the Bondholder may, by proper suit, compel the performance of the duties of the  
21 officials of the City under the laws of the State. In the case of a default in the payment of the principal of  
22 and interest on the Bond, the Bondholder may apply in a proper action to a court of competent jurisdiction  
23 for the appointment of a receiver to administer the System on behalf of the City and the Bondholder with  
24 power to charge and collect (or by mandatory injunction or otherwise to cause to be charged and  
25 collected) rates sufficient to provide for the payment of the expenses of operation, repair and maintenance  
26 and to pay the bond and interest outstanding and to apply Revenues in conformity with this ordinance.  
27 When all defaults in principal and interest payments have been cured, the custody and operation of the  
28 System shall revert to the City. No remedy herein conferred upon or reserved to the Bondholder is  
29 intended to be exclusive of any other remedy or remedies herein provided or provided by law, and every  
30 such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or given  
31 by law. No delay or omission of the Bondholder to exercise any right or power accrued upon any default  
32 shall impair any such right or power or shall be construed to be a waiver of any default or an acquiescence  
33 therein; and every power and remedy given by this ordinance to the Bondholder may be exercised from  
34 time to time and as often as may be deemed expedient.

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

6 **Section 17.** When the Bond has been executed and sealed as herein provided, it shall be delivered to  
7 the Bondholder upon payment of all or a portion of the purchase price in accordance with the Agreement.  
8 Sale proceeds in the amount necessary to make all or a portion of the semiannual interest and Servicing  
9 Fee payments due on each April 15<sup>th</sup> and October 15<sup>th</sup> to and including April 15, 2021, shall be applied,  
10 unless otherwise directed by the Commission, to the payment of Servicing Fees and interest on the Bond  
11 on such dates. The balance of the sale proceeds shall be deposited, as and when received, in an account  
12 of the City heretofore created and now designated as the "Little Rock Water Reclamation Authority  
13 Construction Fund" (the "Construction Fund"). The proceeds of the Bond in the Construction Fund shall  
14 be used for directly paying, or reimbursing the City for, the costs paid in accomplishing the Improve-  
15 ments, expenses incidental thereto and the expenses of issuing the Bond approved in accordance with the  
16 Agreement. Payments from the Construction Fund shall be by check or voucher signed by either the  
17 CEO or such other person or persons designated by the Commission, and drawn on the depository. Each  
18 such check or voucher shall briefly specify the purpose of the expenditure.

19 **Section 18.** The terms of this ordinance shall constitute a contract among the City, the Bondholder  
20 and ANRC and no variation or change in the undertaking herein set forth shall be made while the Bond is  
21 outstanding unless consented to in writing by the Bondholder and ANRC.

22 **Section 19.** The Commission will keep proper records, books and accounts relating to the operation  
23 of the System, which shall be kept separate from all other records and accounts of the City, in which  
24 complete and correct entries shall be made of all transactions relating to the operation of the System in  
25 accordance with generally accepted government accounting standards. Such books shall be available for  
26 inspection by the Bondholder and ANRC, or the agent or the representative of either, at reasonable times  
27 and under reasonable circumstances. The City agrees to have these records audited by an Accountant  
28 selected by the Commission at least once each year.

29 In the event the Commission fails or refuses to furnish or cause such reports to be furnished, the  
30 Bondholder may have the reports made, and the cost thereof shall be charged against the Sewer Operation  
31 and Maintenance Fund.

32 **Section 20.** The City covenants and agrees that it will maintain the System in good condition and  
33 operate it in an efficient manner and at reasonable cost. While the Bond is outstanding, the City agrees  
34 that it will insure, and at all times keep insured, in the amount of the actual value thereof, in a responsible

1 insurance company or companies selected by the Commission and authorized and qualified under the  
2 laws of the State to assume the risk thereof, all above-ground structures of the System against loss or  
3 damage thereto from fire, lightning, tornado, winds, riot, strike, civil commotion, malicious damage,  
4 explosion, and against loss or damage from any other causes customarily insured against in connection  
5 with similar facilities and undertakings as the System. In the event of loss, the proceeds of such insurance  
6 shall be applied solely toward the reconstruction, replacement or repair of the System, and in such event  
7 the City will, with reasonable promptness, cause to be commenced and completed the reconstruction,  
8 replacement and repair work. If such proceeds are more than sufficient for such purposes, the balance  
9 remaining shall be deposited to the credit of the Sewer Fund, and if such proceeds shall be insufficient for  
10 such purposes, the deficiency shall be supplied, first, from moneys in the Sewer Depreciation Fund,  
11 second, from moneys in the Sewer Operation and Maintenance Fund, and third, from available moneys in  
12 the Sewer Fund. Nothing herein shall be construed as requiring the City to expend any funds for  
13 reconstruction, replacement or repair of the System or for operation and maintenance of the System or for  
14 premiums on its insurance which are derived from sources other than insurance proceeds or Revenues, but  
15 nothing herein shall be construed as preventing the City from doing so.

16 **Section 21.** The City agrees that the Bondholder may pledge the bond as security for the ADFA  
17 Bonds, and the ADFA Trustee and/or the municipal bond insurer for the ADFA Bonds may exercise any  
18 rights and remedies available to the Bondholder under this Ordinance or the Agreement while the Bond is  
19 pledged and/or the ADFA Bonds are insured. In addition, the City agrees that while the bond is pledged  
20 and/or the ADFA Bonds are insured, copies of all financial information shall be furnished to the ADFA  
21 Trustee and/or the Municipal Bond Insurer.

22 **Section 22.** In the event the offices of Mayor, City Clerk, CEO, Board of Directors, or Commission  
23 shall be abolished, or any two (2) or more of such offices shall be merged or consolidated, or in the event  
24 the duties of a particular office shall be transferred to another office or officer, or in the event of a  
25 vacancy in any such office by reason of death, resignation, removal from office, or otherwise, or in the  
26 event any such officer shall become incapable of performing the duties of his office by reason of sickness,  
27 absence from the City, or otherwise, all powers conferred and all obligations and duties imposed upon  
28 such office or officer shall be performed by the office or officer succeeding to the principal function  
29 thereof, or by the office or officer upon whom such powers, obligations, and duties shall be imposed by  
30 law.

31 **Section 23.** It is understood and agreed that the Commission, acting for and on behalf of the City, has  
32 custody of and control over the System, operates, maintains and repairs the System and collects and  
33 handles Revenues. Therefore, it is understood and agreed that even though there are some express  
34 references to the Commission, all references herein to the City shall, when appropriate in view of the

1 authority and responsibility of the Commission, be construed to mean and include the Commission. So  
2 long as the Commission operates the System for the City, performance by the Commission of any right or  
3 obligation of the City hereunder shall be deemed performance by the City. The Commission presently  
4 consists of Chris Marsh, Ganelle Blake, Debbie Shock, Marilyn Perryman, Pete Hornibrook, Richard L.  
5 Mays, Jr., and Bill Flowers.

6 **Section 24.** The requirements of Ordinance No. 15,249, as they may relate to the authorization and  
7 sale of the bond, are hereby waived.

8 **Section 25.** The provisions of this ordinance are hereby declared to be separable, and if any provision  
9 shall for any reason be held illegal or invalid, it shall not affect the validity of the remainder of this  
10 Ordinance.

11 **Section 26.** Reference in this ordinance to “Bondholder” shall include the original Bondholder or any  
12 registered assign thereof.

13 **Section 27.** All ordinances and resolutions and parts thereof in conflict herewith are hereby repealed  
14 to the extent of such conflict.

15 **PASSED: February 20, 2018**

16 **ATTEST:**

**APPROVED:**

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18 \_\_\_\_\_  
19 **Susan Langley, City Clerk**

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**Mark Stodola, Mayor**

20 **APPROVED AS TO LEGAL FORM:**

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22 \_\_\_\_\_  
23 **Thomas M. Carpenter, City Attorney**

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