

1 **WHEREAS**, the City is authorized under Amendment No. 65 to the Arkansas Constitution and Title
2 14, Chapter 164, Subchapter 4, and Title 14, Chapter 235, Subchapter 2 of the Arkansas Code of 1987
3 Annotated (the “Authorizing Legislation”), to issue and sell the bond; and,

4 **WHEREAS**, the City has outstanding (a) its Sewer Revenue Bond, Series 2007B (the “Series 2007B
5 Bond”), authorized by Ordinance No. 19,769, passed June 19, 2007 (the “2007B Ordinance”); (b) its Sewer
6 Revenue Bond, Series 2009A (the “Series 2009A Bond”), authorized by Ordinance No. 20,074, passed
7 March 10, 2009 (the “2009A Ordinance”); (c) its Sewer Refunding Revenue Bonds, Series 2011 (the
8 “Series 2011 Bonds”), authorized by Ordinance No. 20,440, passed June 7, 2011 (the “2011 Ordinance”);
9 (d) its Sewer Revenue Bonds, Series 2012 (the “Series 2012 Bonds”), authorized by Ordinance No. 20,604,
10 passed on July 17, 2012 (the “2012 Ordinance”); (e) its Sewer Revenue Bond, Series 2013 (the “Series
11 2013 Bond”), authorized by Ordinance No. 20,711, passed April 2, 2013 (the “2013 Ordinance”); (f) its
12 Sewer Refunding Revenue Bonds, Series 2014 (the “Series 2014 Bonds”), authorized by Ordinance No.
13 20,937, passed September 16, 2014 (the “2014 Ordinance”); (g) its Sewer Refunding Revenue Bonds,
14 Series 2015 (the “Series 2015 Bonds”), authorized by Ordinance No. 20,994, passed February 24, 2015 (the
15 “2015 Ordinance”); (h) its Sewer Revenue Bond, Series 2016 (collectively, the “Series 2016A Bond”),
16 authorized by Ordinance No. 21,258, passed June 28, 2016, as amended by Ordinance No. 21,844, passed
17 February 18, 2020 (the “2016A Ordinance”), (i) its Sewer Refunding Revenue Bonds, Series 2016B (the
18 “Series 2016B Bonds”), authorized by Ordinance No. 21,317, passed October 18, 2016 (the “2016B
19 Ordinance”), (j) its Water Reclamation System Revenue Bonds, Series 2017 (the “Series 2017 Bonds”),
20 authorized by Ordinance No. 21,479, passed September 19, 2017 (the “2017 Ordinance”); (k) its Water
21 Reclamation System Revenue Bond, Series 2018 (the “Series 2018 Bond”), authorized by Ordinance No.
22 21,553, passed February 20, 2018 (the “2018 Ordinance”), (l) its Water Reclamation System Revenue
23 Bond, Series 2019 (the “Series 2019 Bond”) authorized by Ordinance No. 21,699, passed February 19,
24 2019 (the “2019 Ordinance”), and (m) its Water Reclamation System Revenue Bond, Series 2020 (the
25 "Series 2020A Bond") authorized by Ordinance No. 21,845, passed February 18, 2020 (the "2020A
26 Ordinance"); and,

27 **WHEREAS**, the City is also authorizing the issuance of its Water Reclamation System Refunding
28 Revenue Bonds, Series 2020B (the "Series 2020B Bonds") pursuant to Ordinance No. _____, passed
29 October 20, 2020, in order to advance refund and defease the Series 2012 Bonds; and,

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

1 **WHEREAS**, to the extent that the Series 2020B Bonds are issued and the Series 2012 Bonds are
2 refunded and defeased, the Series 2012 Bonds will cease to be included as Prior Bonds within the meaning
3 of this ordinance; and,

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

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

9 **Section 1.** The Improvements shall be accomplished. The accomplishment of the Improvements shall
10 be under the control and supervision of, and all details in connection therewith shall be handled by, the
11 Commission, and the Commission shall make all contracts and agreements necessary or incidental to the
12 performance of its duties and the execution of its powers. The Commission shall let all construction
13 contracts pursuant to and in accordance with existing laws and shall require such Performance Bonds and
14 insurance from the contractors as, in the judgment of the Commission, will fully insure the completion of
15 the Improvements in accordance with the plans and specifications therefor.

16 **Section 2.** The sale to the Bondholder of up to Seven Million, Five Hundred Dollars (\$7,500,000.00)
17 in principal amount of a bond from the City at a price of par for a bond bearing interest at the rate of 0.75%
18 per annum and otherwise subject to the terms and provisions hereafter in this Ordinance set forth in detail
19 be, and is hereby approved and the bond is hereby sold to the Bondholder. The Mayor is hereby authorized
20 and directed to execute and deliver the Agreement on behalf of the City and to take all action required on
21 the part of the City to fulfill its obligations under the Agreement. The Agreement is hereby approved in
22 substantially the form submitted to this meeting with such changes as may be approved by the Mayor, his
23 execution to constitute complete evidence of such approval.

24 **Section 3.** The Board of Directors hereby finds and declares that the period of usefulness of the
25 Improvements will be more than twenty-five (25) years, which is longer than the term of the bond.

26 **Section 4.** Under the authority of the Constitution and laws of the State of Arkansas (the “State”),
27 including particularly the Authorizing Legislation, City of Little Rock, Arkansas Water Reclamation
28 System Revenue Bond, Series 2020C (the “bond”) is hereby authorized and ordered issued in the principal
29 amount of Seven Million, Five Hundred Dollars (\$7,500,000.00), the proceeds of the sale of which are
30 necessary to provide sufficient funds for accomplishing the Improvements and paying expenses incidental
31 thereto and expenses of issuing the bond.

32 The bond shall bear interest at the rate of 0.75% per annum based upon a 360-day year of twelve (12)
33 consecutive thirty (30)-day months. The bond shall be dated the date of delivery to the Bondholder. Interest
34 shall be payable on the first April 15th or October 15th after the bond is issued and on each April 15th and

1 October 15th thereafter. Principal shall be payable in installments on October 15, 2024, and each October
 2 15th and April 15th thereafter until the unpaid principal is paid in full as follows:

3

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
10/15/24	\$157,409	10/15/34	\$187,371
04/15/25	158,786	04/15/35	189,010
10/15/25	160,176	10/15/35	190,664
04/15/26	161,577	04/15/36	192,332
10/15/26	162,991	10/15/36	194,015
04/15/27	164,418	04/15/37	195,713
10/15/27	165,856	10/15/37	197,425
04/15/28	167,307	04/15/38	199,152
10/15/28	168,771	10/15/38	200,895
04/15/29	170,247	04/15/39	202,653
10/15/29	171,738	10/15/39	204,426
04/15/30	173,240	04/15/40	206,215
10/15/30	174,756	10/15/40	208,019
04/15/31	176,285	04/15/41	209,839
10/15/31	177,828	10/15/41	211,675
04/15/32	179,384	04/15/42	213,528
10/15/32	180,953	10/15/42	215,396
04/15/33	182,537	04/15/43	217,280
10/15/33	184,133	10/15/43	219,182
04/15/34	185,745	04/15/44	221,073

4

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

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

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

16 **Section 5.** The bond shall be executed on behalf of the City by the Mayor and City Clerk and shall
 17 have impressed thereon the seal of the City. The bond is not a general obligation of the City but is a special
 18 obligation, the principal of and interest on which, and Servicing Fee in connection therewith, are secured
 19 by a pledge of and are payable from revenues derived from the System (“Revenues”). The pledge of
 20 Revenues is subordinate to the pledge in favor of the Series 2007B Bond, the Series 2009A Bond, the Series

1 2011 Bonds, the Series 2012 Bonds, the Series 2013 Bond, the Series 2014 Bonds, the Series 2015 Bonds,
2 the Series 2016A Bond, the Series 2016B Bonds, the Series 2017 Bonds, the Series 2018 Bond, the Series
3 2019 Bond, the Series 2020A Bond and the Series 2020B Bonds (collectively, the “Prior Bonds”). The
4 bond and interest thereon shall not constitute an indebtedness of the City within any constitutional or
5 statutory limitation.

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

8 **(form of bond)**

9 **UNITED STATES OF AMERICA**

10 **STATE OF ARKANSAS**

11 **COUNTY OF PULASKI**

12 **CITY OF LITTLE ROCK**

13 **0.75% WATER RECLAMATION SYSTEM REVENUE BOND, SERIES 2020C**

14 **No. R-1**

\$7,500,000

15 **KNOW ALL MEN BY THESE PRESENTS:**

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

19 **SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS**

20 (or the total principal amount outstanding as reflected

21 by the Record of Payment of Advances attached hereto)

22 with interest on the unpaid balance of the total principal amount at the rate of 0.75% per annum from the
23 date of each advance. The principal and interest shall be payable in such coin or currency of the United
24 States of America as at the time of payment shall be legal tender for the payment of debts due the United
25 States of America.

26 Interest on the unpaid balance of the total principal amount shall be payable on _____ 15, 2021,
27 and on each April 15th and October 15th thereafter. Principal shall be payable in installments on October
28 15, 2024, and on each April 15th and October 15th thereafter until the unpaid principal is paid as follows:

29 Date

Amount

30 (There will be inserted the schedule set forth in Section 4 of this ordinance.)

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

1 This bond is issued for the purpose of providing financing of the costs of constructing betterments and
2 improvements to the City’s sewer system which is now identified as a Water Reclamation System (the
3 “System”), and costs of authorizing and issuing this bond, and is issued pursuant to and in full compliance
4 with the Constitution and laws of the State of Arkansas (the “State”), including particularly Title 14, Chapter
5 164, Subchapter 4 and Title 14, Chapter 235, Subchapter 2 of the Arkansas Code of 1987 Annotated, and
6 pursuant to Ordinance No. _____ of the City, duly passed and approved on the ____ day of
7 _____, 2020 (the “Authorizing Ordinance”). Reference is hereby made to the Authorizing
8 Ordinance for the details of the nature and extent of the security and of the rights and obligations of the
9 City and the registered owner of this bond.

10 This bond may be assigned with the written approval of the Arkansas Natural Resources Commission
11 (“ANRC”), and in order to effect such assignment the assignor shall promptly notify the City Clerk by
12 registered mail, and the assignee shall surrender this bond along with a written approval of ANRC to the
13 City Clerk for transfer on the registration records. Every assignee shall take this bond subject to all
14 payments and prepayments of principal and interest (as reflected by the Payment Record maintained by the
15 City Clerk), prior to such surrender for transfer.

16 This bond may be prepaid at the option of the City from funds from any source, in whole but not in
17 part, at any time on and after April 15, 2030, at a prepayment price equal to the principal amount
18 outstanding, plus accrued interest to the prepayment date. Notice shall be given of such prepayment to the
19 owner of this bond or registered assigns at least ninety (90) days prior to the prepayment date. Such notice
20 shall be in writing mailed to the address of the owner of this bond or registered assigns at the address as
21 reflected on the bond registration books of the City Clerk.

22 This bond does not constitute an indebtedness of the City within any constitutional or statutory
23 limitation or provision, and the taxing power of the City is not pledged to the payment of the principal of
24 or interest on this bond. This bond is a special obligation payable solely from the net revenues derived
25 from the operation of the System. In this regard, the pledge of net System revenues is subordinate to the
26 pledge of System revenues to Sewer Revenue Bonds, Series 2007B, 2009A, 2012, 2013 and 2016, Sewer
27 Refunding Revenue Bonds, Series 2011, 2014, 2015 and 2016B, Water Reclamation System Revenue
28 Bonds, Series 2017, 2018, 2019 and 2020 and Water Reclamation System Refunding Revenue Bonds,
29 Series 2020B, so long as any of such bonds are outstanding. A sufficient amount of System revenues to
30 pay principal and interest has been duly set aside and pledged as a special fund for that purpose, identified
31 as the “2020C ADFA Bond Fund,” in the Authorizing Ordinance. The City has fixed and has covenanted
32 and agreed to maintain rates for use of the System which shall be sufficient at all times to at least provide
33 for the payment of the reasonable expenses of operation and maintenance of the System, provide for the
34 payment of the principal of and interest on all the outstanding bonds to which System revenues are pledged

1 as the same become due, to establish and maintain debt service reserves and to provide a depreciation fund,
2 all as set forth in the Authorizing Ordinance. This bond is issued with the intent that the laws of the State
3 shall govern its construction.

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

10 IN WITNESS WHEREOF, the City of Little Rock, Arkansas has caused this bond to be executed in its
11 name by its Mayor and City Clerk, thereunto duly authorized, and its corporate seal to be affixed, all as of
12 the _____ day of _____, 2020.

13 **CITY OF LITTLE ROCK, ARKANSAS**

14 By _____
15 **Mayor**

16 **ATTEST:**

17
18 _____
19 **City Clerk**

20 **(SEAL)**

21 [A Registration Certificate and Record of Payment
22 of Advances shall be attached to the bond.]
23

24 **Section 7.** The City has heretofore fixed sewer rates by Ordinance No. 21,080, passed on August 4,
25 2015. Reference is hereby made to such ordinance for the details thereof and other provisions pertaining
26 thereto, which sewer rates are hereby confirmed and continued as provided therein.

27 The City covenants and agrees that the rates established will produce gross Revenues at least sufficient
28 to pay monthly operation, maintenance and funded depreciation expenses of the System, pay the principal
29 of and interest on all outstanding bonds and notes to which Revenues are pledged (collectively, "System
30 Bonds"), as the same become due, pay the financing, servicing and administrative fees in connection
31 therewith as the same become due, and create and maintain any required Debt Service Reserves ("Required
32 Payments"). The City covenants always to maintain rates (including increases as necessary) which will
33 provide for the Required Payments. The rates in effect for sewer service at this time shall not be reduced
34 without the prior written consent of ANRC and the Bondholder.

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

8 **Section 8.** All of the provisions of the 2007B Ordinance, the 2009A Ordinance, the 2011 Ordinance,
9 the 2012 Ordinance, the 2013 Ordinance, the 2014 Ordinance, the 2015 Ordinance, the 2016A Ordinance,
10 the 2016B Ordinance, the 2017 Ordinance, the 2018 Ordinance, the 2019 Ordinance, the 2020A Ordinance
11 and the 2020B Ordinance (the “Prior Bond Ordinances”) (including those incorporated therein by
12 reference), as now in effect, and except those provisions clearly inapplicable hereto, including, without
13 limitation, the provisions pertaining to the collection, the investment and the handling of Revenues and
14 funds, and to the operation, maintenance and care of the System, are hereby made applicable hereto and are
15 incorporated herein by reference as though fully set forth at this point. The effect of the above covenant
16 shall be to continue the applicable provisions in full force and effect even after the payment of the Prior
17 Bonds and until the bond is paid, or provision made therefor.

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

24 **Section 10.** (a) After making the required payments into the special fund heretofore created and
25 designated “Sewer Operation and Maintenance Fund” and into the bond funds for the Prior Bonds and any
26 additional bonds having a priority on the pledge of Revenues over the pledge in favor of the bond and after
27 paying the financing, servicing and administrative fees in connection with the Prior Bonds, there shall be
28 paid from the special fund heretofore created and designated “Sewer Fund” into an account of the City in a
29 special fund to be created by the Bondholder (the “2020C ADFA Bond Fund”) for the purpose of paying
30 the principal of and interest on the bond the amounts specified in (b) below.

31 (b) There shall be deposited from proceeds of the bond or, at the direction of the
32 Commission, from moneys in the Sewer Fund, into the 2020C ADFA Bond Fund on the first April 15th or
33 October 15th after the bond is issued and on each April 15th and October 15th thereafter until April 15, 2024,
34 the interest due on the bond on such dates. Commencing on the first business day of each month thereafter,

1 there shall be deposited from moneys in the Sewer Fund into the 2020C ADFA Bond Fund an amount equal
2 to 1/6 of the amount of interest on and principal of the bond next due.

3 (c) If Revenues are insufficient to make the required payment on or before the first business
4 day of the following month into the 2020C ADFA Bond Fund, then the amount of any such deficiency in
5 the payment made shall be added to the amount otherwise required to be paid into the 2020C ADFA Bond
6 Fund on the first business day of the next month.

7 (d) When the moneys held in the 2020C ADFA Bond Fund which represent payments by
8 the City and interest earnings thereon or proceeds of investments therefrom (collectively, "City Funds")
9 shall be and remain sufficient to pay in full the principal of and interest on the bond, the City shall not be
10 obligated to make any further payments into the 2020C ADFA Bond Fund.

11 (e) All moneys in the 2020C ADFA Bond Fund representing City Funds shall be used
12 solely for the purpose of paying the principal of and interest on the bond and the City shall automatically
13 receive a credit for the amount of such City Funds on hand in the 2020C ADFA Bond Fund and available
14 for the payment of any principal and interest currently due on an interest or principal payment date
15 irrespective of whether the Bondholder has applied or caused to be applied such funds on that date for such
16 purpose. The City shall receive a credit for all earnings and income derived from the investment of the City
17 Funds each April 15th and October 15th and such earnings and income shall be credited against the next six
18 (6) monthly payments.

19 (f) The bond shall be specifically secured by a pledge of all Revenues required to be placed
20 into the 2020C ADFA Bond Fund. This pledge in favor of the bond is hereby irrevocably made according
21 to the terms of this ordinance, and the City and its officers and employees shall execute, perform and carry
22 out the terms thereof in strict conformity with the provisions of this ordinance.

23 **Section 11.** After making the payments into the 2020C ADFA Bond Fund required by Section 10
24 hereof, there shall be paid from the Sewer Fund the Servicing Fee to the Authority. The Servicing Fee shall
25 be payable on each date interest on the bond is due and shall be calculated on the same basis as interest on
26 the bond. The payment of the Servicing Fee is expressly made subordinate to the payment of the principal
27 of and interest on the bond.

28 **Section 12.** After making the required payments in accordance with Sections 10 and 11 hereof, there
29 shall be paid from the Sewer Fund into a special fund heretofore created and designated the "Sewer
30 Depreciation Fund" on or before the 15th day of each month while the bond is outstanding, 3% of the
31 Revenues which remain after the required payment into the Sewer Operation and Maintenance Fund has
32 been made. Once the Sewer Depreciation Fund reaches an amount equal to the greater of (a) the amount
33 required by the Prior Bond Ordinances or (b) Seven Hundred Fifty Thousand Dollars (\$750,000.00) (the
34 "Required Level"), the City shall not be required to make further deposits into the Sewer Depreciation

1 Fund; provided, however, that monthly deposits must resume, if the Sewer Depreciation Fund drops below
2 the Required Level, until such time as the Required Level is again reached. The moneys in the Sewer
3 Depreciation Fund shall be used solely for the purpose of paying the cost of replacements made necessary
4 by the depreciation of the System. If in any fiscal year a surplus shall be accumulated in the Sewer
5 Depreciation Fund over and above the Required Level and over and above the amount necessary to defray
6 the cost of the probable replacements during the then current fiscal year and the next ensuing fiscal year,
7 such surplus may be transferred and paid into the Sewer Fund.

8 **Section 13.** The City shall assure that (1) not in excess of 10% of the proceeds of the bond is used for
9 Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest
10 due on the bond during the term thereof is, under the terms of the bond or any underlying arrangement,
11 directly or indirectly secured by any interest in property used or to be used for a Private Business Use or in
12 payments in respect of property used or to be used for a Private Business Use or is to be derived from
13 payments, whether or not to the City, in respect of property or borrowed moneys used or to be used for a
14 Private Business Use; and (2) that, in the event that both (A) in excess of 5% of the proceeds of the bond
15 are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest
16 due on the bond during the term thereof is, under the terms of the bond or any underlying arrangement,
17 directly or indirectly, secured by any interest in property used or to be used for said Private Business Use
18 or in payments in respect of property used or to be used for said Private Business Use or is to be derived
19 from payments, whether or not to the City, in respect of property or borrowed money used or to be used for
20 said Private Business Use, then said excess over said 5% of proceeds of the bond used for a Private Business
21 Use shall be used for a Private Business Use related to the governmental use of the Improvements.

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

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

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

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

33 The City may issue additional Revenue Bonds having a priority on or on a parity with the lien on
34 Revenues in favor of the bond to finance or pay the cost of constructing betterments and improvements to

1 the System or to refund outstanding System Bonds, if there shall have been procured and filed with the City
2 Clerk and the Bondholder a statement by a certified public accountant not in the regular employ of the City
3 (the "Accountant") reciting the opinion that (i) in the case of parity bonds either (A) the Net Revenues (Net
4 Revenues being gross Revenues less operation and maintenance expenses, but not including depreciation)
5 for the fiscal year preceding the year in which such additional bonds are to be issued were not less than
6 110% of Total Annual Debt Service Requirements (Total Annual Debt Service Requirements being the
7 average annual debt service requirements (including principal, interest and financing, servicing and
8 administrative fees) on all outstanding System Bonds and the bonds then proposed to be issued) or (B) the
9 Net Revenues for the fiscal year succeeding the year in which such additional bonds are to be issued are
10 projected to be sufficient in amount, taking in consideration any enacted increase in Revenues, to be not
11 less than 110% of the Total Annual Debt Service Requirements, or (ii) in the case of the senior lien bonds,
12 either (A) the Net Revenues for the fiscal year preceding the year in which such additional bonds are to be
13 issued were not less than 120% of the Total Annual Debt Service Requirements or (B) the Net Revenues
14 for the fiscal year succeeding the year in which such additional bonds are to be issued are projected to be
15 sufficient in amount, taking into consideration any enacted increase in Revenues, to be not less than 120%
16 of the Total Annual Debt Service Requirements.

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

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

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

32 If there be any default in the payment of the principal of or interest on the bond, or if the City defaults
33 in any 2020C ADFA Bond Fund requirement or in the performance of any of the other covenants contained
34 in this ordinance, the Bondholder may, by proper suit, compel the performance of the duties of the Officials

1 of the City under the laws of the State. In the case of a default in the payment of the principal of and interest
2 on the bond, the Bondholder may apply in a proper action to a court of competent jurisdiction for the
3 appointment of a receiver to administer the System on behalf of the City and the Bondholder with power to
4 charge and collect (or by mandatory injunction or otherwise to cause to be charged and collected) rates
5 sufficient to provide for the payment of the expenses of operation, repair and maintenance and to pay the
6 bond and interest outstanding and to apply Revenues in conformity with this ordinance. When all defaults
7 in principal and interest payments have been cured, the custody and operation of the System shall revert to
8 the City. No remedy herein conferred upon or reserved to the Bondholder is intended to be exclusive of
9 any other remedy or remedies herein provided or provided by law, and every such remedy shall be
10 cumulative and shall be in addition to every other remedy given hereunder or given by law. No delay or
11 omission of the Bondholder to exercise any right or power accrued upon any default shall impair any such
12 right or power or shall be construed to be a waiver of any default or an acquiescence therein; and every
13 power and remedy given by this ordinance to the Bondholder may be exercised from time to time and as
14 often as may be deemed expedient.

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

20 **Section 17.** When the bond has been executed and sealed as herein provided, it shall be delivered to
21 the Bondholder upon payment of all or a portion of the purchase price in accordance with the Agreement.
22 Sale proceeds shall be deposited, as and when received, in an account of the City heretofore created and
23 now designated as the "Little Rock Water Reclamation Authority Construction Fund" (the "Construction
24 Fund"). The proceeds of the bond in the Construction Fund shall be used for directly paying, or reimbursing
25 the City for, the costs paid in accomplishing the Improvements, expenses incidental thereto and the
26 expenses of issuing the bond approved in accordance with the Agreement. Payments from the Construction
27 Fund shall be by check or voucher signed by either the CEO or such other person or persons designated by
28 the Commission, and drawn on the depository. Each such check or voucher shall briefly specify the purpose
29 of the expenditure.

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

33 **Section 19.** The Commission will keep proper records, books and accounts relating to the operation of
34 the System, which shall be kept separate from all other records and accounts of the City, in which complete

1 and correct entries shall be made of all transactions relating to the operation of the System in accordance
2 with generally accepted government accounting standards. Such books shall be available for inspection by
3 the Bondholder and ANRC, or the agent or the representative of either, at reasonable times and under
4 reasonable circumstances. The City agrees to have these records audited by an Accountant selected by the
5 Commission at least once each year.

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

9 **Section 20.** The City covenants and agrees that it will maintain the System in good condition and
10 operate it in an efficient manner and at reasonable cost. While the bond is outstanding, the City agrees that
11 it will insure, and at all times keep insured, in the amount of the actual value thereof, in a responsible
12 insurance company or companies selected by the Commission and authorized and qualified under the laws
13 of the State to assume the risk thereof, all above-ground structures of the System against loss or damage
14 thereto from fire, lightning, tornado, winds, riot, strike, civil commotion, malicious damage, explosion, and
15 against loss or damage from any other causes customarily insured against in connection with similar
16 facilities and undertakings as the System. In the event of loss, the proceeds of such insurance shall be
17 applied solely toward the reconstruction, replacement or repair of the System, and in such event the City
18 will, with reasonable promptness, cause to be commenced and completed the reconstruction, replacement
19 and repair work. If such proceeds are more than sufficient for such purposes, the balance remaining shall
20 be deposited to the credit of the Sewer Fund, and if such proceeds shall be insufficient for such purposes,
21 the deficiency shall be supplied, first, from moneys in the Sewer Depreciation Fund, second, from moneys
22 in the Sewer Operation and Maintenance Fund, and third, from available moneys in the Sewer Fund.
23 Nothing herein shall be construed as requiring the City to expend any funds for reconstruction, replacement
24 or repair of the System or for operation and maintenance of the System or for premiums on its insurance
25 which are derived from sources other than insurance proceeds or Revenues, but nothing herein shall be
26 construed as preventing the City from doing so.

27 **Section 21.** The City agrees that the Bondholder may pledge the bond as security for the ADFA Bonds,
28 and the ADFA Trustee and/or the municipal bond insurer for the ADFA Bonds may exercise any rights and
29 remedies available to the Bondholder under this ordinance or the Agreement while the bond is pledged
30 and/or the ADFA Bonds are insured. In addition, the City agrees that while the bond is pledged and/or the
31 ADFA Bonds are insured, copies of all financial information shall be furnished to the ADFA Trustee and/or
32 the municipal bond insurer.

33 **Section 22.** In the event the offices of Mayor, City Clerk, CEO, Board of Directors, or Commission
34 shall be abolished, or any two (2) or more of such offices shall be merged or consolidated, or in the event

1 the duties of a particular office shall be transferred to another office or officer, or in the event of a vacancy
2 in any such office by reason of death, resignation, removal from office, or otherwise, or in the event any
3 such officer shall become incapable of performing the duties of his office by reason of sickness, absence
4 from the City, or otherwise, all powers conferred and all obligations and duties imposed upon such office
5 or officer shall be performed by the office or officer succeeding to the principal function thereof, or by the
6 office or officer upon whom such powers, obligations, and duties shall be imposed by law.

7 **Section 23.** It is understood and agreed that the Commission, acting for and on behalf of the City, has
8 custody of and control over the System, operates, maintains and repairs the System and collects and handles
9 Revenues. Therefore, it is understood and agreed that even though there are some express references to the
10 Commission, all references herein to the City shall, when appropriate in view of the authority and
11 responsibility of the Commission, be construed to mean and include the Commission. So long as the
12 Commission operates the System for the City, performance by the Commission of any right or obligation
13 of the City hereunder shall be deemed performance by the City. The Commission presently consists of
14 Chris Marsh, Ganelle Blake, Debbie Shock, Schawnee Hightower, Lauren Ward, Richard L. Mays, Jr. and
15 Bill Flowers.

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

18 **Section 25. Severability.** In the event any title, section, paragraph, item, sentence, clause, phrase, or
19 word of this ordinance is declared or adjudged to be invalid or unconstitutional, such declaration or
20 adjudication shall not affect the remaining portions of the ordinance which shall remain in full force and
21 effect as if the portion so declared or adjudged invalid or unconstitutional was not originally a part of the
22 ordinance.

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

25 **Section 27. Repealer.** All laws, ordinances, resolutions, or parts of the same, that are inconsistent with
26 the provisions of this ordinance, are hereby repealed to the extent of such inconsistency.

27 **PASSED: October 20, 2020**

28 **ATTEST:**

APPROVED:

29
30
31 _____
Susan Langley, City Clerk

_____ **Frank Scott, Jr., Mayor**

32 **APPROVED AS TO LEGAL FORM:**

33
34 _____
Thomas M. Carpenter, City Attorney