

1 IN CONSIDERATION of the undertakings of the parties set forth herein and the benefits to
2 be derived therefrom and of other good and valuable consideration, receipt of which is hereby
3 acknowledged by the parties, the City and the Company agree as follows:

4 **1. Preliminary Statement.**

5 (a) The City is authorized by the laws of the State of Arkansas, including particularly the
6 Local Government Capital Improvement Revenue Bond Act of 1985, Ark. Code Ann. § 14-169-
7 401, et seq.), as amended, and Act 9 of the First Extraordinary Session of the Sixty-Second
8 General Assembly of the State of Arkansas, approved January 21, 1960, as amended (Ark. Code
9 Ann. §§ 14-169-201, et seq. and Ark. Code Ann. 14-164-501, et seq.) (1998 Repl.) (together, the
10 "Act"), to issue Capital Improvement Revenue Bonds and to use the proceeds thereof to provide
11 facilities that can be used or will be useful in preserving, securing and developing industry within
12 the City of Little Rock, Arkansas.

13 (b) The Company intends to acquire, construct and equip a corporate headquarters
14 facility to be leased to ATA International, Inc., to be located at 1800 Riverfront Drive, Little
15 Rock, Arkansas 72202, in the City (the "Project"). The proposed financing will provide funds
16 for the acquisition, construction, and equipping of the Project.

17 (c) The Company has determined and advised the City that, prior to commencement of
18 the Project, the Company must obtain a commitment from the City that the City will issue its
19 capital improvement revenue bonds as the Company and the City, upon advice of counsel, shall
20 deem appropriate and make the proceeds available for the financing of the Project.

21 (d) The City is willing to so commit and to proceed with the issuance of such capital
22 improvement revenue bonds as and when requested by the Company in principal amounts
23 necessary to accomplish such Project, subject to compliance with all conditions legally applicable
24 to the issuance of such bonds.

25 (e) The City considers that the making of the loan to the Company to finance the Project
26 will be in the public interest and will promote the general health and welfare of the inhabitants of
27 the City and adjacent areas.

28 (f) The Company hereby declares its intent to reimburse itself for the costs associated with
29 the acquisition, construction and equipping of the Project (the "Expenditures") from the proceeds
30 of an Industrial Revenue Bond financing among the Company, the City and a purchaser of the bonds
31 (the "Bonds") and, further, declares as follows:

- 32 i. It is expected that the Bonds will be issued upon completion of the Project..
33 Proceeds of the Bonds will be applied to reimburse the Company for the

1 Expenditures as soon as they are available, but in no event later than the date on
2 which the Project is placed in service.

3 ii. The Company is aware of no reason which would cause it to expect that the
4 Expenditures would be reimbursed from any source other than the proceeds of the
5 Bonds.

6 iii. The Company is aware of no reason which would cause it to believe that the
7 Expenditures will not be reimbursed by the proceeds of the Bonds.

8 iv. The Company is aware of nothing in the budget or financial circumstances of the
9 Company which is inconsistent with the intent and declaration of the Company to
10 finance the Expenditures with the Bonds. The Company is aware of no reason to
11 expect that funds other than proceeds of the Bonds will be reserved or allocated on
12 a long-term basis or otherwise set aside for the Expenditures pursuant to budgetary
13 or financial policies of the Company.

14 v. The Bonds will be issued in the principal amount of approximately Thirteen
15 Million Dollars (\$13,000,000).

16 **2. Undertakings on the Part of the City.** Subject to the conditions stated herein, the City
17 agrees as follows:

18 (a) That when requested by the Company, it will authorize and take, or cause to be taken,
19 the necessary steps to issue capital improvement revenue bonds under applicable law, in the
20 aggregate principal amount necessary to furnish the financing of all or any part of the costs of
21 accomplishing the Project. In this regard, it is estimated at this time that capital improvement
22 revenue bonds in the aggregate principal amount of approximately Thirteen Million Dollars
23 (\$13,000,000) will be issued. However, the City's commitment is to issue capital improvement
24 revenue bonds in such amount as shall be requested by the Company for accomplishing all or any
25 part of the Project, whether that amount is more or less than the above estimate. It is understood
26 that such bonds will not be general obligations of the City, but will be special obligations, and the
27 City will not be called upon to pay any costs or expenses incurred in connection with the
28 authorization and issuance of the bonds, and all such costs and expenses will be paid out of the
29 proceeds of the bonds or by the Company.

30 (b) That it will, at the proper time and subject in all respects to the recommendation and
31 approval of the Company, adopt, or cause to be adopted, such proceedings and authorize the
32 execution of such documents as may be necessary and advisable for the authorization, sale and
33 issuance of the bonds, and for the lending of the proceeds of the bonds to the Company for the

1 purpose of financing the Project, all in conformity with Arkansas law and upon terms and
2 conditions mutually satisfactory to the City and the Company.

3 (c) That the aggregate payments (i.e., the payments to be used to pay the principal of and
4 premium, if any, and interest on the bonds) payable under lease agreements or other agreements
5 between the City and the Company shall be sufficient to pay the principal of and premium, if any,
6 and interest on the bonds when due. The lease agreements or other agreements shall contain such
7 provisions as are necessary or desirable, consistent with the authority conferred by applicable law.

8 (d) That the City will take or cause to be taken such further action and adopt such further
9 proceedings as may be required to implement the aforesaid undertakings or as it may deem
10 appropriate in pursuance thereof.

11 **3. Undertakings on the Part of the Company.** Subject to the conditions stated herein, the
12 Company agrees as follows:

13 (a) That the Company will cooperate with the City in the sale and issuance of the bonds.

14 (b) That the Company will enter into such lease agreements or other appropriate
15 agreements with the City under which the Company will obligate itself to pay to the City
16 payments sufficient to pay the principal of and premium, if any, and interest on the bonds when
17 due and containing such other provisions as are necessary or desirable, consistent with the
18 authority conferred by applicable law.

19 (c) That the Company will pay all costs of the Project, costs and expenditures incidental
20 thereto, and financing costs (including all costs of authorizing and issuing the bonds) not paid
21 from the proceeds of the bonds, and all of the City's costs and expenses reasonably and necessarily
22 incurred in connection with this Agreement to Issue Bonds or any other related document or
23 instrument. The Company will at all times indemnify and hold harmless the City against any and
24 all losses, costs, damages, expenses and liabilities of whatsoever nature directly or indirectly
25 resulting from, arising out of, or related to the matters in connection with this Agreement to Issue
26 Bonds.

27 (d) That the Company will take such further action and adopt such further proceedings
28 as may be required to implement the aforesaid undertakings or as it may deem appropriate in
29 pursuance thereof.

30 **4. General Provisions.** This Agreement to Issue Bonds shall continue in full force and effect
31 until the Project is accomplished, and in this regard it is understood that there may be separate
32 issues of bonds, and separate series within a particular issue, with different maturities, interest
33 rates, redemption provisions and other details. In the case of each issue, and of each series, the
34 City will take appropriate action by ordinance to sell and authorize the bonds and to authorize

1 and execute such agreements and documents as may be determined necessary or desirable by the
2 City and the Company.

3 IN WITNESS WHEREOF, the City and the Company have entered into this Agreement to
4 Issue Bonds by their officers thereunto duly authorized, as of the ___ day of _____, 2015.

**CITY OF LITTLE ROCK,
ARKANSAS**

By: _____

Mark Stodola, Mayor

ATTEST:

Susan Langley, City Clerk

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6 **APPROVED AS TO LEGAL FORM:**

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Thomas M. Carpenter, City Attorney

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MARTIAL ARTS SERVICES, INC.

By: _____

Authorized Officer

11 **Section 2.** This resolution constitutes and represents the City's intention to issue its Capital
12 Improvement Industrial Revenue Bonds at such time as the provisions of the preliminary agreement have
13 been fulfilled.

14 **Section 3. Severability.** In the event any title, section, paragraph, item, sentence, clause, phrase, or
15 word of this resolution is declared or adjudged to be invalid or unconstitutional, such declaration or
16 adjudication shall not affect the remaining portions of the resolution which shall remain in full force and
17 effect as if the portion so declared or adjudged invalid or unconstitutional were not originally a part of the
18 resolution.

19 **Section 4. Repealer.** All laws, ordinances, resolutions, or parts of the same, that are inconsistent with
20 the provisions of this resolution, are hereby repealed to the extent of such inconsistency.

1 **ADOPTED: May 5, 2015**

2 **ATTEST:**

APPROVED:

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5 **Susan Langley, City Clerk**

_____ **Mark Stodola, Mayor**

6 **APPROVED AS TO LEGAL FORM:**

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9 **Thomas M. Carpenter, City Attorney**

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