

1 **WHEREAS**, the City has outstanding the following bonds secured by revenues of the System: (a) its
2 Sewer Revenue Bond, Series 2007B (the "Series 2007B Bond"), authorized by Ordinance No. 19,769,
3 adopted June 19, 2007, as amended by Ordinance No. 21,906, adopted October 20, 2020 (collectively, the
4 "2007B Ordinance"); (b) its Sewer Revenue Bond, Series 2009A (the "Series 2009A Bond"), authorized by
5 Ordinance No. 20,074, adopted March 10, 2009, as amended by Ordinance No. 21,907, adopted October
6 20, 2020 (collectively, the "2009A Ordinance"); (c) its Sewer Refunding Revenue Bonds, Series 2014 (the
7 "Series 2014 Bonds"), authorized by Ordinance No. 20,937, adopted September 16, 2014 (the "2014
8 Ordinance"); (d) its Sewer Refunding Revenue Bonds, Series 2015 (the "Series 2015 Bonds"), authorized
9 by Ordinance No. 20,994, adopted February 24, 2015 (the "2015 Ordinance"); (e) its Sewer Refunding
10 Revenue Bonds, Series 2016B (the "Series 2016B Bonds"), authorized by Ordinance No. 21,317, adopted
11 October 18, 2016 (the "2016B Ordinance"), (f) its Water Reclamation System Revenue Bonds, Series 2017
12 (the "Series 2017 Bonds"), authorized by Ordinance No. 21,479, adopted September 19, 2017 (the "2017
13 Ordinance"); (g) its Water Reclamation System Revenue Bond, Series 2020 (the "Series 2020A Bond")
14 authorized by Ordinance No. 21,845, adopted February 18, 2020 (the "2020A Ordinance"); (h) its Water
15 Reclamation System Refunding Bonds, Series 2020B (the "Series 2020B Bonds") authorized by Ordinance
16 No. 21,905, adopted October 20, 2020 (the "2020B Ordinance"); (i) its Water Reclamation System Revenue
17 Bond, Series 2020C (the "Series 2020C Bond") authorized by Ordinance No. 21,912, adopted October 20,
18 2020 (the "2020C Ordinance"), (j) its Water Reclamation System Refunding Revenue Bonds, Taxable
19 Series 2021 (the "Series 2021 Bonds") authorized by Ordinance No. 22,021, adopted August 3, 2021 (the
20 "2021 Ordinance") and (k) its Water Reclamation System Revenue Bond, Series 2023 (the "Series 2023
21 Bond") authorized by Ordinance No. 22,240, adopted March 21, 2023 (the "2023 Ordinance"); and,

22 **WHEREAS**, the Bondholder proposes to pledge the bond as collateral for the payment of its Revolving
23 Loan Fund Revenue Bonds (the "ADFA Bonds"), pursuant to its general bond resolution, as amended or
24 supplemented from time to time, to the bank or trust company to be named as trustee thereunder (the
25 "ADFA Trustee"); and,

26 **WHEREAS**, the City is required to pay to the Arkansas Development Finance Authority, as servicer
27 (the "Authority"), a servicing fee equal to 1% per annum of the outstanding principal amount of the bond
28 (the "Servicing Fee"),

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

31 **Section 1. The Improvements shall be accomplished.** The accomplishment of the Improvements
32 shall be under the control and supervision of, and all details in connection therewith shall be handled by,
33 the Commission, and the Commission shall make all contracts and agreements necessary or incidental to
34 the performance of its duties and the execution of its powers. The Commission shall let all construction
35 contracts pursuant to and in accordance with existing laws and shall require such performance bonds and

1 insurance from the contractors as, in the judgment of the Commission, will fully insure the completion of
2 the Improvements in accordance with the plans and specifications therefor.

3 **Section 2.** The sale to the Bondholder of up to Fifty-Nine Million, Six Hundred Thousand Dollars
4 (\$59,600,000.00), in principal amount of a bond from the City at a price of par for a bond bearing interest
5 at the rate of 0.25% per annum and otherwise subject to the terms and provisions hereafter in this ordinance
6 set forth in detail be, and is hereby approved and the bond is hereby sold to the Bondholder. The Mayor is
7 hereby authorized and directed to execute and deliver the Agreement on behalf of the City and to take all
8 action required on the part of the City to fulfill its obligations under the Agreement. The Agreement is
9 hereby approved in substantially the form submitted to this meeting with such changes as may be approved
10 by the Mayor, his execution to constitute complete evidence of such approval.

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

13 **Section 4.** Under the authority of the Constitution and laws of the State of Arkansas (the “State”),
14 including particularly the Authorizing Legislation, City of Little Rock, Arkansas Water Reclamation
15 System Revenue Bond, Series 2024 (the “bond”) is hereby authorized and ordered issued in the principal
16 amount of Fifty-Nine Million, Six Hundred Thousand Dollars (\$59,600,000.00), the proceeds of the sale of
17 which are necessary to provide sufficient funds for accomplishing the Improvements and paying expenses
18 incidental thereto and expenses of issuing the bond, and funding interest during construction.

19 The bond shall bear interest at the rate of 0.25% per annum based upon a 360-day year of twelve (12)
20 consecutive thirty (30)-day months. The bond shall be dated the date of delivery to the Bondholder. Interest
21 shall be payable on the first April 15th or October 15th after the bond is issued and on each April 15th and
22 October 15th thereafter. Principal shall be payable in installments on April 15, 2028, and each October 15th
23 and April 15th thereafter until the unpaid principal is paid in full as follows:

24

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
04/15/28	\$ 821,762	04/15/43	\$ 990,656
10/15/28	826,898	10/15/43	996,847
04/15/29	832,066	04/15/44	1,003,078
10/15/29	837,267	10/15/44	1,009,347
04/15/30	842,499	04/15/45	1,015,656
10/15/30	847,765	10/15/45	1,022,003
04/15/31	853,063	04/15/46	1,028,391
10/15/31	858,396	10/15/46	1,034,818
04/15/32	863,761	04/15/47	1,041,286
10/15/32	869,158	10/15/47	1,047,794

04/15/33	874,591	04/15/48	1,054,343
10/15/33	880,057	10/15/48	1,060,932
04/15/34	885,557	04/15/49	1,067,563
10/15/34	891,092	10/15/49	1,074,236
04/15/35	896,662	04/15/50	1,080,949
10/15/35	902,266	10/15/50	1,087,706
04/15/36	907,905	04/15/51	1,094,503
10/15/36	913,579	10/15/51	1,101,344
04/15/37	919,289	04/15/52	1,108,227
10/15/37	925,035	10/15/52	1,115,154
04/15/38	930,816	04/15/53	1,122,123
10/15/38	936,633	10/15/53	1,129,137
04/15/39	942,488	04/15/54	1,136,194
10/15/39	948,378	10/15/54	1,143,296
04/15/40	954,306	04/15/55	1,150,441
10/15/40	960,270	10/15/55	1,157,631
04/15/41	966,272	04/15/56	1,164,866
10/15/41	972,311	10/15/56	1,172,147
04/15/42	978,388	04/15/57	1,179,473
10/15/42	984,503	10/15/57	1,186,826

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 record
8 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 special
15 obligation, the principal of and interest on which, and Servicing Fee in connection therewith, are secured

1 by a pledge of and are payable from revenues derived from the System (“Revenues”). The pledge of
2 Revenues is subordinate to the pledge in favor of the Series 2007B Bond, the Series 2009A Bond, the Series
3 2014 Bonds, the Series 2015 Bonds, the Series 2016B Bonds, the Series 2017 Bonds, the Series 2020A
4 Bond, the Series 2020B Bonds, the Series 2020C Bond, the Series 2021 Bonds and the Series 2023 Bond
5 (collectively, the “Prior Bonds”). The bond and interest thereon shall not constitute an indebtedness of the
6 City within any constitutional or statutory limitation.

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

9
10 (form of bond)

11
12 UNITED STATES OF AMERICA

13 STATE OF ARKANSAS

14 COUNTY OF PULASKI

15 CITY OF LITTLE ROCK

16 0.25% WATER RECLAMATION SYSTEM REVENUE BOND, SERIES 2024

17
18 No. R-1 \$59,600,000

19
20 KNOW ALL MEN BY THESE PRESENTS:

21
22 That the City of Little Rock, Pulaski County, Arkansas (the “City”), for value received, hereby
23 acknowledges itself to owe and promises to pay to the Arkansas Development Finance Authority, or
24 registered assigns, solely from the special fund provided as hereinafter set forth, the principal sum of

25
26 FIFTY-NINE MILLION, SIX HUNDRED THOUSAND DOLLARS

27 (or the total principal amount outstanding as reflected
28 by the Record of Payment of Advances attached hereto)

29
30 with interest on the unpaid balance of the total principal amount at the rate of 0.25% per annum from the
31 date of each advance. The principal and interest shall be payable in such coin or currency of the United
32 States of America as at the time of payment shall be legal tender for the payment of debts due the United
33 States of America.

1 Interest on the unpaid balance of the total principal amount shall be payable on October 15, 2024, and
2 on each April 15th and October 15th thereafter. Principal shall be payable in installments on April 15, 2028,
3 and on each April 15th and October 15th thereafter until the unpaid principal is paid as follows:

4
5 Date Amount

6
7 (There will be inserted the schedule set forth in Section 4 of this ordinance.)
8

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

13 This bond is issued for the purpose of providing financing of the costs of constructing betterments and
14 improvements to the City’s Sewer System which is now identified as a Water Reclamation System (the
15 “System”), interest during construction and costs of authorizing and issuing this bond, and is issued
16 pursuant to and in full compliance with the Constitution and laws of the State of Arkansas (the “State”),
17 including particularly Title 14, Chapter 164, Subchapter 4 and Title 14, Chapter 235, Subchapter 2 of the
18 Arkansas Code of 1987 Annotated, and pursuant to Ordinance No. _____ of the City, duly adopted and
19 approved on the ____ day of May 2024 (the “Authorizing Ordinance”). Reference is hereby made to the
20 Authorizing Ordinance for the details of the nature and extent of the security and of the rights and
21 obligations of the City and the registered owner of this bond.

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

28 This bond may be prepaid at the option of the City from funds from any source, in whole but not in
29 part, at any time on and after October 15, 2034, at a prepayment price equal to the principal amount
30 outstanding, plus accrued interest to the prepayment date. Notice shall be given of such prepayment to the
31 owner of this bond or registered assigns at least 90 days prior to the prepayment date. Such notice shall be
32 in writing mailed to the address of the owner of this bond or registered assigns at the address as reflected
33 on the Bond Registration Books of the City Clerk.
34

1 This bond does not constitute an indebtedness of the City within any constitutional or statutory
2 limitation or provision, and the taxing power of the City is not pledged to the payment of the principal of
3 or interest on this bond. This bond is a special obligation payable solely from the net revenues derived
4 from the operation of the System. In this regard, the pledge of net System revenues is subordinate to the
5 pledge of System revenues to Sewer Revenue Bonds, Series 2007B and 2009A, Sewer Refunding Revenue
6 Bonds, Series 2014, 2015 and 2016B, Water Reclamation System Revenue Bonds, Series 2017, 2020,
7 2020C and 2023 and Water Reclamation System Refunding Revenue Bonds, Series 2020B and Taxable
8 Series 2021, so long as any of such bonds are outstanding. A sufficient amount of System revenues to pay
9 principal and interest has been duly set aside and pledged as a special fund for that purpose, identified as
10 the “2024 ADFA Bond Fund,” in the Authorizing Ordinance. The City has fixed and has covenanted and
11 agreed to maintain rates for use of the System which shall be sufficient at all times to at least provide for
12 the payment of the reasonable expenses of operation and maintenance of the System, provide for the
13 payment of the principal of and interest on all the outstanding bonds to which System revenues are pledged
14 as the same become due, to establish and maintain debt service reserves and to provide a depreciation fund,
15 all as set forth in the Authorizing Ordinance. This bond is issued with the intent that the laws of the State
16 shall govern its construction.

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

23 IN WITNESS WHEREOF, the City of Little Rock, Arkansas has caused this bond to be executed in its
24 name by its Mayor and City Clerk, thereunto duly authorized, and its corporate seal to be affixed, all as of
25 the _____ day of _____, 2024.

26 **CITY OF LITTLE ROCK, ARKANSAS**

27
28

29 **ATTEST:** By _____
30 **Mayor**

31
32 _____
33 **City Clerk**

34
35 **(SEAL)**

36

1 [A Registration Certificate and Record of Payment
2 of Advances shall be attached to the bond.]
3

4 **Section 7.** The City has heretofore fixed sewer rates by Ordinance No. 21,080, adopted on August
5 4, 2015. Reference is hereby made to such ordinance for the details thereof and other provisions pertaining
6 thereto, which sewer rates are hereby confirmed and continued as provided therein.

7 The City covenants and agrees that the rates established will produce Gross Revenues at least sufficient
8 to pay monthly operation, maintenance and funded depreciation expenses of the System, pay the principal
9 of and interest on all outstanding bonds and notes to which Revenues are pledged (collectively, “System
10 Bonds”), as the same become due, pay the financing, servicing and administrative fees in connection
11 therewith as the same become due, and create and maintain any required debt service reserves (“Required
12 Payments”). The City covenants always to maintain rates (including increases as necessary) which will
13 provide for the Required Payments. The rates in effect for sewer service at this time shall not be reduced
14 without the prior written consent of ANRC and the Bondholder.

15 None of the facilities or services afforded by the System shall be furnished without a charge being made
16 therefor. In the event that the City or any department, agency or instrumentality thereof shall avail itself of
17 the facilities and services afforded by the System, the reasonable value of the service or facilities so afforded
18 shall be charged against the City or such department, agency or instrumentality and shall be paid for as the
19 charges accrue. The revenues so received shall be deemed to be revenues derived from the operation of the
20 System and shall be used and accounted for in the same manner as the other revenues derived from the
21 operation of the System.
22

23 Section 8. All of the provisions of the 2007B Ordinance, the 2009A Ordinance,
24 2014 Ordinance, the 2015 Ordinance, the 2016B Ordinance, the 2017 Ordinance, the 2020A Ordinance,
25 the 2020B Ordinance, the 2020C Ordinance, the 2021 Ordinance and the 2023 Ordinance (the “Prior Bond
26 Ordinances”) (including those incorporated therein by reference), as now in effect, and except those
27 provisions clearly inapplicable hereto, including, without limitation, the provisions pertaining to the
28 collection, the investment and the handling of Revenues and funds, and to the operation, maintenance and
29 care of the System, are hereby made applicable hereto and are incorporated herein by reference as though
30 fully set forth at this point. The effect of the above covenant shall be to continue the applicable provisions
31 in full force and effect even after the payment of the Prior Bonds and until the bond is paid, or provision
32 made therefor.

33 **Section 9.** The City covenants that it will continuously operate the System as a revenue-producing
34 undertaking and will not sell or lease the same, or any substantial portion thereof, without the prior written
35 approval of the Bondholder and ANRC; provided, however, that nothing herein shall be construed to

1 prohibit the City from making such dispositions of properties of the System and such replacements and
2 substitutions for properties of the System as shall be necessary or incidental to the efficient operation of the
3 System as a revenue-producing undertaking.

4 **Section 10.** (a) After making the required payments into the special fund heretofore created and
5 designated “Sewer Operation and Maintenance Fund” and into the bond funds for the Prior Bonds and any
6 additional bonds having a priority on the pledge of Revenues over the pledge in favor of the bond and after
7 paying the financing, servicing and administrative fees in connection with the Prior Bonds, there shall be
8 paid from the special fund heretofore created and designated “Sewer Fund” into an account of the City in a
9 special fund to be created by the Bondholder (the “2024 ADFA Bond Fund”) for the purpose of paying the
10 principal of and interest on the bond the amounts specified in (b) below.

11 (b) There shall be deposited from proceeds of the bond or, at the direction of the Commission, from
12 moneys in the Sewer Fund, into the 2024 ADFA Bond Fund on the first April 15th or October 15th after the
13 bond is issued and on each April 15th and October 15th thereafter until October 15, 2027, the interest due on
14 the bond on such dates. Commencing on the first business day of each month thereafter, there shall be
15 deposited from moneys in the Sewer Fund into the 2024 ADFA Bond Fund an amount equal to 1/6 of the
16 amount of interest on and principal of the bond next due.

17 (c) If Revenues are insufficient to make the required payment on or before the first business day of
18 the following month into the 2024 ADFA Bond Fund, then the amount of any such deficiency in the
19 payment made shall be added to the amount otherwise required to be paid into the 2024 ADFA Bond Fund
20 on the first business day of the next month.

21 (d) When the moneys held in the 2024 ADFA Bond Fund which represent payments by the City and
22 interest earnings thereon or proceeds of investments therefrom (collectively, “City Funds”) shall be and
23 remain sufficient to pay in full the principal of and interest on the bond, the City shall not be obligated to
24 make any further payments into the 2024 ADFA Bond Fund.

25 (e) All moneys in the 2024 ADFA Bond Fund representing City Funds shall be used solely for the
26 purpose of paying the principal of and interest on the bond and the City shall automatically receive a credit
27 for the amount of such City Funds on hand in the 2024 ADFA Bond Fund and available for the payment of
28 any principal and interest currently due on an interest or principal payment date irrespective of whether the
29 Bondholder has applied or caused to be applied such funds on that date for such purpose. The City shall
30 receive a credit for all earnings and income derived from the investment of the City Funds each April 15th
31 and October 15th and such earnings and income shall be credited against the next six (6) monthly payments.

32 (f) The bond shall be specifically secured by a pledge of all Revenues required to be placed into the
33 2024 ADFA Bond Fund. This pledge in favor of the bond is hereby irrevocably made according to the
34 terms of this ordinance, and the City and its officers and employees shall execute, perform and carry out
35 the terms thereof in strict conformity with the provisions of this ordinance.

1 **Section 11.** After making the payments into the 2024 ADFB Bond Fund required by Section 10
2 hereof, there shall be paid from the Sewer Fund the Servicing Fee to the Authority. The Servicing Fee shall
3 be payable on each date interest on the bond is due and shall be calculated on the same basis as interest on
4 the bond. The payment of the Servicing Fee is expressly made subordinate to the payment of the principal
5 of and interest on the bond.

6 **Section 12.** After making the required payments in accordance with Sections 10 and 11 hereof, there
7 shall be paid from the Sewer Fund into a special fund heretofore created and designated the “Sewer
8 Depreciation Fund” on or before the 15th day of each month while the bond is outstanding, 3% of the
9 Revenues which remain after the required payment into the Sewer Operation and Maintenance Fund has
10 been made. Once the Sewer Depreciation Fund reaches an amount equal to the greater of (a) the amount
11 required by the Prior Bond Ordinances; or, (b) Five Million, Nine Hundred Sixty Thousand Dollars
12 (\$5,960,000.00) (the “Required Level”), the City shall not be required to make further deposits into the
13 Sewer Depreciation Fund; provided, however, that monthly deposits must resume, if the Sewer
14 Depreciation Fund drops below the Required Level, until such time as the Required Level is again reached.
15 The moneys in the Sewer Depreciation Fund shall be used solely for the purpose of paying the cost of
16 replacements made necessary by the depreciation of the System. If in any fiscal year a surplus shall be
17 accumulated in the Sewer Depreciation Fund over and above the Required Level and over and above the
18 amount necessary to defray the cost of the probable replacements during the then current fiscal year and
19 the next ensuing fiscal year, such surplus may be transferred and paid into the Sewer Fund.

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

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

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

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

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

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

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

34

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

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

12 If there be any default in the payment of the principal of or interest on the bond, or if the City defaults
13 in any 2024 ADFA Bond Fund requirement or in the performance of any of the other covenants contained
14 in this ordinance, the Bondholder may, by proper suit, compel the performance of the duties of the officials
15 of the City under the laws of the State. In the case of a default in the payment of the principal of and interest
16 on the bond, the Bondholder may apply in a proper action to a court of competent jurisdiction for the
17 appointment of a receiver to administer the System on behalf of the City and the Bondholder with power to
18 charge and collect (or by mandatory injunction or otherwise to cause to be charged and collected) rates
19 sufficient to provide for the payment of the expenses of operation, repair and maintenance and to pay the
20 bond and interest outstanding and to apply Revenues in conformity with this ordinance. When all defaults
21 in principal and interest payments have been cured, the custody and operation of the System shall revert to
22 the City. No remedy herein conferred upon or reserved to the Bondholder is intended to be exclusive of
23 any other remedy or remedies herein provided or provided by law, and every such remedy shall be
24 cumulative and shall be in addition to every other remedy given hereunder or given by law. No delay or
25 omission of the Bondholder to exercise any right or power accrued upon any default shall impair any such
26 right or power or shall be construed to be a waiver of any default or an acquiescence therein; and every
27 power and remedy given by this ordinance to the Bondholder may be exercised from time to time and as
28 often as may be deemed expedient.

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

1 **Section 17.** When the bond has been executed and sealed as herein provided, it shall be delivered to
2 the Bondholder upon payment of all or a portion of the purchase price in accordance with the Agreement.
3 Sale proceeds in the amount necessary to make all or a portion of the semiannual interest and Servicing Fee
4 payments due on each April 15th and October 15th to and including October 15, 2027, shall be applied,
5 unless otherwise directed by the Commission, to the payment of the Servicing Fees and interest on the bond
6 on such dates. The balance of the sale proceeds shall be deposited, as and when received, in an account of
7 the City heretofore created and now designated as the “Little Rock Water Reclamation Authority
8 Construction Fund” (the “Construction Fund”). The proceeds of the bond in the Construction Fund shall
9 be used for directly paying, or reimbursing the City for, the costs paid in accomplishing the Improvements,
10 expenses incidental thereto and the expenses of issuing the bond approved in accordance with the
11 Agreement. Payments from the Construction Fund shall be by check or voucher signed by either the CEO
12 or such other person or persons designated by the Commission, and drawn on the depository. Each such
13 check or voucher shall briefly specify the purpose of the expenditure.

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

17 **Section 19.** The Commission will keep proper records, books and accounts relating to the operation
18 of the System, which shall be kept separate from all other records and accounts of the City, in which
19 complete and correct entries shall be made of all transactions relating to the operation of the System in
20 accordance with Generally Accepted Government Accounting Standards. Such books shall be available for
21 inspection by the Bondholder and ANRC, or the agent or the representative of either, at reasonable times
22 and under reasonable circumstances. The City agrees to have these records audited by an Accountant
23 selected by the Commission at least once each year.

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

27 **Section 20.** The City covenants and agrees that it will maintain the System in good condition and
28 operate it in an efficient manner and at reasonable cost. While the bond is outstanding, the City agrees that
29 it will insure, and at all times keep insured, in the amount of the actual value thereof, in a responsible
30 insurance company or companies selected by the Commission and authorized and qualified under the laws
31 of the State to assume the risk thereof, all above-ground structures of the System against loss or damage
32 thereto from fire, lightning, tornado, winds, riot, strike, civil commotion, malicious damage, explosion, and
33 against loss or damage from any other causes customarily insured against in connection with similar
34 facilities and undertakings as the System. In the event of loss, the proceeds of such insurance shall be
35 applied solely toward the reconstruction, replacement or repair of the System, and in such event the City

1 will, with reasonable promptness, cause to be commenced and completed the reconstruction, replacement
2 and repair work. If such proceeds are more than sufficient for such purposes, the balance remaining shall
3 be deposited to the credit of the Sewer Fund, and if such proceeds shall be insufficient for such purposes,
4 the deficiency shall be supplied, first, from moneys in the Sewer Depreciation Fund, second, from moneys
5 in the Sewer Operation and Maintenance Fund, and third, from available moneys in the Sewer Fund.
6 Nothing herein shall be construed as requiring the City to expend any funds for reconstruction, replacement
7 or repair of the System or for operation and maintenance of the System or for premiums on its insurance
8 which are derived from sources other than insurance proceeds or Revenues, but nothing herein shall be
9 construed as preventing the City from doing so.

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

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

24 **Section 23.** It is understood and agreed that the Commission, acting for and on behalf of the City, has
25 custody of and control over the System, operates, maintains and repairs the System and collects and handles
26 Revenues. Therefore, it is understood and agreed that even though there are some express references to the
27 Commission, all references herein to the City shall, when appropriate in view of the authority and
28 responsibility of the Commission, be construed to mean and include the Commission. So long as the
29 Commission operates the System for the City, performance by the Commission of any right or obligation
30 of the City hereunder shall be deemed performance by the City. The Commission presently consists of
31 Chris Marsh, Ganelle Blake, Schawnee Hightower, Daryl Brown, Prentice O'Guinn and Jonathan Semans.
32 There is one (1) vacancy.

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

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

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

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

8 **PASSED: May 6, 2024**

9 **ATTEST:**

APPROVED:

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12 **Susan Langley, City Clerk**

Frank Scott, Jr., Mayor

13 **APPROVED AS TO LEGAL FORM:**

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15 _____

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

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