

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 2015 (the
7 "Series 2015 Bonds"), authorized by Ordinance No. 20,994, adopted February 24, 2015 (the "2015
8 Ordinance"); (d) its Sewer Refunding Revenue Bonds, Series 2016B (the "Series 2016B Bonds"),
9 authorized by Ordinance No. 21,317, adopted October 18, 2016 (the "2016B Ordinance"); (e) its Water
10 Reclamation System Revenue Bonds, Series 2017 (the "Series 2017 Bonds"), authorized by Ordinance No.
11 21,479, adopted September 19, 2017 (the "2017 Ordinance"); (f) its Water Reclamation System Revenue
12 Bond, Series 2020 (the "Series 2020A Bond") authorized by Ordinance No. 21,845, adopted February 18,
13 2020 (the "2020A Ordinance"); (g) its Water Reclamation System Refunding Revenue Bonds, Taxable
14 Series 2020B (the "Series 2020B Bonds") authorized by Ordinance No. 21,905, adopted October 20, 2020
15 (the "2020B Ordinance"); (h) its Water Reclamation System Revenue Bond, Series 2020C (the "Series
16 2020C Bond") authorized by Ordinance No. 21,912, adopted October 20, 2020 (the "2020C Ordinance");
17 (i) its Water Reclamation System Refunding Revenue Bonds, Taxable Series 2021 (the "Series 2021
18 Bonds") authorized by Ordinance No. 22,021, adopted August 3, 2021 (the "2021 Ordinance"); (j) its Water
19 Reclamation System Revenue Bond, Series 2023 (the "Series 2023 Bond") authorized by Ordinance No.
20 22,240, adopted March 21, 2023 (the "2023 Ordinance"); (k) its Water Reclamation System Revenue Bond,
21 Series 2024 (the "Series 2024A Bond") authorized by Ordinance No. 22,449, adopted May 14, 2024 (the
22 "2024A Ordinance"); (l) its Water Reclamation System Revenue Bond, Series 2024B (the "Series 2024B
23 Bond") authorized by Ordinance No. 22,507, adopted September 3, 2024 (the "2024B Ordinance"); and
24 (m) its Water Reclamation System Revenue Bonds, Series 2026 (the "Series 2026A Bonds") authorized by
25 Ordinance No. 22,815, adopted August 4, 2026 (the "2026A Ordinance"); and

26 **WHEREAS**, the Bondholder proposes to pledge the bond as collateral for the payment of its revolving
27 loan fund revenue bonds (the "ADFA Bonds") pursuant to its general bond resolution, as amended or
28 supplemented from time to time, to the bank or trust company to be named as trustee thereunder (the "ADFA
29 Trustee"); and

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

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

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

8 **Section 2.** The sale to the Bondholder of up to \$4,096,464.50 in principal amount of a bond from the
9 City at a price of par for a bond bearing interest at the rate of 3% per annum and otherwise subject to the
10 terms and provisions hereafter in this Ordinance set forth in detail be, and is hereby approved and the bond
11 is hereby sold to the Bondholder. The Mayor is hereby authorized and directed to execute and deliver the
12 Agreement on behalf of the City and to take all action required on the part of the City to fulfill its obligations
13 under the Agreement. The Agreement is hereby approved in substantially the form submitted to this
14 meeting with such changes as may be approved by the Mayor, his execution to constitute complete evidence
15 of such approval.

16 **Section 3.** The Board of Directors hereby finds and declares that the period of usefulness of the
17 Improvements will be more than 25 years, which is longer than the term of the bond.

18 **Section 4.** Under the authority of the Constitution and laws of the State of Arkansas (the "State"),
19 including particularly the Authorizing Legislation, City of Little Rock, Arkansas Water Reclamation
20 System Revenue Bond, Series 2026B (the "bond") is hereby authorized and ordered issued in the maximum
21 principal amount of \$4,096,464.50, the proceeds of the sale of which are necessary to provide sufficient
22 funds for accomplishing the Improvements and paying expenses incidental thereto and expenses of issuing
23 the bond, and funding interest during construction.

24 The bond shall bear interest at the rate of 3% per annum based upon a 360-day year of twelve
25 consecutive 30-day months. The bond shall be dated the date of delivery to the Bondholder. Interest and
26 Servicing Fee shall be payable on the first day of each month after the Series 2026B Bond is issued.
27 Commencing on November 1, 2029, principal shall be payable in monthly installments as set forth in
28 Exhibit A to the Agreement which is structured for the bond to be repaid in equal amortized monthly
29 installments of principal and interest over a 20-year period with the final payment due October 1, 2049.

30 In any case where the date of maturity of interest, Servicing Fee or principal shall be a Saturday or
31 Sunday or shall be in the State a legal holiday or a day on which banking institutions are authorized by law
32 to close, then payment of interest, Servicing Fee or principal need not be made on such date but may be
33 made on the next succeeding business day with the same force and effect as if made on the date of maturity
34 or the date fixed for redemption, and no interest shall accrue for the period after the date of maturity.

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

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

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

12 **Section 5.** The bond shall be executed on behalf of the City by the Mayor and City Clerk and shall
13 have impressed thereon the seal of the City. The bond is not a general obligation of the City but is a special
14 obligation, the principal of and interest on which, and Servicing Fee in connection therewith, are secured
15 by a pledge of and are payable from revenues derived from the System ("Revenues"). The pledge of
16 Revenues is subordinate to the pledge in favor of the Series 2007B Bond, the Series 2009A Bond, the Series
17 2015 Bonds, the Series 2016B Bonds, the Series 2017 Bonds, the Series 2020A Bond, the Series 2020B
18 Bonds, the Series 2020C Bond, the Series 2021 Bonds, the Series 2023 Bond, the Series 2024A Bond, the
19 Series 2024B Bond and the Series 2026A Bonds (collectively, the "Prior Bonds"). The bond and interest
20 thereon shall not constitute an indebtedness of the City within any constitutional or statutory limitation.

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

1 (Form of bond)

2 UNITED STATES OF AMERICA

3 STATE OF ARKANSAS

4 COUNTY OF PULASKI

5 CITY OF LITTLE ROCK

6 3% WATER RECLAMATION SYSTEM REVENUE BOND

7 SERIES 2026B

8 No. R-1

\$4,096,464.50

9 KNOW ALL MEN BY THESE PRESENTS:

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

13 FOUR MILLION NINETY-SIX THOUSAND

14 FOUR HUNDRED SIXTY-FOUR DOLLARS AND FIFTY CENTS

15 (or the total principal amount outstanding as reflected

16 by the Record of Payment of Advances attached hereto)

17 with interest on the unpaid balance of the total principal amount at the rate of 3% per annum from the date
18 of each advance. The principal and interest shall be payable in such coin or currency of the United States
19 of America as at the time of payment shall be legal tender for the payment of debts due the United States
20 of America.

21 Interest on the unpaid balance of the total principal amount shall be payable on _____ 1, 20__
22 and on the first day of each month thereafter. Principal shall be payable in installments on November 1,
23 2029 and on the first day of each month thereafter until principal is paid in full as shown on Exhibit A
24 attached hereto.

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

29 This bond is issued for the purpose of providing financing of the costs of constructing betterments and
30 improvements to the City's sewer system which is now identified as a water reclamation system (the
31 "System"), interest during construction and costs of authorizing and issuing this bond, and is issued pursuant
32 to and in full compliance with the Constitution and laws of the State of Arkansas (the "State"), including
33 particularly Title 14, Chapter 164, Subchapter 4 and Title 14, Chapter 235, Subchapter 2 of the Arkansas
34 Code of 1987 Annotated, and pursuant to Ordinance No. _____ of the City, duly adopted and approved

1 on the ____ day of _____, 2026 (the "Authorizing Ordinance"). Reference is hereby made to the
2 Authorizing Ordinance for the details of the nature and extent of the security and of the rights and
3 obligations of the City and the registered owner of this bond.

4 This bond may be assigned with the written approval of the Arkansas Natural Resources Commission
5 ("ANRC"), and in order to effect such assignment the assignor shall promptly notify the City Clerk by
6 registered mail, and the assignee shall surrender this bond along with a written approval of ANRC to the
7 City Clerk for transfer on the registration records. Every assignee shall take this bond subject to all
8 payments and prepayments of principal and interest (as reflected by the Payment Record maintained by the
9 City Clerk), prior to such surrender for transfer.

10 This bond may be prepaid at the option of the City from funds from any source, in whole but not in
11 part, at any time on and after April 15, 2037, at a prepayment price equal to the principal amount
12 outstanding, plus accrued interest and Servicing Fee to the prepayment date. Notice shall be given of such
13 prepayment to the owner of this bond or registered assigns at least 90 days prior to the prepayment date.
14 Such notice shall be in writing mailed to the address of the owner of this bond or registered assigns at the
15 address as reflected on the bond registration books of the City Clerk.

16 This bond does not constitute an indebtedness of the City within any constitutional or statutory
17 limitation or provision, and the taxing power of the City is not pledged to the payment of the principal of
18 or interest on this bond. This bond is a special obligation payable solely from the net revenues derived
19 from the operation of the System. In this regard, the pledge of net System revenues is subordinate to the
20 pledge of System revenues to Sewer Revenue Bonds, Series 2007B and 2009A, Sewer Refunding Revenue
21 Bonds, Series 2015 and 2016B, Water Reclamation System Revenue Bonds, Series 2017, 2020, 2020C,
22 2023, 2024A, 2024B and 2026A and Water Reclamation System Refunding Revenue Bonds, Taxable
23 Series 2020B and Taxable Series 2021, so long as any of such bonds are outstanding. A sufficient amount
24 of System revenues to pay principal and interest has been duly set aside and pledged as a special fund for
25 that purpose, identified as the "2026B ADFA Bond Fund," in the Authorizing Ordinance. The City has
26 fixed and has covenanted and agreed to maintain rates for use of the System which shall be sufficient at all
27 times to at least provide for the payment of the reasonable expenses of operation and maintenance of the
28 System, provide for the payment of the principal of and interest on all the outstanding bonds to which
29 System revenues are pledged as the same become due, to establish and maintain debt service reserves and
30 to provide a depreciation fund, all as set forth in the Authorizing Ordinance. This bond is issued with the
31 intent that the laws of the State shall govern its construction.

32 IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things
33 required by the Constitution and statutes of the State to exist, happen and be performed precedent to and in
34 the issuance of this bond do exist, have happened and have been performed in regular and due time, form

1 and manner as required by law; that this bond does not exceed any constitutional or statutory limitation of
2 indebtedness; and that provision has been made for the payment of the principal of and interest on this bond,
3 as provided in the Authorizing Ordinance.

4 IN WITNESS WHEREOF, the City of Little Rock, Arkansas has caused this bond to be executed in its
5 name by its Mayor and City Clerk, thereunto duly authorized, and its corporate seal to be affixed, all as of
6 the ____ day of _____, 2026.

7 CITY OF LITTLE ROCK, ARKANSAS

8
9 By _____

10 ATTEST: Mayor

11
12 _____
13 City Clerk

14 (SEAL)

15 [A Registration Certificate and Record of Payment of
16 Advances shall be attached to the bond along with an
17 Exhibit A setting forth the monthly principal and
18 interest amounts to be paid.]
19

20 **Section 7.** The City has heretofore fixed sewer rates by Ordinance No. 22,679, adopted on October 21,
21 2025. Reference is hereby made to such Ordinance for the details thereof and other provisions pertaining
22 thereto, which sewer rates are hereby confirmed and continued as provided therein.

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

31 None of the facilities or services afforded by the System shall be furnished without a charge being made
32 therefor. In the event that the City or any department, agency or instrumentality thereof shall avail itself of
33 the facilities and services afforded by the System, the reasonable value of the service or facilities so afforded
34 shall be charged against the City or such department, agency or instrumentality and shall be paid for as the

1 charges accrue. The revenues so received shall be deemed to be revenues derived from the operation of the
2 System and shall be used and accounted for in the same manner as the other revenues derived from the
3 operation of the System.

4 **Section 8.** All of the provisions of the 2007B Ordinance, the 2009A Ordinance, the 2015 Ordinance,
5 the 2016B Ordinance, the 2017 Ordinance, the 2020A Ordinance, the 2020B Ordinance, the 2020C
6 Ordinance, the 2021 Ordinance, the 2023 Ordinance, the 2024A Ordinance, the 2024B Ordinance and the
7 2026A Ordinance (the "Prior Bond Ordinances") (including those incorporated therein by reference), as
8 now in effect, and except those provisions clearly inapplicable hereto, including, without limitation, the
9 provisions pertaining to the collection, the investment and the handling of Revenues and funds, and to the
10 operation, maintenance and care of the System, are hereby made applicable hereto and are incorporated
11 herein by reference as though fully set forth at this point. The effect of the above covenant shall be to
12 continue the applicable provisions in full force and effect even after the payment of the Prior Bonds and
13 until the bond is paid, or provision made therefor.

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

20 **Section 10.** (a) After making the required payments into the special fund heretofore created and
21 designated "Sewer Operation and Maintenance Fund" and into the bond funds for the Prior Bonds and any
22 additional bonds having a priority on the pledge of Revenues over the pledge in favor of the bond and after
23 paying the financing, servicing and administrative fees in connection with the Prior Bonds, there shall be
24 paid from the special fund heretofore created and designated "Sewer Fund" into an account of the City in a
25 special fund to be created by the Bondholder and designated "Series 2026B" (the "2026B ADFA Bond
26 Fund") for the purpose of paying the principal of and interest on the bond the amounts specified in (b)
27 below.

28 (b) There shall be deposited from proceeds of the bond or, at the direction of the Commission, from
29 moneys in the Sewer Fund, into the 2026B ADFA Bond Fund on the first business day of each month after
30 the bond is issued until October 1, 2029, the interest due on the bond on such dates. Commencing on the
31 first business day of each month thereafter, there shall be deposited from moneys in the Sewer Fund into
32 the 2026B ADFA Bond Fund an amount equal to the interest on and principal of the bond due on such date.

33 (c) If Revenues are insufficient to make the required payment on or before the first business day of the
34 following month into the 2026B ADFA Bond Fund, then the amount of any such deficiency in the payment

1 made shall be added to the amount otherwise required to be paid into the 2026B ADFA Bond Fund on the
2 first business day of the next month.

3 (d) When the moneys held in the 2026B ADFA Bond Fund shall be and remain sufficient to pay in full
4 the principal of and interest on the bond, the City shall not be obligated to make any further payments into
5 the 2026B ADFA Bond Fund.

6 (e) The bond shall be specifically secured by a pledge of all Revenues placed into the 2026B ADFA
7 Bond Fund. This pledge in favor of the bond is hereby irrevocably made according to the terms of this
8 Ordinance, and the City and its officers and employees shall execute, perform and carry out the terms
9 thereof in strict conformity with the provisions of this Ordinance.

10 **Section 11.** After making the payments into the 2026B ADFA Bond Fund required by Section 10
11 hereof, there shall be paid from the Sewer Fund the Servicing Fee to the Authority. The Servicing Fee shall
12 be payable on each date interest on the bond is due and shall be calculated on the same basis as interest on
13 the bond. The payment of the Servicing Fee is expressly made subordinate to the payment of the principal
14 of and interest on the bond.

15 **Section 12.** After making the required payments in accordance with Sections 10 and 11 hereof, there
16 shall be paid from the Sewer Fund into a special fund heretofore created and designated the "Sewer
17 Depreciation Fund" on or before the 15th day of each month while the bond is outstanding, three percent
18 (3%) of the Revenues which remain after the required payment into the Sewer Operation and Maintenance
19 Fund has been made or such other amount as may be required by State law. Once the Sewer Depreciation
20 Fund reaches an amount equal to the greater of (a) the amount required by the Prior Bond Ordinances or
21 (b) \$409,646.45 (the "Required Level"), the City shall not be required to make further deposits into the
22 Sewer Depreciation Fund; provided, however, that monthly deposits must resume, if the Sewer
23 Depreciation Fund drops below the Required Level, until such time as the Required Level is again reached.
24 The moneys in the Sewer Depreciation Fund shall be used solely for the purpose of paying the cost of
25 replacements made necessary by the depreciation of the System. If in any fiscal year a surplus shall be
26 accumulated in the Sewer Depreciation Fund over and above the Required Level and over and above the
27 amount necessary to defray the cost of the probable replacements during the then current fiscal year and
28 the next ensuing fiscal year, such surplus may be transferred and paid into the Sewer Fund.

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

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

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

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

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

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

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

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

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

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

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

19 If there be any default in the payment of the principal of or interest on the bond or in the performance
20 of any of the other covenants contained in this Ordinance, the Bondholder may, by proper suit, compel the
21 performance of the duties of the officials of the City under the laws of the State. In the case of a default in
22 the payment of the principal of and interest on the bond, the Bondholder may apply in a proper action to a
23 court of competent jurisdiction for the appointment of a receiver to administer the System on behalf of the
24 City and the Bondholder with power to charge and collect (or by mandatory injunction or otherwise to
25 cause to be charged and collected) rates sufficient to provide for the payment of the expenses of operation,
26 repair and maintenance and to pay the bond and interest outstanding and to apply Revenues in conformity
27 with this Ordinance. When all defaults in principal and interest payments have been cured, the custody and
28 operation of the System shall revert to the City. No remedy herein conferred upon or reserved to the
29 Bondholder is intended to be exclusive of any other remedy or remedies herein provided or provided by
30 law, and every such remedy shall be cumulative and shall be in addition to every other remedy given
31 hereunder or given by law. No delay or omission of the Bondholder to exercise any right or power accrued
32 upon any default shall impair any such right or power or shall be construed to be a waiver of any default or
33 an acquiescence therein; and every power and remedy given by this Ordinance to the Bondholder may be
34 exercised from 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 monthly interest and Servicing Fee
9 payments during the construction period shall be applied, unless otherwise directed by the Commission, to
10 monthly payments of interest and Servicing Fee to and including October 1, 2029. The balance of the sale
11 proceeds shall be deposited, as and when received, in an account of the City heretofore created and now
12 designated as the "Little Rock Water Reclamation Authority Construction Fund" (the "Construction Fund").
13 The proceeds of the bond in the Construction Fund shall be used for directly paying, or reimbursing the
14 City for, the costs paid in accomplishing the Improvements, expenses incidental thereto and the expenses
15 of issuing the bond approved in accordance with the Agreement. Payments from the Construction Fund
16 shall be by check or voucher signed by either the CEO or such other person or persons designated by the
17 Commission, and drawn on the depository. Each such check or voucher shall briefly specify the purpose
18 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 of
23 the System, which shall be kept separate from all other records and accounts of the City, in which complete
24 and correct entries shall be made of all transactions relating to the operation of the System in accordance
25 with generally accepted government accounting standards. Such books shall be available for inspection by
26 the Bondholder and ANRC, or the agent or the representative of either, at reasonable times and under
27 reasonable circumstances. The City agrees to have these records audited by an Accountant selected by the
28 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 that
34 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 laws
2 of the State to assume the risk thereof, all above-ground structures of the System against loss or damage
3 thereto from fire, lightning, tornado, winds, riot, strike, civil commotion, malicious damage, explosion, and
4 against loss or damage from any other causes customarily insured against in connection with similar
5 facilities and undertakings as the System. In the event of loss, the proceeds of such insurance shall be
6 applied solely toward the reconstruction, replacement or repair of the System, and in such event the City
7 will, with reasonable promptness, cause to be commenced and completed the reconstruction, replacement
8 and repair work. If such proceeds are more than sufficient for such purposes, the balance remaining shall
9 be deposited to the credit of the Sewer Fund, and if such proceeds shall be insufficient for such purposes,
10 the deficiency shall be supplied, first, from moneys in the Sewer Depreciation Fund, second, from moneys
11 in the Sewer Operation and Maintenance Fund, and third, from available moneys in the Sewer Fund.
12 Nothing herein shall be construed as requiring the City to expend any funds for reconstruction, replacement
13 or repair of the System or for operation and maintenance of the System or for premiums on its insurance
14 which are derived from sources other than insurance proceeds or Revenues, but nothing herein shall be
15 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 Bonds,
17 and the ADFA Trustee and/or the municipal bond insurer for the ADFA Bonds may exercise any rights and
18 remedies available to the Bondholder under this Ordinance or the Agreement while the bond is pledged
19 and/or the ADFA Bonds are insured. In addition, the City agrees that while the bond is pledged and/or the
20 ADFA Bonds are insured, copies of all financial information shall be furnished to the ADFA Trustee and/or
21 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 or more of such offices shall be merged or consolidated, or in the event the
24 duties of a particular office shall be transferred to another office or officer, or in the event of a vacancy in
25 any such office by reason of death, resignation, removal from office, or otherwise, or in the event any such
26 officer shall become incapable of performing the duties of his office by reason of sickness, absence from
27 the City, or otherwise, all powers conferred and all obligations and duties imposed upon such office or
28 officer shall be performed by the office or officer succeeding to the principal function thereof, or by the
29 office or officer upon whom such powers, obligations, and duties shall be imposed by law.

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

Commission operates the System for the City, performance by the Commission of any right or obligation of the City hereunder shall be deemed performance by the City. The Commission presently consists of Jonathan Semans, Daryl Brown, Prentice O'Guinn, Schawnee Hightower, Chris Marsh, Christina Clark and Molly McNulty.

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

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

Section 26. Reference in this Ordinance to "Bondholder" shall include the original Bondholder or any registered assign thereof.

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

PASSED: _____, 2026

ATTEST:

APPROVED:

Allison Segars, City Clerk

Frank Scott, Jr., Mayor

APPROVED AS TO LEGAL FORM:

Thomas M. Carpenter, City Attorney

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