

1 accounts relating to the Bond, and providing for the security and payment of the Bond and the rights of the
2 owner thereof and (b) a Mortgage, Security Agreement and Fixture Filing , or a similarly named instrument,
3 by the City in favor of the Lender dated the date of the Bond (the "Mortgage"), granting a lien on and
4 security interest in the properties comprising the Project;

5 **NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY**
6 **OF LITTLE ROCK, ARKANSAS AS FOLLOWS:**

7 **Section 1.** The Project shall be accomplished. The accomplishment of the Project shall be under the
8 control and supervision of, and all details in connection therewith shall be handled by, the Authority, and
9 the Authority shall make all contracts and agreements necessary or incidental to the performance of its
10 duties and the execution of its powers.

11 **Section 2.** Under the authority of the Constitution and laws of the State of Arkansas, including
12 particularly Title 14, Chapter 186, Subchapter 3 of the Arkansas Code of 1987 Annotated, the Bond, to be
13 designated "City of Little Rock, Arkansas Port Authority Revenue Bond, Taxable Series 2026," is hereby
14 authorized and ordered issued in the principal amount of \$5,100,000, the proceeds of the sale of which are
15 necessary to provide all or a portion of the funds necessary to accomplish the Project and pay expenses of
16 issuing the Bond.

17 The Bond shall be dated the date of delivery to the Lender. The Bond shall bear interest at the Interest
18 Rate (as hereinafter defined). Interest shall be calculated on the basis of a 360-day year and actual number
19 of days elapsed. Interest shall be payable annually commencing one year from the date of the Bond.
20 Commencing four years from the date of the Bond, principal shall be payable as set forth in Exhibit C to
21 the Agreement which is structured for the Bond to be repaid in annual installments of principal and interest
22 with the final payment due twenty years from the date of the Bond.

23 "*Interest Rate*" means a rate of interest per annum equal to the Prime Rate minus thirty-five basis points
24 (0.35%), as determined and reset in accordance with this provision. The Interest Rate shall be established
25 initially on the date the Bond is issued and shall remain fixed at such rate for a period of three (3) years
26 from the date of determination, on which date the Interest Rate shall be reset, and the Interest Rate shall be
27 reset every three (3) years thereafter (each such three-year period, a "*Rate Period*"). On the first day
28 following the expiration of each Rate Period (each such date, a "*Reset Date*"), the Interest Rate shall be
29 recalculated and reset to the Prime Rate in effect on such Reset Date minus thirty-five basis points (0.35%).
30 The newly determined Interest Rate shall remain in effect for the succeeding Rate Period until the next
31 Reset Date.

32 For purposes of this definition, "*Prime Rate*" means the rate of interest equal to the Wall Street Journal
33 Prime Rate, as in effect on the applicable date of determination. If the Wall Street Journal Prime Rate ceases
34 to be published, the Prime Rate shall be the prime rate or base rate announced by such other nationally

1 recognized financial institution as the Lender may designate in its reasonable discretion. Notwithstanding
2 the foregoing, in no event shall the Interest Rate for any Rate Period be less than five percent (5%) per
3 annum (the "Interest Rate Floor") or greater than seven and one-half percent (7.5%) per annum (the "Interest
4 Rate Cap"). If the Prime Rate minus thirty-five basis points (0.35%) would result in a rate of interest less
5 than the Interest Rate Floor, the Interest Rate for the applicable Rate Period shall be deemed to be five
6 percent (5%) per annum. If the Prime Rate minus thirty-five basis points (0.35%) would result in a rate of
7 interest greater than the Interest Rate Cap, the Interest Rate for the applicable Rate Period shall be deemed
8 to be seven and one-half percent (7.5%) per annum.

9 The Bond shall be subject to redemption at the option of the City, in whole or in part at any time at a
10 price equal to the principal amount outstanding plus accrued interest to the date fixed for redemption.

11 **Section 3.** The sale of the Bond to the Lender at a price of par pursuant to the Agreement, to evidence
12 the loan from the Lender, subject to the terms and provisions hereafter in this Ordinance set forth in detail,
13 is hereby approved, and the Bond is hereby sold to the Lender. The Mayor and the City Clerk are hereby
14 authorized to execute and deliver the Agreement. The Agreement is hereby approved in substantially the
15 form submitted to this meeting, with such changes as shall be approved by the Mayor and the City Clerk,
16 their execution to constitute conclusive evidence of such approval.

17 **Section 4.** The Bond shall be executed on behalf of the City by the Mayor and City Clerk and shall
18 have impressed thereon the seal of the City. The Bond is not a general obligation of the City but is a special
19 obligation, the principal of and interest on which are secured by a pledge of and are payable from Net Port
20 Revenues (as hereinafter defined). Revenues of the Port include revenues derived from the use of Port
21 facilities including particularly, without limitation, revenue derived from rates and charges imposed and
22 maintained for the use of the Port facilities and lease rentals under leases or payments under security
23 agreements or other instruments entered into pursuant to Title 14, Chapter 186, Subchapter 3 of the
24 Arkansas Code of 1987 Annotated ("Port Revenues"). There is specifically excluded from "Port Revenues"
25 revenues derived from the operation of the Industrial Park; provided, however, that any terminal, railroad
26 and riverfront charges to customers located in the Industrial Park are specifically included in Port Revenues.
27 "Net Port Revenues" means gross Port Revenues less the amounts required to pay the costs of operation,
28 maintenance and repair, including all expense items properly attributable to the operation and maintenance
29 of the Port in accordance with generally accepted accounting principles, excluding depreciation and interest
30 expenses. Net Port Revenues are hereby pledged and mortgaged for the payment of the Bond. The pledge
31 of Net Port Revenues in favor of the Bond is subordinate to the pledge in favor of the Series 2017 Bonds
32 and on a parity with the pledge in favor of the Series 2021 Bond. The Bond is further secured by a lien on
33 and security interest in the Project pursuant to the Mortgage. Notwithstanding anything herein to the

1 contrary, nothing shall prohibit the City or the Authority from using other revenues or moneys of the
2 Authority (excluding any moneys derived from taxes) to pay the principal of and interest on the Bond.

3 **Section 5.** There is hereby authorized the securing of the payment of the Bond by a mortgage lien on and
4 security interest in the Project. There is authorized the execution and delivery of the Mortgage, and the Mayor
5 and the City Clerk are hereby authorized to execute, acknowledge and deliver the Mortgage for and on behalf
6 of the City. The Mortgage is hereby approved in substantially the form submitted to this meeting, and the
7 Mayor is hereby authorized to confer with the Lender and others in order to complete the Mortgage, with such
8 changes as shall be approved by the Mayor and the City Clerk, their execution to constitute conclusive evidence
9 of such approval.

10 **Section 6.**

11 (a) The Mayor and City Clerk, for and on behalf of the City, and the Executive Director of the Port,
12 for and on behalf of the Authority, are hereby authorized and directed to do any and all things
13 necessary to effect the execution and delivery of the Agreement, the execution and delivery of the
14 Mortgage and the performance of all acts of whatever nature necessary to effect and carry out the
15 authority conferred by this Ordinance. The Mayor and the City Clerk are hereby further authorized
16 and directed, for and on behalf of the City and the Authority, to execute all papers, documents,
17 certificates and other instruments that may be required for the carrying out of such authority as to
18 evidence the exercise thereof.

19 (b) It is understood and agreed that the Authority, acting for and on behalf of the City, has custody
20 of and control over the Port, operates, maintains and repairs the Port and collects and handles Port
21 Revenues. Therefore, it is understood and agreed that even though there are some express
22 references to the Authority in the Bond Documents, all references therein to the City shall, when
23 appropriate in view of the authority and responsibility of the Authority, be construed to mean and
24 include the Authority.

25 **Section 7.** The City Clerk shall maintain, in the permanent records of the City, for inspection by any
26 interested person, a copy of the Agreement and the Mortgage.

27 **Section 8.** The requirements of Little Rock, Ark., Ordinance No. 15,249 (February 17, 1987), as they
28 may relate to the authorization and sale of the Bond, are hereby waived.

29 **Section 9. Severability.** In the event any title, section, paragraph, item, sentence, clause, phrase, or
30 word of this ordinance is declared or adjudged to be invalid or unconstitutional, such declaration or
31 adjudication shall not affect the remaining portions of the ordinance which shall remain in full force and
32 effect as if the portion so declared or adjudged invalid or unconstitutional was not originally a part of the
33 ordinance.

