ORDINANCE NO. _______

AN ORDINANCE TO AUTHORIZE THE ISSUANCE AND SALE OF WATER RECLAMATION SYSTEM REVENUE BONDS; TO PROVIDE FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; TO PRESCRIBE OTHER MATTERS THAT RELATE THERETO; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

WHEREAS, the City of Little Rock, Arkansas (the "City") owns a sewer system (the "System"), which is now identified as a water reclamation system and is operated by the Little Rock Water Reclamation Commission of the City (the "Commission"); and,

WHEREAS, the Commission has determined that certain betterments and improvements to the System, including particularly, without limitation, improvements to the System's wastewater treatment plants and collection system improvements (collectively, the "Improvements"), are necessary in order to make the services of the System adequate for the needs of the City and its inhabitants; and

WHEREAS, the City can finance all or a portion of the costs of the Improvements, pay a premium for the Reserve Policy (defined below) and pay costs of issuance by issuing its Water Reclamation System Revenue Bonds, Series 2026, in the aggregate principal amount of $_________ (the "bonds"); and

WHEREAS, the City and the Commission have made arrangements for the sale of the bonds to Stephens Inc. (the "Purchaser"), at a price of $_________ (equal to the principal amount plus [net] original issue premium of $_________ less underwriter's discount of $_________) (the "Purchase Price"), pursuant to a Bond Purchase Agreement between the City and the Purchaser (the "Agreement") which has been presented to and is before this meeting; and,

WHEREAS, the Preliminary Official Statement dated July 13, 2026, offering the bonds for sale (the "Preliminary Official Statement") has been presented to and is before this meeting; and,

WHEREAS, the Continuing Disclosure Agreement between the City and Regions Bank, Little Rock, Arkansas, as Dissemination Agent (the "Disclosure Agreement"), providing for the ongoing disclosure obligations of the City with respect to the bonds has been presented to and is before this meeting; and,

WHEREAS, _______________ (the "Reserve Insurer") will be issuing a municipal bond debt service reserve insurance policy (the "Reserve Policy") in order to provide a debt service reserve for the bonds; and,

WHEREAS, the Debt Service Reserve Agreement between the City and the Reserve Insurer (the "Reserve Agreement") has been presented to and is before this meeting; and,

WHEREAS, the City has outstanding (a) its Sewer Revenue Bond, Series 2007B (the "Series 2007B Bond"), authorized by Ordinance No. 19,769, passed June 19, 2007, as amended (the "2007B Ordinance"); (b) its Sewer Revenue Bond, Series 2009A (the "Series 2009A Bond"), authorized by Ordinance No. 20,074, passed March 10, 2009, as amended (the "2009A Ordinance"); (c) its Sewer Refunding Revenue Bonds, Series 2015 (the "Series 2015 Bonds"), authorized by Ordinance No. 20,994, passed February 24, 2015 (the "2015 Ordinance"); (d) its Sewer Refunding Revenue Bonds, Series 2016B (the "Series 2016B Bonds"), authorized by Ordinance No. 21,317, passed October 18, 2016 (the "2016B Ordinance"); (e) its Water Reclamation System Revenue Bonds, Series 2017 (the "Series 2017 Bonds"), authorized by Ordinance No. 21,479, passed September 19, 2017 (the "2017 Ordinance"); (f) its Water Reclamation System Revenue Bond, Series 2020 (the "Series 2020A Bond"), authorized by Ordinance No. 21,845, passed February 18, 2020 (the "2020A Ordinance"); (g) its Water Reclamation System Refunding Revenue Bonds, Taxable Series 2020B (the "Series 2020B Bonds"), authorized by Ordinance No. 21,905, passed October 20, 2020 (the "2020B Ordinance"); (h) its Water Reclamation System Revenue Bond, Series 2020C (the "Series 2020C Bond"), authorized by Ordinance No. 21,912, passed October 20, 2020 (the "2020C Ordinance"); (i) its Water Reclamation System Refunding Revenue Bonds, Taxable Series 2021 (the "Series 2021 Bonds"), authorized by Ordinance No. 22,021, passed August 3, 2021 (the "2021 Ordinance"); (j) its Water Reclamation System Revenue Bond, Series 2023 (the "Series 2023 Bond"), authorized by Ordinance No. 22,240, passed March 21, 2023 (the "2023 Ordinance"); (k) its Water Reclamation System Revenue Bond, Series 2024 (the "Series 2024A Bond"), authorized by Ordinance No. 22,449, passed May 14, 2024 (the "2024A Ordinance") and (l) its Water Reclamation System Revenue Bond, Series 2024B (the "Series 2024B Bond"), authorized by Ordinance No. 22,507, passed September 3, 2024 (the "2024B Ordinance"); and,

WHEREAS, the coverage tests in the 2015 Ordinance, the 2016B Ordinance, the 2017 Ordinance, the 2020B Ordinance and the 2021 Ordinance for securing the bonds with a lien on the net revenues of the System on a parity of security with the Series 2015 Bonds, the Series 2016B Bonds, the Series 2017 Bonds, the Series 2020B Bonds and the Series 2021 Bonds (collectively, the "Parity Bonds") have been or will be satisfied; and,

WHEREAS, the coverage tests in the 2007B Ordinance, the 2009A Ordinance, the 2020A Ordinance, the 2020C Ordinance, the 2023 Ordinance, the 2024A Ordinance and the 2024B Ordinance for securing the bonds with a lien on the net revenues of the System prior to the lien on net revenues of the System in favor of the Series 2007B Bond, the Series 2009A Bond, the Series 2020A Bond, the Series 2020C Bond, the Series 2023 Bond, the Series 2024A Bond and the Series 2024B Bond (collectively, the "Subordinate Bonds") have been or will be satisfied;

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

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

Section 2. The Board of Directors hereby finds and declares that the period of usefulness of the Improvements will be more than thirty (30) years, which is longer than the term of the bonds.

Section 3. The offer of the Purchaser for the purchase of the bonds from the City at the Purchase Price for bonds bearing interest at the rates per annum, maturing and otherwise subject to the terms and provisions hereafter in this ordinance set forth in detail is hereby accepted, and the Agreement, in substantially the form submitted to this meeting, is approved and the bonds are hereby sold to the Purchaser. The Mayor is hereby authorized and directed to execute and deliver the Agreement on behalf of the City and to take all action required on the part of the City to fulfill its obligations under the Agreement.

Section 4. The Preliminary Official Statement is hereby approved and the previous use of the Preliminary Official Statement by the Purchaser in connection with the offer and sale of the bonds is hereby in all respects authorized and approved, and the Mayor be, and he is hereby authorized and directed, for and on behalf of the City, to execute the Preliminary Official Statement and the final Official Statement as set forth in the Agreement.

Section 5. The Disclosure Agreement, in substantially the form submitted to this meeting, is hereby approved, and the Mayor is hereby authorized and directed to execute and deliver the Disclosure Agreement on behalf of the City. The Mayor, the Chief Executive Officer (the "CEO") of the Little Rock Water Reclamation Authority (the "Authority") and the officers of the Authority and the City are each authorized and directed to take all action required on the part of the City to fulfill the City's obligations under the Disclosure Agreement.

Section 6. Under the authority of the Constitution and laws of the State of Arkansas (the "State"), including particularly Title 14, Chapter 164, Subchapter 4, and Title 14, Chapter 235, Subchapter 2 of the Arkansas Code of 1987 Annotated, City of Little Rock, Arkansas Water Reclamation System Revenue Bonds, Series 2026, are hereby authorized and ordered issued in the principal amount of $_________ for the purpose of financing all or a portion of the Improvements, paying a premium for the Reserve Policy and paying expenses of issuing the bonds. The bonds shall bear interest at the rates and shall mature on October 1 in the years and in the amounts as follows:

Year (October 1)	Principal Amount	Interest Rate

The bonds shall be dated the date of their delivery to the Purchaser and shall be issuable only as fully registered bonds, without coupons, in the denomination of $5,000 or any integral multiple thereof. Unless the City shall otherwise direct, the bonds shall be numbered from R-l upward in order of issuance. Each bond shall be assigned a CUSIP number.

The bonds shall be registered initially in the name of Cede & Co., as nominee for the Depository Trust Company ("DTC"), which shall be considered to be the registered owner of the bonds for all purposes under this ordinance, including, without limitation, payment by the City of the principal of, redemption price, premium, if any, and interest on the bonds, and the receipt of notices and the exercise of rights of registered owners. There shall be one certificated, typewritten bond for each stated maturity date which shall be immobilized in the custody of or on behalf of DTC with the beneficial owners having no right to receive the bonds in the form of physical securities or certificates. DTC and its participants shall be responsible for maintenance of records of the ownership of beneficial interests in the bonds by book-entry on the system maintained and operated by DTC and its participants, and transfers of ownership of beneficial interests shall be made only by DTC and its participants, by book-entry, the City having no responsibility therefor. DTC is expected to maintain records of the positions of participants in the bonds, and the participants and persons acting through participants are expected to maintain records of the purchasers of beneficial interests in the bonds. The bonds as such shall not be transferable or exchangeable, except for transfer to another securities depository or to another nominee of a securities depository, without further action by the City.

If any securities depository determines not to continue to act as a securities depository for the bonds for use in a book-entry system, the City may establish a securities depository/book-entry system relationship with another securities depository. If the City does not or is unable to do so, or upon request of the beneficial owners of all outstanding bonds, the City and the Trustee (hereinafter identified), after the Trustee has made provision for notification of the beneficial owners by the then securities depository, shall permit withdrawal of the bonds from the securities depository, and shall authenticate and deliver bond certificates in fully registered form (in denominations of $5,000 or integral multiples thereof) to the assigns of the securities depository or its nominee, all at the cost and expense (including costs of printing definitive bonds) of the City, if the City fails to maintain a securities depository/book-entry system, or of the beneficial owners, if they request termination of the system.

Prior to issuance of the bonds, the City shall have executed and delivered to DTC a written agreement (the "Representation Letter") setting forth (or incorporating therein by reference) certain undertakings and responsibilities of the City with respect to the bonds so long as the bonds or any portion thereof are registered in the name of Cede & Co. (or a substitute nominee) and held by DTC. Notwithstanding such execution and delivery of the Representation Letter, the terms thereof shall not in any way limit the provisions of this Section or in any other way impose upon the City any obligation whatsoever with respect to persons having interests in the bonds other than the registered owners, as shown on the registration books kept by the Trustee. The Trustee shall take all action necessary for all representations of the City in the Representation Letter with respect to the Trustee to at all times be complied with.

The authorized officers of the Trustee and the City shall do or perform such acts and execute all such certificates, documents and other instruments as they or any of them deem necessary or advisable to facilitate the efficient use of a securities depository for all or any portion of the bonds; provided that neither the Trustee nor the City may assume any obligations to such securities depository or beneficial owners of the bonds that are inconsistent with their obligations to any registered owner under this ordinance.

Interest on the bonds shall be payable on October 1, 2026, and semiannually thereafter on April 1st and October 1st of each year. Payment of each installment of interest shall be made to the person in whose name the bond is registered on the registration books of the City maintained by Regions Bank, Little Rock, Arkansas, as trustee and paying agent (the "Trustee"), at the close of business on the fifteenth day of the month (whether or not a business day) next preceding each interest payment date (the "Record Date"), irrespective of any transfer or exchange of any such bond subsequent to such Record Date and prior to such interest payment date.

Each bond shall bear interest from the payment date next preceding the date on which it is authenticated unless it is authenticated on an interest payment date, in which event it shall bear interest from such date, or unless it is authenticated prior to the first interest payment date, in which event it shall bear interest from their dated date, or unless it is authenticated during the period from the Record Date to the next interest payment date, in which case it shall bear interest from such interest payment date, or unless at the time of authentication thereof interest is in default thereon, in which event it shall bear interest from the date to which interest has been paid.

Only such bonds as shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in Section 8 hereof (the "Certificate") duly executed by the Trustee shall be entitled to any right or benefit under this Ordinance. No bond shall be valid and obligatory for any purpose unless and until the Certificate shall have been duly executed by the Trustee, and the Certificate upon any such bond shall be conclusive evidence that such bond has been authenticated and delivered under this ordinance. The Certificate on any bond shall be deemed to have been executed if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the Certificate on all of the bonds.

In case any bond shall become mutilated or be destroyed or lost, the City shall, if not then prohibited by law, cause to be executed and the Trustee may authenticate and deliver a new bond of like date, number, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated bond, or in lieu of and in substitution for such bond destroyed or lost, upon the owner paying the reasonable expenses and charges of the City and Trustee in connection therewith, and, in the case of a bond destroyed or lost, his filing with the Trustee evidence satisfactory to it that such bond was destroyed or lost, and of his ownership thereof, and furnishing the City and Trustee with indemnity satisfactory to them. The Trustee is hereby authorized to authenticate any such new bond. In the event any such bond shall have matured, instead of issuing a new bond, the City may pay the same without the surrender thereof. Upon the issuance of a new bond under this Section, the City may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

The City shall maintain, or cause to be maintained, books for the registration and for the transfer of the bonds, as provided herein and in the bonds. The Trustee shall act as the bond registrar. Each bond is transferable by the registered owner thereof or by his attorney duly authorized in writing at the principal office of the Trustee. Upon such transfer, a new fully registered bond or bonds of the same maturity, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefor.

No charge shall be made to any owner of any bond for the privilege of transfer or exchange, but any owner of any bond requesting any such transfer or exchange shall pay any tax or other governmental charge required to be paid with respect thereto. Except as otherwise provided in the immediately preceding sentence, the cost of preparing each new bond upon each exchange or transfer and any other expenses of the City or the Trustee incurred in connection therewith shall be paid by the City. The City shall not be required to transfer or exchange any bonds selected for redemption in whole or in part.

The person in whose name any bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or premium, if any, or interest on any bond shall be made only to or upon the order of the registered owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such bond to the extent of the sum or sums so paid.

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

Section 7. The bonds shall be executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk, and shall have impressed or imprinted thereon the seal of the City. The bonds, together with interest thereon, are secured by and are payable solely from the net revenues derived from the System (the "Net Revenues") which are hereby pledged and mortgaged for the equal and ratable payment of the bonds. The pledge of Net Revenues in favor of the bonds shall be (i) on a parity with the pledge in favor of the Parity Bonds, and (ii) prior to the pledge in favor of the Subordinate Bonds. The bonds and the interest thereon shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation.

Section 8. The bonds and the Certificate shall be in substantially the following form, and the Mayor and City Clerk are hereby expressly authorized and directed to make all recitals contained therein:

(Form of bond)

REGISTERED **REGISTERED**

No. R-__

UNITED STATES OF AMERICA
STATE OF ARKANSAS
COUNTY OF PULASKI
CITY OF LITTLE ROCK
WATER RECLAMATION SYSTEM REVENUE BOND
SERIES 2026

Maturity Date: October 1, 20__ **Interest Rate: _____%**

Dated Date: ______________, 2026 **CUSIP No.: _________**

Registered Owner: CEDE & CO.

Principal Amount: ____ DOLLARS

KNOW ALL MEN BY THESE PRESENTS:

That the City of Little Rock, County of Pulaski, State of Arkansas (the "City"), for value received, hereby promises to pay, but solely from the source as hereinafter provided and not otherwise, to the Registered Owner shown above upon the presentation and surrender hereof at the principal corporate office of Regions Bank, Little Rock, Arkansas, or its successor or successors, as trustee and paying agent (the "Trustee"), on the Maturity Date shown above, the Principal Amount shown above, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts and to pay by check or draft interest thereon, but solely from the source as hereinafter provided and not otherwise, in like coin or currency from the interest commencement date specified below at the Interest Rate per annum shown above, payable October 1, 2026, and semiannually thereafter on the first days of April and October of each year, until payment of such principal sum or, if this bond or a portion thereof shall be duly called for redemption, until the date fixed for redemption, and to pay interest on overdue principal and interest (to the extent legally enforceable) at the rate borne by this bond. Payment of each installment of interest shall be made to the person in whose name this bond is registered on the registration books of the City maintained by the Trustee at the close of business on the fifteenth day of the month (whether or not a business day) next preceding each interest payment date (the "Record Date"), irrespective of any transfer or exchange of this bond subsequent to such Record Date and prior to such interest payment date.

Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is required by an authorized representative of DTC), any transfer, pledge or other use hereof for value or otherwise by or to any person is wrongful inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

This bond shall bear interest from the payment date next preceding the date on which it is authenticated unless it is authenticated on an interest payment date, in which event it shall bear interest from such date, or unless it is authenticated prior to the first interest payment date, in which event it shall bear interest from the Dated Date shown above, or unless it is authenticated during the period from the Record Date to the next interest payment date, in which case it shall bear interest from such interest payment date, or unless at the time of authentication hereof interest is in default hereon, in which event it shall bear interest from the date to which interest has been paid.

This bond is one of an issue of City of Little Rock, Arkansas Water Reclamation System Revenue Bonds, Series 2026 aggregating _____ Million _____ Hundred _____ Thousand Dollars ($_________) in principal amount (the "bonds"), and is issued for the purposes of financing all or a portion of the costs of betterments and improvements to the City's sewer system which is now identified as a water reclamation system (the "System"), paying the premium for a debt service reserve insurance policy and paying expenses incidental thereto and to the authorization and issuance of the bonds.

The bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas (the "State"), including particularly Title 14, Chapter 164, Subchapter 4 and Title 14, Chapter 235, Subchapter 2 of the Arkansas Code of 1987 Annotated, and pursuant to Ordinance No. ________ duly passed on ______________, 2026 (the "Authorizing Ordinance"), and do not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation. The bonds are not general obligations of the City, but are special obligations payable solely from the net revenues (the "Net Revenues") derived from the operation of the System, on a parity of security with the City's outstanding Sewer Refunding Revenue Bonds, Series 2015 and Series 2016B, Water Reclamation System Revenue Bonds, Series 2017 and Water Reclamation System Refunding Revenue Bonds, Taxable Series 2020B and Taxable Series 2021, and prior to the pledge of Net Revenues in favor of the City's Sewer Revenue Bonds, Series 2007B and Series 2009A and its Water Reclamation System Revenue Bonds, Series 2020, Series 2020C, Series 2023, Series 2024 and Series 2024B. An amount of Net Revenues sufficient to pay the principal of and interest on the bonds has been duly pledged and set aside into the 2026 Water Reclamation System Revenue Bond Fund created by the Authorizing Ordinance. Reference is hereby made to the Authorizing Ordinance for a detailed statement of the terms and conditions upon which the bonds are issued, of the nature and extent of the security for the bonds, and the rights and obligations of the City, the Trustee and the registered owners of the bonds. The City has fixed and has covenanted and agreed to maintain rates for the services of the System which shall be sufficient at all times to provide for the proper and reasonable expenses of operation and maintenance of the System and for the payment of the principal of and interest on the bonds, including Trustee's fees, as the same become due and payable, to establish and maintain a debt service reserve and to make the required deposit for the depreciation of the System.

The bonds shall be subject to optional and mandatory sinking fund redemption as follows:

(1) The bonds shall be subject to redemption prior to maturity, at the option of the City, from funds from any source, on and after October 1, 2032, at par, in whole or in part at any time, at a redemption price equal to the principal amount of the bonds being redeemed, plus accrued interest to the redemption date. If fewer than all of the bonds shall be called for redemption, the particular maturities of the bonds to be redeemed shall be selected by the City in its discretion.

(2) To the extent not previously redeemed, the bonds maturing on October 1 in the years 20__, 20__ and 20__ are subject to mandatory sinking fund redemption by lot in such manner as the Trustee shall determine, on October 1 in the years and in the amounts set forth below, at a redemption price equal to the principal amount being redeemed plus accrued interest to the date of redemption:

Bonds due October 1, 20__

Year (October 1)	Amount

Bonds due October 1, 20__

Year (October 1)	Amount

Bonds due October 1, 20__

Year (October 1)	Amount

In case any outstanding bond is in a denomination greater than $5,000, each $5,000 of face value of such bond shall be treated as a separate bond of the denomination of $5,000.

Notice of redemption identifying the bonds or portions thereof (which shall be $5,000, or a multiple thereof) to be redeemed shall be given by the Trustee, not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption, by mailing a copy of the redemption notice by first class mail, postage prepaid, or sending a copy of the redemption notice via other standard means, including electronic or facsimile communication, to all registered owners of bonds to be redeemed. Failure to mail or send an appropriate notice or any such notice to one or more registered owners of bonds to be redeemed shall not affect the validity of the proceedings for redemption of other bonds as to which notice of redemption is duly given in proper and timely fashion. All such bonds or portions thereof thus called for redemption and for the retirement of which funds are duly provided in accordance with the Authorizing Ordinance prior to the date fixed for redemption will cease to bear interest on such redemption date.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the bonds do exist, have happened and have been performed in due time, form and manner as required by law; that the indebtedness represented by the bonds, together with all obligations of the City, does not exceed any constitutional or statutory limitation; and that the above referred to Net Revenues pledged to the payment of the principal of and premium, if any, and interest on the bonds as the same become due and payable will be sufficient in amount for that purpose.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Authorizing Ordinance until the Certificate of Authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the City of Little Rock, Arkansas has caused this bond to be executed by its Mayor and City Clerk and its corporate seal to be impressed or imprinted on this bond, all as of the Dated Date shown above.

CITY OF LITTLE ROCK, ARKANSAS

By ______________________________________
Mayor

ATTEST:

____
City Clerk

(SEAL)

(Form of Trustee's Certificate)

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds designated Series 2026 in and issued under the provisions of the within mentioned Authorizing Ordinance.

Date of Authentication:___________________

REGIONS BANK
Little Rock, Arkansas, Trustee

By:___________________________________
Authorized Signature

[A Form of Assignment will be attached to the bonds]

Section 9. The rates charged for services of the System heretofore fixed by Ordinance No. 22,679 of the City, passed October 21, 2025, and the conditions, rights and obligations pertaining thereto, as set out therein, are hereby ratified, confirmed and continued. None of the facilities or services afforded by the System shall be furnished without a charge being made therefor. In the event that the City or any department, agency or instrumentality thereof shall avail itself of the facilities and services afforded by the System, the reasonable value of the services or facilities so afforded shall be charged against the City or such department, agency or instrumentality and shall be paid for as the charges accrue. The revenues so received shall be deemed to be revenues derived from the operation of the System and shall be used and accounted for in the same manner as the other revenues derived from the operation of the System.

The City covenants and agrees that System rates shall never be reduced while any of the bonds are outstanding unless there is obtained from an independent certified public accountant ("Accountant") a certificate that the Net Revenues of the System ("Net Revenues" being defined as gross revenues of the System less the expenses of operation and maintenance of the System, including all expense items properly attributable to the operation and maintenance of the System under generally accepted accounting principles applicable to municipal sewer facilities, excluding depreciation, interest and amortization of deferred bond discount expenses), with the reduced rates, will always be equal to the amount required to be set aside for the Depreciation Fund (hereinafter identified), and leave a balance equal to at least 130% of the average annual principal and interest requirements on all outstanding bonds payable from System revenues ("System Bonds"). The City further covenants and agrees that the rates shall, if and when necessary, from time to time, be increased in such manner as will produce revenues at least sufficient to pay the principal and interest on all System Bonds when due, to pay the operation and maintenance expenses of the System, to deposit the amounts required to be paid into the Depreciation Fund and any debt service reserves, to pay insurers of System Bonds for any amounts owed in connection with debt service reserve fund insurance policies or surety bonds for System Bonds, and to reimburse the Reserve Insurer for any amounts owing with respect to the Reserve Policy in accordance with this ordinance.

The City covenants and agrees that the existing rates will produce total System revenues at least sufficient to pay the operation and maintenance expenses of the System, to pay the principal of and premium, if any, and interest on all outstanding System Bonds and trustee fees in connection therewith, and to make the required deposits into the debt service reserves and the Depreciation Fund.

This Section 9 shall not apply to the type of charges fixed by Ordinance No. 20,590, passed June 5, 2012.

Section 10. The System shall be continuously operated as a revenue producing undertaking and all System revenues shall be paid into a special fund heretofore created and designated "Sewer Fund" (the "Revenue Fund"). The System revenues so deposited in the Revenue Fund are hereby pledged and shall be applied to the payment of the reasonable and necessary expenses of operation, repair and maintenance of the System, to the payment of the principal of and premium, if any, and interest on System Bonds, to the establishment and maintenance of debt service reserves, to the providing of a Depreciation Fund, to pay insurers of System Bonds for any amounts owed in connection with debt service reserve fund insurance policies or surety bonds for System Bonds, and to reimburse the Reserve Insurer for any amounts owing with respect to the Reserve Policy as hereinafter set forth. The Revenue Fund, and the other special funds hereinafter in this Ordinance provided for or referred to, shall be maintained in such depositories of the City as shall from time to time be designated by the Commission, with all such depositories to hold membership in the Federal Deposit Insurance Corporation (the "FDIC"), to be located in Little Rock, Arkansas, and to have a capital and surplus of not less than $15,000,000, and with all deposits in any depository in excess of the amount insured by the FDIC to be secured by bonds or other direct or fully guaranteed obligations of the United States of America unless invested in accordance with Section 28 hereof.

Section 11. There shall be paid from the Revenue Fund into a fund heretofore created and designated "Sewer Operation and Maintenance Fund" (the "Operation and Maintenance Fund") on or before the tenth day of each month while any bonds are outstanding, an amount sufficient to pay the reasonable and necessary monthly expenses of operation, repair and maintenance of the System for such month and from which disbursements shall be made only for those purposes. Fixed annual charges such as insurance premiums and the cost of major repair and maintenance expenses may be computed and set up on an annual basis, and one-twelfth (1/12) of the amount thereof may be paid into the Operation and Maintenance Fund each month.

If in any month for any reason there shall be a failure to transfer and pay the required amount into Operation and Maintenance Fund, the amount of any deficiency shall be added to the amount otherwise required to be transferred and paid into such fund in the next succeeding month. If in any fiscal year a surplus shall be accumulated in the Operation and Maintenance Fund over and above the amount which shall be necessary to defray the reasonable and necessary costs of operation, repair and maintenance of the System during the remainder of the then current fiscal year and the next ensuing fiscal year, such surplus may be transferred and deposited in the Revenue Fund.

Section 12. After making the required monthly deposits into the Operation and Maintenance Fund, there shall be paid from the Revenue Fund, pro rata, the required monthly deposits into the bond funds (and debt service reserves therein) for the Parity Bonds and any additional bonds issued on a parity with the bonds pursuant to Section 18 hereof (the "Parity Bond Funds") and into a special fund in the name of the City which is hereby created and designated the "2026 Water Reclamation System Revenue Bond Fund" (the "2026 Bond Fund" and collectively with the Parity Bond Funds, the "Senior Bond Funds"). Payments into the 2026 Bond Fund shall be made on or before the fifteenth day of each month, commencing in ___________ 2026, until all outstanding bonds, with interest thereon, have been paid in full or provision made for such payment, a sum equal to 1/6 of the next installment of interest due on the bonds plus 1/12 of the next installment of principal due on the bonds; provided, however, that payments into the 2026 Bond Fund in ___________ 2026 shall be in an amount equal to ___________ of the interest due on ______________, 20__ and payments into the 2026 Bond Fund for purposes of making the first principal payment due ______________, 20__ need not commence until ___________ 20__.

The City shall also pay into the 2026 Bond Fund such additional sums as necessary to provide for the Trustee's fees and expenses and any fees or other amounts due the Reserve Insurer and any arbitrage rebate due the United States Treasury under Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code"). The City shall realize a credit against monthly deposits into the 2026 Bond Fund from all interest earnings on moneys in the 2026 Bond Fund.

If Net Revenues are insufficient to make the required payment on the fifteenth day of the following month into the 2026 Bond Fund, the amount of any such deficiency in the payment made shall be added to the amount otherwise required to be paid into the 2026 Bond Fund on the fifteenth day of the next month.

When the moneys held in the 2026 Bond Fund shall be and remain sufficient to pay the principal of and interest on all of the bonds then outstanding plus Trustee's fees and expenses and fees or other amounts due the Reserve Insurer, the City shall not be obligated to make any further payments into the 2026 Bond Fund.

It shall be the duty of the City to cause to be withdrawn from the 2026 Bond Fund and deposited with the Trustee at least five (5) business days before the due date of any principal and/or interest on any bond, at maturity or redemption prior to maturity, and deposited with the Trustee an amount equal to the amount of such bond and interest due thereon for the sole purpose of paying the same, together with the Trustee's fee and any Reserve Policy Payments due the Reserve Insurer. There shall also be withdrawn and paid to the United States Treasury any arbitrage rebate due at the times and in the amounts required by Section 148(f) of the Code. No withdrawal of funds from the 2026 Bond Fund shall be made for any other purpose except as otherwise authorized in this ordinance.

The bonds shall be specifically secured by a pledge of all Net Revenues remaining after the deposits have been made to the Operation and Maintenance Fund. This pledge in favor of the bonds is hereby irrevocably made according to the terms of this Ordinance, and the City and its officers and employees shall execute, perform and carry out the terms thereof in strict conformity with the provisions of this ordinance.

Section 13. There is hereby created, as part of the 2026 Bond Fund, a debt service reserve (the "Debt Service Reserve") which shall be maintained by the City. There shall be deposited into the Debt Service Reserve the Reserve Policy issued by the Reserve Insurer, which shall be in an amount equal to the lesser of (i) the maximum annual principal and interest requirement on the bonds, (ii) 10% of the principal amount of the bonds or (iii) 125% of the average annual debt service on the bonds (the "Required Level"). If for any reason the City should fail at any time to make any of the required payments into the 2026 Bond Fund, the Debt Service Reserve shall be used to the extent necessary for the payment of principal of and interest on the bonds.

Section 14. Notwithstanding any provision of this ordinance to the contrary:

(a) In the event that payment is required under the Reserve Policy, the Trustee shall ascertain the necessity for a claim under the Reserve Policy in accordance with subsection (b) below and provide notice to the Reserve Insurer in accordance with the terms of the Reserve Policy at least five (5) business days prior to each date upon which principal and interest is due on the bonds. The Trustee shall also give notice to the Reserve Insurer of a failure to make a timely payment into the 2026 Bond Fund within two days of the date such payment was due.

(b) The City shall repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by the Reserve Insurer and shall pay interest thereon from the date of payment by the Reserve Insurer at the Late Payment Rate. "Late Payment Rate" means the lesser of (x) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus _____%, and (ii) the then applicable highest rate of interest on the bonds and (y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the Reserve Insurer shall specify. If the interest provision of this subsection (b) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by the City and the Reserve Insurer, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by the Reserve Insurer, with the same force and effect as if the City had specifically designated such extra sums to be so applied and the Reserve Insurer had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Reserve Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Reserve Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the Debt Service Reserve shall be transferred to the 2026 Bond Fund for payment of debt service on the bonds before any drawing may be made on the Reserve Policy. Payment of any Policy Costs shall be made prior to replenishment of any cash drawn from the Debt Service Reserve.

(c) Upon a failure of the City to pay Policy Costs when due in accordance with the requirements above or any other breach of the terms of this Ordinance, the Reserve Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this Ordinance other than (i) acceleration of the maturity of the bonds or (ii) remedies which would adversely affect owners of the bonds. Notwithstanding any provision of this Ordinance to the contrary, this Ordinance shall not be discharged until all Policy Costs owing to the Reserve Insurer shall have been paid in full. The City's obligation to pay such amounts shall expressly survive payment in full of the bonds. In order to secure the City's payment obligations with respect to the Policy Costs, there is hereby granted in favor of the Reserve Insurer a security interest in Net Revenues and other collateral pledged as security for the bonds, Parity Bonds and any other additional parity bonds issued under Section 18 hereof (excluding from such collateral any debt service reserves for the Parity Bonds or additional parity bonds issued under Section 18 hereof and excluding any collateral specific to each issue of Parity Bonds or additional parity bonds issued under Section 18 hereof), which payment obligations are subordinate in priority of payment to the payment of debt service due on the bonds, Parity Bonds, and any other additional parity bonds issued under Section 18 hereof. The City shall include any Policy Costs then due and owing the Reserve Insurer in the calculations set forth in Section 9 and Section 18 hereof.

(d) The City shall pay or reimburse the Reserve Insurer any and all charges, fees, costs, losses, liabilities and expenses which the Reserve Insurer may reasonably pay or incur including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (i) any accounts established to facilitate payments under the Reserve Policy, (ii) the administration, enforcement, defense or preservation of any rights in respect to this Ordinance or any document executed in connection with the bonds (the "Related Documents"), including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect to the City) relating to this Ordinance or any other Related Document, any party to any Related Document or the transactions contemplated by the Related Documents, (iii) the foreclosure against, sale or other disposition of any collateral securing any obligations under this Ordinance or any other Related Document, if any, or the pursuit of any remedies under this Ordinance or any other Related Documents, to the extent such costs and expenses are not recovered from such foreclosure, sale or other disposition, (iv) any amendment, waiver or other action with respect to, or related to this Ordinance, the Reserve Policy or any other Related Document whether or not executed or completed, or (v) any action taken by the Reserve Insurer to cure a default or termination or similar event (or to mitigate the effect thereof) under this Ordinance or any other Related Document; costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of the Reserve Insurer spent in connection with the actions described in clauses (ii) through (v) above. The Reserve Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, wavier or consent proposed in respect of this Ordinance or any other Related Document. Amounts payable by the City under this Section shall bear interest at the Late Payment Rate from the date such amount is paid or incurred by the Reserve Insurer until the date the Reserve Insurer is paid in full.

(e) The obligation of the City to pay all amounts due to the Reserve Insurer shall be an absolute and unconditional obligation of the City and will be paid or performed strictly in accordance with the provisions of this Ordinance irrespective of: (i) any lack of validity or enforceability of or any amendment or other modifications of, or waiver with respect to the bonds, this Ordinance or any other Related Document; (ii) any amendment or other modification of, or waiver with respect to the Reserve Policy; (iii) any exchange, release or non-perfection of any security interest in property securing the bonds, this Ordinance or any other Related Documents; (iv) whether or not such bonds are contingent or matured, disputed or undisputed, liquidated or unliquidated; (v) any amendment, modification or waiver of or any consent to departure from the Reserve Policy, this Ordinance or all or any of the other Related Documents; (vi) the existence of any claim, setoff, defense (other than the defense of payment in full) reduction, abatement or other right which the City may have at any time against the Trustee or any other person or entity other than the Reserve Insurer, whether in connection with the transactions contemplated herein or in any other Related Documents or any unrelated transactions; (vii) any statement or any other document presented under or in connection with the Reserve Policy proving in any and all respects invalid, inaccurate, insufficient, fraudulent or forged or any statement therein being untrue or inaccurate in any respect; or (viii) any payment by the Reserve Insurer under the Reserve Policy against presentation of a certificate or other document which does not strictly comply with the terms of the Reserve Policy.

(f) The City shall fully observe, perform and fulfill each of the provisions (as each of those provisions may be amended, supplemented, modified or waived with the prior written consent of the Reserve Insurer) of this Ordinance applicable to it, each of the provisions thereof being expressly incorporated into this Ordinance by reference solely for the benefit of the Reserve Insurer as if set forth directly herein. No provision of this Ordinance or any other Related Document shall be amended, supplemented, modified or waived, without the prior written consent of the Reserve Insurer, in any material respect or otherwise in a manner that could adversely affect the payment obligations of the City hereunder or the priority accorded to the reimbursement of Policy Costs under this Ordinance. The Reserve Insurer is hereby expressly made a third party beneficiary of this Ordinance and each other Related Document.

(g) The City covenants to provide to the Reserve Insurer, promptly upon request, any information regarding the bonds or the financial condition and operations of the City as reasonably requested by the Reserve Insurer. The City will permit the Reserve Insurer to discuss the affairs, finances and accounts of the City or any information the Reserve Insurer may reasonably request regarding the security for the bonds with appropriate officers of the City and will use commercially reasonable efforts to enable the Reserve Insurer to have access to the facilities, books and records of the City on any business day upon reasonable prior notice.

(h) Notices and other information to the Reserve Insurer shall be sent to the following address (or such other address as the Reserve Insurer may designate in writing): __________, _______________, New York, New York _____, Attention: _______________, RE: Policy No. _________.

Section 15. After making the deposits into the Operation and Maintenance Fund and the Senior Bond Funds, there shall be transferred from the Revenue Fund into the bond funds for the Subordinate Bonds (the

"Subordinate Bond Funds"), the amounts required by the ordinances authorizing the Subordinate Bonds, and the administration and servicing fees due in connection with the Subordinate Bonds.

Section 16. After making the required payments into the Operation and Maintenance Fund, the Senior Bond Funds and the Subordinate Bond Funds, there shall be paid from the Revenue Fund into a fund heretofore created and designated the "Sewer Depreciation Fund" (the "Depreciation Fund") on or before the 15th day of each month while any bonds are outstanding 3% of the System revenues which remain after the required payment into the Operation and Maintenance Fund has been made. The moneys in the Depreciation Fund shall be used solely for the purpose of paying the cost of replacements made necessary by the depreciation of the System. If in any fiscal year a surplus shall be accumulated in the Depreciation Fund over and above the amount necessary to defray the cost of the probable replacements during the then current fiscal year and the next ensuing fiscal year, such surplus may be transferred and paid into the Revenue Fund.

Section 17. Any surplus in the Revenue Fund, after making the required monthly deposits into all of the funds as set forth above may be used, at the option of the City, for any lawful purpose of the System, as approved by the Commission.

Section 18. So long as any of the bonds are outstanding, the City shall not issue or attempt to issue any bonds claimed to be entitled to a priority of lien on Net Revenues over the lien securing the bonds and the Parity Bonds. The City reserves the right to issue additional bonds to finance or pay the cost of making any future extensions, betterments or improvements to the System, or to refund bonds issued for such purposes, but the City shall not authorize or issue any such additional bonds ranking on a parity with the bonds and the Parity Bonds unless and until there have been procured and filed with the City Clerk and the Trustee a statement by an Accountant reciting the opinion, based upon necessary investigation, that the Net Revenues of the System for the fiscal year immediately preceding the fiscal year in which it is proposed to issue such additional bonds shall equal not less than 120% of the average annual principal and interest requirements on all the then outstanding System Bonds and the additional bonds then proposed to be issued. The term "Net Revenues" means gross System revenues less operation and maintenance expenses other than depreciation, interest and amortization of deferred bond discount expenses, determined in accordance with generally accepted accounting principles. In making the computation set forth above, the City, and the Accountant on behalf of the City, may, based upon the opinion or report of a registered professional engineer not in the regular employ of the City, treat any increase in rates for the System enacted subsequent to the first day of such preceding fiscal year as having been in effect during or throughout such fiscal year and may include in gross System revenues for such fiscal year the amount that would have been received, based on such opinion or report, had the increase been in effect during or throughout such fiscal year.

Section 19. The City covenants and agrees that it will maintain the System in good condition and operate the same in an efficient manner and at reasonable cost. While any of the bonds are outstanding, the City agrees that it will insure and at all times keep insured, in the amount of the full insurable value thereof, in a responsible insurance company or companies selected by the Commission and authorized and qualified under the laws of the State to assume the risk thereof, all aboveground structures of the System, to the extent that such structures would be covered by insurance by private companies engaged in similar types of businesses, against loss or damage thereto from fire, lightning, tornados, winds, riot, strike, civil commotion, malicious damage, explosion and against any other loss or damage from any other causes customarily insured against by private companies engaged in similar types of business. The insurance policies are to carry a clause making them payable to the Commission and the Trustee as their interests may appear, and satisfactory evidence of said insurance shall be filed with the Trustee. In the event of loss, the proceeds of such insurance shall be applied solely toward the reconstruction, replacement or repair of the System, and in such event the City will, with reasonable promptness, cause to be commenced and completed the reconstruction, replacement and repair work. If such proceeds are more than sufficient for such purposes, the balance remaining shall be deposited to the credit of the Revenue Fund, and if such proceeds shall be insufficient for such purposes, the deficiency shall be supplied first from moneys in the Depreciation Fund, second from moneys in the Operation and Maintenance Fund, and third from surplus moneys in the Revenue Fund. Nothing shall be construed as requiring the City to expend any moneys for operation and maintenance of the System or for premiums on its insurance which are derived from sources other than the operation of the System, but nothing shall be construed as preventing the City from doing so.

Section 20. The bonds shall be subject to redemption prior to maturity in accordance with the terms set out in the bond form hereinabove set forth.

Section 21. The Commission will keep proper books of accounts and records (separate from all other records and accounts of the City) in which complete and correct entries shall be made of all transactions relating to the operation of the System, and such books shall be available for inspection by the Trustee and any registered owner of any of the bonds at reasonable times and under reasonable circumstances. The City and the Commission agree to have these records audited by an Accountant at least once each year, and a copy of the audit shall be delivered to the Trustee at its request. In the event that the City or the Commission fail or refuse to make the audit, the Trustee, or any registered owner of the bonds, may have the audit made, and the cost thereof shall be charged against the Operation and Maintenance Fund.

Section 22. Any bond shall be deemed to be paid within the meaning of this ordinance when payment of the principal of and interest on such bond (whether at maturity or upon redemption as provided herein, or otherwise), either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment (1) cash sufficient to make such payment and/or (2) direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America ("Government Securities") (provided that such deposit will not affect the tax exempt status of interest on any of the bonds or cause any of the bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code), maturing as to principal and interest in such amounts and at such times as will provide sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee pertaining to the bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee.

On the payment of any such bonds within the meaning of this ordinance, the Trustee shall hold in trust, for the benefit of the owners of such bonds, all such moneys and/or Government Securities.

When all the bonds shall have been paid within the meaning of this ordinance, if the Trustee has been paid its fees and expenses, if any arbitrage rebate due the United States Treasury has been paid or provided for to the satisfaction of the Trustee, and if there are not amounts due the Reserve Insurer with respect to the Reserve Policy, the Trustee shall take all appropriate action to cause (i) the pledge and lien of this ordinance to be discharged and cancelled, and (ii) all moneys held by it pursuant to this ordinance and which are not required for the payment of such bonds to be paid over or delivered to or at the direction of the City. In determining the sufficiency of the deposit of Government Securities, there shall be considered the principal amount of such Government Securities and interest to be earned thereon until the maturity of such Government Securities.

Section 23. If there be any default in the payment of the principal of or interest on any of the bonds, or if the City defaults in any 2026 Bond Fund requirement or in the performance of any of the other covenants contained in this Ordinance and such failure continues unremedied for thirty (30) days, the Trustee may, and upon the written request of the registered owners of not less than 10% in principal amount of the then outstanding bonds, shall, by proper suit, compel the performance of the duties of the officials of the City under the laws of Arkansas. And in the case of a default in the payment of the principal of and interest on any of the bonds, the Trustee may and upon written request of the registered owners of not less than 10% in principal amount of the then outstanding bonds, shall apply in a proper action to a court of competent jurisdiction for the appointment of a receiver to administer the System on behalf of the City and the registered owners of the bonds with power to charge and collect (or by mandatory injunction or otherwise to cause to be charged and collected) rates sufficient to provide for the payment of the expenses of operation, maintenance and repair and to pay any bonds and interest outstanding and to apply the System revenues in conformity with the laws of Arkansas and with this ordinance. When all defaults in principal and interest payments have been cured, the custody and operation of the System shall revert to the City.

No registered owner of any of the outstanding bonds shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law for the protection or enforcement of any power or right unless such owner previously shall have given to the Trustee written notice of the default on account of which such suit, action or proceeding is to be taken, and unless the registered owners of not less than 10% in principal amount of the bonds then outstanding shall have made written request of the Trustee after the right to exercise such power or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted to the Trustee, or to institute such action, suit or proceeding in its name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are, at the option of the Trustee, conditions precedent to the execution of any remedy. No one or more registered owners of the bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Ordinance, or to enforce any right hereunder except in the manner herein described. All proceedings at law or in equity shall be instituted, had and maintained in the manner herein described and for the benefit of all registered owners of the outstanding bonds.

No remedy conferred upon or reserved to the Trustee or to the registered owners of the bonds is intended to be exclusive of any other remedy or remedies, and every such remedy shall be cumulative and shall be in addition to every other remedy given under this ordinance or by law.

The Trustee may, and upon the written request of the registered owners of not less than 50% in principal amount of the bonds then outstanding shall, waive any default which shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted under the provisions of this ordinance or before the completion of the enforcement of any other remedy, but no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

All rights of action under this ordinance or under any of the bonds, enforceable by the Trustee, may be enforced by it without the possession of any of the bonds, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the registered owners of such bonds, subject to the provisions of this ordinance.

No delay or omission of the Trustee or of any registered owners of the bonds to exercise any right or power accrued upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this ordinance to the Trustee and to the registered owners of the bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

In any proceeding in which any plaintiff bondholder prevails to enforce the provisions of this ordinance, such plaintiff bondholder shall be entitled to recover from the City all costs of such proceeding, including reasonable attorneys' fees.

Section 24. (a) The terms of this ordinance shall constitute a contract between the City and the registered owners of the bonds and no variation or change in the undertaking herein set forth shall be made while any of the bonds are outstanding, except as hereinafter set forth in subsections (b) and (c).

(b) The Trustee may consent to any variation or change in this ordinance without the consent of the owners of the outstanding bonds (a) in connection with the issuance of additional parity bonds under this ordinance, (b) in order to cure any ambiguity, defect or omission herein or to correct or supplement any defective or inconsistent provisions contained herein as the City may deem necessary or desirable and not inconsistent herewith, or (c) in order to make any other variation or change which the Trustee determines (in reliance on the advice of counsel (who may be counsel for the City) and/or such other certificates or reports delivered in connection therewith) shall not adversely affect the interests of the owners of the bonds.

(c) The owners of not less than 75% in aggregate principal amount of the bonds then outstanding shall have the right, from time to time, anything contained in this ordinance to the contrary notwithstanding, to consent to and approve the adoption by the City of such ordinance supplemental hereto as shall be necessary or desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Ordinance or in any supplemental ordinance; provided, however, that nothing contained in this Section shall permit or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any bond, or (b) a reduction in the principal amount of any bond or the rate of interest thereon, or (c) the creation of a lien or pledge superior to the lien and pledge created by this Ordinance, or (d) a privilege or priority of any bond or bonds over any other bond or bonds, or (e) a reduction in the aggregate principal amount of the bonds required for consent to such supplemental ordinance.

Section 25. When the bonds have been executed and sealed as herein provided, they shall be authenticated by the Trustee, and the Trustee shall deliver the bonds to or at the direction of the Purchaser upon payment in cash of the Purchase Price. Unless paid by the Purchaser as part of the Purchase Price, the amount necessary to pay the premium for the Reserve Policy shall be paid to the Reserve Insurer.

The expenses of issuing the bonds, as set forth in the delivery instructions to the Trustee signed by the Mayor and City Clerk, shall also be paid from the Purchase Price. The remainder of the Purchase Price shall be remitted to the City for deposit into an account of the City heretofore created and designated as the "Little Rock Water Reclamation Authority Construction Fund" ("Construction Fund"). The moneys deposited into the Construction Fund, including earnings thereon, shall be disbursed in payment of the costs of accomplishing the Improvements, paying necessary expenses incidental thereto and paying expenses of issuing the bonds. Disbursements shall be on the basis of checks which shall contain at least the following information: the person to whom payment is being made; the amount of the payment; and the purpose by general classification of the payment. Each check must be signed by the CEO or such other person or persons designated by the Commission. The Commission shall be required to keep accurate records of all payments from the Construction Fund.

Section 26. In the event any of the offices of Mayor, City Clerk, CEO, Chief Financial Officer, Commission or Board of Directors shall be abolished, or any two or more of such offices shall be merged or consolidated, or in the event the duties of a particular office shall be transferred to another office or officer, or in the event of a vacancy in any such office by reason of death, resignation, removal from office or otherwise, or in the event any such officer shall become incapable of performing the duties of his office by reason of sickness, absence from the City or otherwise, all powers conferred and all obligations and duties imposed upon such office or officer shall be performed by the office or officer succeeding to the principal functions thereof, or by the office or officer upon whom such powers, obligations and duties shall be imposed by law.

So long as the System is under the control of the Commission, performance by the Commission of any 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 27. (a) The City covenants that it shall not take any action or suffer or permit any action to be taken or conditions to exist which causes or may cause the interest payable on the bonds to be included in gross income for federal income tax purposes. Without limiting the generality of the foregoing, the City covenants that the proceeds of the sale of the bonds and System revenues will not be used directly or indirectly in such manner as to cause the bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code.

(b) The City shall assure that (i) not in excess of 10% of the Net Proceeds of the bonds is used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the bonds during the term thereof is, under the terms of the bonds or any underlying arrangement, directly or indirectly secured by any interest in property used or to be used for a Private Business Use or in payments in respect of, property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the City, in respect of property or borrowed moneys used or to be used for a Private Business Use; and (ii) that, in the event that both (A) in excess of 5% of the Net Proceeds of the bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the bonds during the term thereof is, under the terms of the bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private

Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the City, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Improvements.

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

As used in this subsection (b), the following terms shall have the following meanings:

"Net Proceeds" means the face amount of the bonds, plus accrued interest and premium, if any, less original issue discount, if any, less any amounts deposited into the Debt Service Reserve from bond proceeds.

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

(c) The City covenants that it will take no action which would cause the bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code. Nothing in this Section shall prohibit investments in bonds issued by the United States Treasury.

(d) The City covenants that it will submit to the Secretary of the Treasury of the United States, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the bonds are issued, the statement required by Section 149(e) of the Code.

(e) The City covenants that it will, in compliance with the requirements of Section 148(f) of the Code, pay with moneys in the 2026 Bond Fund to the United States Government in accordance with the requirements of Section 148(f) of the Code, from time to time, an amount equal to the sum of (1) the excess of (A) the amount earned on all Non-purpose Investments (as therein defined) attributable to the bonds, other than investments attributable to such excess, over (B) the amount which would have been earned if such Non-purpose Investments attributable to the bonds were invested at a rate equal to the Yield (as defined in the Code) on the bonds, plus (2) any income attributable to the excess described in (1), subject to the exceptions set forth in Section 148 of the Code. The City further covenants that in order to assure compliance with its covenants herein, it will employ a qualified consultant to advise the City in making the determination required to comply with this subsection (e). Anything herein to the contrary notwithstanding, this provision may be modified or rescinded if in the opinion of Bond Counsel such modification or rescission will not affect the tax-exempt status of the bonds for federal income tax purposes.

(f) The City covenants that it will not reimburse itself from proceeds of the bonds for costs paid prior to the date the bonds are issued except in compliance with United States Treasury Regulation Section 1.150-2 (the "Regulation"). This Ordinance shall constitute an "official intent" for the purpose of the Regulation.

Section 28. The Trustee shall only be responsible for the exercise of good faith and reasonable prudence in the execution of its trust. The recitals in this ordinance and on the face of the bonds are the recitals of the City and not of the Trustee. The Trustee shall not be required to take any action as Trustee unless it shall have been requested to do so in writing by the owners of not less than 10% in principal amount of the bonds then outstanding and shall have been offered reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby. The Trustee may resign at any time by giving sixty (60) days' notice in writing to the City Clerk and to the registered owners of the bonds and the majority in value of the registered owners of the outstanding bonds or the City, if it is not in default under this ordinance, at any time, with or without cause, may remove the Trustee. In the event of a vacancy in the office of Trustee, either by resignation or by removal, the City shall appoint a new Trustee, such appointment to be evidenced by a written instrument or instruments filed with the City Clerk. Every successor Trustee appointed pursuant to this Section shall be a trust company or bank in good standing, duly authorized to exercise trust powers and subject to examination by federal or state authority. The original Trustee and any successor Trustee shall file a written acceptance and agreement to execute the trust imposed upon it or them by this ordinance, but only upon the terms and conditions set forth in this ordinance and subject to the provisions of this ordinance, to all of which the respective owners of the bonds agree. Such written acceptance shall be filed with the City Clerk and a copy thereof shall be placed in the bond transcript. Any successor Trustee shall have all the powers herein granted to the original Trustee. The Trustee's resignation shall become effective upon the acceptance of the trusts by the successor Trustee.

Section 29. (a) Moneys held for the credit of the 2026 Bond Fund shall be continuously invested and reinvested pursuant to the direction of the Commission in Eligible Investments, all of which shall mature, or which shall be subject to redemption by the holder thereof, at the option of such holder, not later than the payment date for interest or principal and interest on the bonds.

(b) Moneys held for the credit of any other fund shall be continuously invested and reinvested pursuant to the direction of the Commission in Eligible Investments, which shall mature, or which shall be subject to redemption by the holder thereof, at the option of such holder, not later than the date or dates when the moneys held for the credit of the particular fund will be required for purposes intended.

(c) "Eligible Investments" means any of the securities that are at the time legal for investment of City funds pursuant to Resolution No. 14,890 of the City, as may be amended from time to time.

(d) Obligations so purchased as an investment of moneys in any fund shall be deemed at all times to be a part of such fund and the interest accruing thereon and any profit realized from such investments shall be credited to such fund, and any loss resulting from such investment shall be charged to such fund.

(e) Moneys so invested in Government Securities or in certificates of deposit of banks to the extent insured by FDIC, need not be secured by the depository bank or banks.

(f) All investments and deposits shall have a par value (or market value when less than par), exclusive of accrued interest, at all times at least equal to the amount of money credited to such funds and shall be made in such a manner that the money required to be expended from any fund will be available at the proper time or times.

(g) Investments of moneys in all funds shall be valued in terms of current market value as of the last day of each year, except that direct obligations of the United States (State and Local Government Series) in book-entry form shall be continuously valued at par or face principal amount.

(h) The City covenants that it will make all arbitrage rebate payments to the United States in accordance with Section 148(f) of the Code.

Section 30. It is covenanted and agreed by the City with the registered owners of the bonds, or any of them, that the City and the Commission will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State, including the charging and collecting of reasonable and sufficient rates lawfully established for services rendered by the System, the segregating of System revenues as herein required, and the applying of System revenues to the respective funds herein created or referred to.

Section 31. The City covenants that it will not sell or lease the System, or any substantial portion thereof; provided, however, that nothing herein shall be construed to prohibit the City from making such dispositions of properties of the System and such replacements and substitutions for properties of the System as shall be necessary or incidental to the efficient operation of the System as a revenue-producing undertaking. All revenues derived from such dispositions shall be deposited into the Revenue Fund.

Section 32. The requirements of Ordinance No. 15,249, as they may relate to the authorization and sale of the Bonds, are hereby waived.

Section 33. The Reserve Agreement, in substantially the form submitted to this meeting is hereby approved, and the Mayor and the City Clerk are hereby authorized and directed to execute and deliver the Reserve Agreement on behalf of the City, and the Mayor and other officers of the City are authorized to execute and deliver such undertakings as may be appropriate to the securing of the Reserve Policy.

Section 34. ***Severability***. In the event any title, section, paragraph, item, sentence, clause, phrase, or word of this ordinance is declared or adjudged to be invalid or unconstitutional, such declaration or adjudication shall not affect the remaining portions of the ordinance which shall remain in full force and effect as if the portion so declared or adjudged invalid or unconstitutional was not originally a part of the ordinance.

Section 35. ***Repealer***. All laws, ordinances, resolutions, or parts of the same, that are inconsistent with the provisions of this ordinance, are hereby repealed to the extent of such inconsistency.

Section 36. ***Emergency Clause***. It is hereby ascertained and declared that the Improvements are immediately needed for the preservation of the public peace, health and safety and to remove existing hazards thereto. The Improvements cannot be accomplished without the issuance of the bonds, which cannot be sold at the interest rates specified herein unless this Ordinance is immediately effective. Therefore, it is declared that an emergency exists and this Ordinance being necessary for the preservation of the public peace, health and safety shall be in force and take effect immediately upon and after its passage.

PASSED: July 21, 2026

ATTEST:	**APPROVED:**
______________________________	______________________________
Allison Segars, City Clerk	**Frank Scott. Jr., Mayor**

APPROVED AS TO LEGAL FORM:

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Thomas M. Carpenter, City Attorney

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