



1       **WHEREAS**, the Series 2018 Bonds are being issued pursuant to Ordinance No. 20,735 as “Additional  
2 Parity Bonds” thereunder; and,

3       **WHEREAS**, the City has fixed, established and levied an Ad Valorem Tax on taxable property located  
4 within the City at the rate of 3.0 mills on the dollar of assessed valuation (the “Special Tax”) which will,  
5 subject to rollback as provided in Amendment No. 59 to the Arkansas Constitution (“Amendment 59”),  
6 constitute a continuing annual tax to be collected each year so long as necessary to pay the principal of and  
7 interest on the Series 2013 Bonds and the Series 2018 Bonds; and,

8       **WHEREAS**, the City has made arrangements for the sale of the Series 2018 Bonds to Stephens Inc.,  
9 Crews & Associates, Inc., and Raymond James & Associates, Inc. (the “Underwriters”), at a price of Forty-  
10 Four Million, One Hundred Ninety-Three Thousand, Seventy-Four and 95/100 Dollars (\$44,193,074.95)  
11 (principal amount less Underwriters’ discount of Two Hundred Seventy-Six Thousand, Sixty-Six and  
12 25/100 Dollars (\$276,066.25) plus net original issue premium of Nine Hundred Ninety-Four Thousand,  
13 One Hundred Forty-One and 20/100 Dollars (\$994,141.20) (the “Purchase Price”), pursuant to a Bond  
14 Purchase Agreement between the Underwriters and the City (the “Bond Purchase Agreement”), which has  
15 been exhibited to and is before the Board of Directors at the meeting at which this Ordinance is adopted;  
16 and,

17       **WHEREAS**, the Preliminary Official Statement dated October 9, 2018, offering the Series 2018 Bonds  
18 for sale (the “Preliminary Official Statement”), has been exhibited to and is before the Board of Directors  
19 at the meeting at which this Ordinance is adopted; and,

20       **WHEREAS**, the Continuing Disclosure Agreement (the “Disclosure Agreement”), providing for the  
21 ongoing disclosure obligations of the City with respect to the Series 2018 Bonds, has been exhibited to and  
22 is before the Board of Directors at the meeting at which this ordinance is adopted; and,

23       **WHEREAS**, the principal amount of the Series 2018 Bonds plus net original issue premium, Forty-  
24 Four Million, Four Hundred Sixty-Nine Thousand, One Hundred Forty-One and 20/100 Dollars  
25 (\$44,469,141.20), is allocated between the Improvements as follows: Thirty-One Million, One Hundred  
26 Thirty-One Thousand, Seventy-Seven and 80/100 Dollars (\$31,131,077.80) for the Street Improvements  
27 and Thirteen Million, Three Hundred Thirty-Eight Thousand, Sixty-Three and 40/100 Dollars  
28 (\$13,338,063.40) for the Drainage Improvements.

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

31       **Section 1.** The Series 2018 Bonds are hereby sold to the Underwriters at the purchase price specified  
32 above. The Bond Purchase Agreement, in substantially the form exhibited to this meeting, is approved and  
33 confirmed. The Mayor is hereby authorized and directed to execute and deliver the Bond Purchase  
34 Agreement for and on behalf of the City and to take all action required on the part of the City to fulfill its  
35 obligations under the Bond Purchase Agreement.

1       **Section 2.** The Preliminary Official Statement is hereby approved and the previous use of the  
2 Preliminary Official Statement by the Underwriters in connection with the sale of the Series 2018 Bonds is  
3 in all respects authorized, approved and confirmed. The Mayor is hereby authorized and directed, for and  
4 on behalf of the City, to execute a final official statement and deliver the same to the Underwriters for use  
5 in connection with the sale of the Series 2018 Bonds as set forth in the Bond Purchase Agreement.

6       **Section 3.** The Disclosure Agreement, in substantially the form submitted to this meeting, is  
7 approved, and the Mayor is hereby authorized and directed to execute and deliver the Disclosure Agreement  
8 for and on behalf of the City. The Mayor and other officials of the City are authorized and directed to take  
9 all action required on the part of the City to fulfill the City's obligations under the Disclosure Agreement.

10       **Section 4.** Under the authority of the Constitution and laws of the State of Arkansas, including  
11 particularly Amendment No. 62 to the Constitution of the State of Arkansas, and Title 14, Chapter 164,  
12 Subchapter 3 of the Arkansas Code of 1987 Annotated, the Series 2018 Bonds are hereby authorized and  
13 ordered issued in the total principal amount of Forty-Three Million, Four Hundred Seventy-Five Thousand  
14 Dollars (\$43,475,000.00). The proceeds of the Series 2018 Bonds shall be used for the purposes specified  
15 in the recitals of this ordinance and to pay costs of issuing the Series 2018 Bonds.

16       The Series 2018 Bonds shall be dated the date of their delivery to the Underwriters and shall be  
17 designated "City of Little Rock, Arkansas Limited Tax General Obligation Capital Improvement Bonds,  
18 Series 2018." Interest shall be payable semiannually on April 1<sup>st</sup> and October 1<sup>st</sup> of each year commencing  
19 April 1, 2019. The Series 2018 Bonds shall be fully registered bonds in the denomination of Five Thousand  
20 Dollars (\$5,000.00) or an integral multiple thereof. Payment of each installment of interest shall be made  
21 to the person in whose name the Series 2018 Bond is registered on the registration books of the City  
22 maintained by First Security Bank, Searcy, Arkansas, as Trustee and Paying Agent (the "Trustee"), at the  
23 close of business on the 15<sup>th</sup> day of the month (whether or not a business day) next preceding each interest  
24 payment date (the "Record Date"), irrespective of any transfer or exchange of any such bond subsequent to  
25 such Record Date and prior to such interest payment date, by check or draft mailed by the Trustee to such  
26 owner at his address on such registration books; provided, however, payment of interest shall be made by  
27 wire transfer if requested by a registered owner of the Series 2018 Bonds in the aggregate principal amount  
28 of One Million Dollars (\$1,000,000.00) or more. Principal of the Series 2018 Bonds shall be payable at the  
29 principal corporate trust office of the Trustee. Each Series 2018 Bond shall have a CUSIP Number but the  
30 failure of a CUSIP Number to appear on any Series 2018 Bond shall not affect its validity.

31       The Series 2018 Bonds shall be numbered from R-1 upward in order of issuance and shall mature  
32 (or become subject to mandatory sinking fund redemption) on April 1<sup>st</sup> of each year and bear interest as  
33 follows:  
34  
35

<u>Maturity Date</u> <u>(April 1<sup>st</sup>)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2019	\$3,280,000	5.000%
2020	2,275,000	5.000
2021	2,390,000	5.000
2022	4,290,000	5.000
2023	5,170,000	5.000
2025*	10,985,000	2.500
2028*	15,085,000	2.375

1 \_\_\_\_\_

2 \*Term Bonds

3 Each Series 2018 Bond shall bear interest from the payment date next preceding the date on which it is  
4 authenticated unless it is authenticated on an interest payment date, in which event it shall bear interest  
5 from such date, or unless it is authenticated prior to the first interest payment date, in which event it shall  
6 bear interest from its dated date, or unless it is authenticated during the period from the Record Date to the  
7 next interest payment date, in which case it shall bear interest from such interest payment date, or unless at  
8 the time of authentication thereof interest is in default thereon, in which event it shall bear interest from the  
9 date to which interest has been paid.

10 Only such Series 2018 Bonds as shall have endorsed thereon a Certificate of Authentication  
11 substantially in the form set forth in Section 5 hereof (the "Certificate") duly executed by the Trustee shall  
12 be entitled to any right or benefit under this ordinance. No Series 2018 Bond shall be valid and obligatory  
13 for any purpose unless and until the Certificate shall have been duly executed by the Trustee, and the  
14 Certificate of the Trustee upon any such Series 2018 Bond shall be conclusive evidence that such Series  
15 2018 Bond has been authenticated and delivered under this ordinance. The Certificate on any Series 2018  
16 Bond shall be deemed to have been executed if signed by an authorized officer of the Trustee, but it shall  
17 not be necessary that the same officer sign the Certificate on all of the Series 2018 Bonds.

18 **Section 5.** The Series 2018 Bonds and the Trustee's Certificate of Authentication shall be in  
19 substantially the following form:

20 (Form of Series 2018 Bond)

REGISTERED

REGISTERED

No. \_\_\_\_\_

\$ \_\_\_\_\_

21

22

UNITED STATES OF AMERICA

23

STATE OF ARKANSAS

24

COUNTY OF PULASKI

CITY OF LITTLE ROCK  
LIMITED TAX GENERAL OBLIGATION  
CAPITAL IMPROVEMENT BOND  
SERIES 2018

Dated Date: \_\_\_\_\_, 2018                      Interest Rate: \_\_\_\_\_ %  
Maturity Date: April 1, \_\_\_\_\_                      CUSIP: \_\_\_\_\_  
Principal Amount: \_\_\_\_\_ Dollars  
Registered Owner:     Cede & Co.

That the City of Little Rock, County of Pulaski, State of Arkansas (the “City”), for value received, hereby promises to pay to the Registered Owner shown above upon the presentation and surrender hereof at the principal corporate trust office of First Security Bank, Searcy, 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 to the Registered Owner shown above interest thereon, in like coin or currency from the interest commencement date described below at the Interest Rate per annum shown above, payable on each April 1<sup>st</sup> and October 1<sup>st</sup> after the Dated Date shown above, until payment of such Principal Amount or, if this bond or a portion hereof 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 15<sup>th</sup> 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. Notwithstanding the above, payment of interest shall be made by wire transfer when requested by the Registered Owner hereof if it is the registered owner of bonds of this issue in the aggregate principal amount of One Million Dollars (\$1,000,000.00) or more.

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.

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

8 This bond is issued under the authority of the Constitution and laws of the State of Arkansas, including  
9 particularly Amendment 62 to the Arkansas Constitution (“Amendment 62”) and Title 14, Chapter 164,  
10 Subchapter 3 of the Arkansas Code of 1987 Annotated (the “Authorizing Legislation”). It shall not be valid  
11 unless the Certificate of Authentication shall have been signed by the Trustee.

12 This bond is one of an issue of bonds of the City designated “Limited Tax General Obligation Capital  
13 Improvement Bonds, Series 2018” (the “Bonds”) in the aggregate principal amount of Forty-Three Million,  
14 Four Hundred Seventy-Five Thousand Dollars (\$43,475,000.00).

15 The Bonds are limited tax general obligations of the City, payable from the proceeds of a continuing  
16 annual tax of 3.0 mills on the dollar of the assessed valuation of the taxable real and personal property in  
17 the City, subject to rollback as provided in Amendment No. 59 to the Arkansas Constitution (the “Special  
18 Tax”), including penalties and interest payable with respect thereto, and all payments received by the City  
19 from the State of Arkansas in lieu thereof under Amendment No. 79 to the Arkansas Constitution  
20 (collectively, the “Special Tax Collections”), levied by the Board of Directors under the authority of  
21 Amendment 62 and the Authorizing Legislation. The City hereby pledges the Special Tax Collections for  
22 the equal and ratable payment of the Bonds on a parity with the pledge in favor of the City's Limited Tax  
23 General Obligation Capital Improvement Bonds, Series 2013 (the “Series 2013 Bonds”). The Special Tax  
24 shall be collected with the property taxes payable in 2018 and continuing annually thereafter until all of the  
25 Bonds and interest thereon have been paid in full or deemed paid in accordance with the provisions of  
26 Ordinance No. 20,735 (June 18, 2013) of the City duly adopted on June 18, 2013, and Ordinance No. 21,640  
27 of the City duly adopted on October 16, 2018 (collectively, the “Authorizing Ordinance”).

28 The Bonds are not secured by any lien on or security interest in any physical properties.

29 This Bond is transferable by the Registered Owner shown above in person or by his attorney-in-fact  
30 duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner,  
31 subject to the limitations and upon payment of the charges provided in the Authorizing Ordinance, and  
32 upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds of  
33 the same maturity, of authorized denomination or denominations, for the same aggregate principal amount,  
34 will be issued to the transferee in exchange therefor. This Bond is issued with the intent that the laws of  
35 the State of Arkansas shall govern its construction.

1 The City and the Trustee may deem and treat the Registered Owner shown above as the absolute owner  
2 hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon  
3 and for all other purposes, and neither the City nor the Trustee shall be affected by any notice to the contrary.

4 The Bonds are issuable only as fully registered bonds in the denomination of Five Thousand Dollars  
5 (\$5,000.00), and any integral multiple thereof. Subject to the limitations and upon payment of the charges  
6 provided in the Authorizing Ordinance, fully registered bonds may be exchanged for a like aggregate  
7 principal amount of fully registered bonds of the same maturity of other authorized denominations.

8 The Bonds are subject to special mandatory, optional and mandatory sinking fund redemption prior to  
9 maturity as follows:

10 (1) The Bonds shall be redeemed from Surplus Tax Collections (hereinafter defined) on each April 1,  
11 commencing April 1, 2019, in inverse order of maturity (and by lot within a maturity in such manner as the  
12 Trustee may determine), in whole or in part, at a redemption price equal to the principal amount being  
13 redeemed plus accrued interest to the redemption date. Surplus Tax Collections are the Special Tax  
14 Collections in excess of the amount necessary to (i) make the next two (2) interest payments, the next  
15 principal payment, the Trustee's fees and expenses and other administrative charges with respect to the  
16 Bonds and the Series 2013 Bonds and (ii) pay any arbitrage rebate due under Section 148(f) of the Internal  
17 Revenue Code of 1986, as amended.

18 The amount of Surplus Tax Collections used to redeem the Bonds and the Series 2013 Bonds will be  
19 prorated between such bonds based on the then outstanding principal amount of each (and rounded to the  
20 nearest Five Thousand Dollars (\$5,000.00).

21 In case of any defeasance of the Bonds, redemption of defeased Bonds shall be scheduled on the basis  
22 of mandatory redemption requirements and assuming annual Special Tax Collections in an amount equal  
23 to receipts for the most recent twelve (12)-month period.

24 (2) The Bonds may be redeemed at the option of the City on and after October 1, 2022, from funds  
25 from any source, in whole or in part at any time, at a redemption price equal to the principal amount being  
26 redeemed plus accrued interest to the redemption date. If fewer than all of the Bonds shall be called for  
27 redemption, the particular maturities of the Bonds to be redeemed shall be selected by the City in its  
28 discretion. If fewer than all of the Bonds of any one maturity shall be called for redemption, the particular  
29 Bonds or portion thereof to be redeemed from such maturity shall be selected by lot by the Trustee.

30 (3) To the extent not previously redeemed, the Bonds maturing on April 1<sup>st</sup> in the years 2025 and 2028  
31 are subject to mandatory sinking fund redemption by lot in such manner as the Trustee may determine, on  
32 April 1<sup>st</sup> in the years and in the amounts set forth below, at a redemption price equal to the principal amount  
33 being redeemed plus accrued interest to the date of redemption:

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

Bonds Maturing April 1, 2025

<u>Years</u>	<u>Principal Amount</u>
2024	\$5,425,000
2025 (maturity)	5,560,000

Bonds Maturing April 1, 2028

<u>Years</u>	<u>Principal Amount</u>
2026	\$5,700,000
2027	5,835,000
2028 (maturity)	3,550,000

Bonds of denominations greater than Five Thousand Dollars (\$5,000.00) may be redeemed partially in the amount of Five Thousand Dollars (\$5,000.00) or any integral multiple thereof.

Notice of redemption identifying the Bonds or portions 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 by 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 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 and in proper and timely fashion.

All such Bonds or portions thereof thus called for redemption shall cease to bear interest on and after the date fixed for redemption, provided funds for their redemption are on deposit with the Trustee at that time.

With respect to notice of redemption of the Bonds, unless moneys sufficient to pay the principal of and interest on the Bonds to be redeemed shall have been received by the Trustee prior to the giving of such notice, such notice shall state that such redemption shall be conditional upon the receipt of such moneys by the Trustee on or prior to the date fixed for such redemption. If such moneys shall not have been so received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

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 this bond have existed, have happened and have been performed in due time, form and manner as required by law; that the indebtedness represented by this Bond and the issue of which it forms a part does not exceed any constitutional or statutory limitation; and that a tax sufficient to pay the Bonds has been duly levied in accordance with



1 Amendment 62 and the Authorizing Legislation and made payable annually until all of the Bonds and  
2 interest thereon have been fully paid and discharged.

3 IN WITNESS WHEREOF, the City has caused this Bond to be executed by its Mayor and City Clerk,  
4 thereunto duly authorized, and its corporate seal to be impressed hereon all as of the Dated Date shown  
5 above.

6 **CITY OF LITTLE ROCK, ARKANSAS**

7  
8 By \_\_\_\_\_  
9 **Mayor**

10 **ATTEST:**

11  
12 By \_\_\_\_\_  
13 **City Clerk**

14 **(SEAL)**

15  
16 **CERTIFICATE OF AUTHENTICATION**

17  
18 This Bond is one of the Bonds described in the within mentioned Authorizing Ordinance and is one of  
19 the Limited Tax General Obligation Capital Improvement Bonds, Series 2018, of the City of Little Rock,  
20 Arkansas.

21 **Date of Authentication:** \_\_\_\_\_

22  
23 **FIRST SECURITY BANK**  
24 **Searcy, Arkansas**  
25 **Trustee**

26  
27  
28 By: \_\_\_\_\_  
29 **Authorized Officer**

30  
31 **(A Form of Assignment shall be attached to the Series 2018 Bonds.)**

32 **Section 6.** For the prompt payment of the Series 2018 Bonds with interest, the City pledges collections  
33 of the Special Tax (levied at the rate of 3.0 mills, subject to rollback as provided in Amendment 59) that it  
34 receives, including penalties and interest payable with respect thereto, and all payments received by the  
35 City from the State of Arkansas in lieu thereof under Amendment No. 79 to the Arkansas Constitution  
36 (collectively, the “Special Tax Collections”). The pledge of Special Tax Collections in favor of the Series  
37 2018 Bonds is on a parity with the pledge in favor of the Series 2013 Bonds. The Series 2018 Bonds are  
38 being issued as “Additional Parity Bonds” under Ordinance No. 20,735 and shall be a part of the “Bonds”  
39 within the meaning of such ordinance. In this regard, all provisions of Ordinance No. 20,735 pertaining to  
40 the “Bonds” shall inure and appertain to the Series 2018 Bonds to the same extent and with like force and  
41 effect as if herein set out in full. The effect of the above provisions shall be to continue the applicable

1 provisions of Ordinance No. 20,735 in full force and effect after the Series 2013 Bonds are paid or provision  
2 is made therefor.

3 **Section 7.** The Series 2018 Bonds shall be callable for payment prior to maturity in accordance with  
4 the terms set out in the Series 2018 Bond form in Section 5 of this ordinance.

5 **Section 8.** When the Series 2018 Bonds have been executed and sealed as herein provided, they shall  
6 be delivered to the Trustee, which shall authenticate them and deliver them to the Underwriters upon  
7 payment of the Purchase Price. The expenses of issuing the Series 2018 Bonds shall be deposited into a  
8 special account of the City created with the Trustee and designated “2018 Cost of Issuance Fund” (the “Cost  
9 of Issuance Fund”). Moneys in the Cost of Issuance Fund shall be expended as directed in the delivery  
10 instructions to the Trustee signed by the Mayor and City Clerk or in requisitions, with any amount remaining  
11 on February 1, 2019, to be transferred to the Limited Tax General Obligation Capital Improvement Bond  
12 Fund.

13 The balance of the Purchase Price shall be deposited in two special accounts of the City hereby created  
14 in the Trustee (collectively, the “2018 Construction Funds” and each a “2018 Construction Fund”). Moneys  
15 shall be allocated between the 2018 Construction Funds in proportion to the principal amount of Series  
16 2018 Bonds allocated for each purpose. Each 2018 Construction Fund shall be designated to reflect the  
17 purpose, e.g., “2018 Street Construction Fund.” The amounts credited to each 2018 Construction Fund  
18 shall be expended to accomplish the purpose for which the account was created. Issuance costs and other  
19 expenses not specific to any one purpose shall be joint obligations to be paid from each 2018 Construction  
20 Fund in proportion to the initial moneys credited thereto. Disbursements shall be made from each 2018  
21 Construction Fund on the basis of requisitions which shall specify: the name of the person, firm or  
22 corporation to whom payment is to be made; the amount of the payment; and the purpose by general  
23 classification of the payment. Each requisition must be signed by the Finance Director or Comptroller of  
24 the City. The Trustee shall keep records as to all payments made from the 2018 Construction Funds.

25 Moneys in each 2018 Construction Fund shall also be used to pay the principal of and interest on the  
26 Series 2018 Bonds when due on a pro rata basis if moneys in the Bond Fund are not sufficient for that  
27 purpose.

28 **Section 9.** Moneys held for the credit of each 2018 Construction Fund and the Cost of Issuance Fund  
29 may be invested and reinvested in Permitted Investments (as defined in Ordinance No. 20,735) or other  
30 investments permitted by Arkansas State Law, which shall mature, or which shall be subject to redemption  
31 by the holder thereof, at the option of such holder, not later than the date or dates when such money will be  
32 required for the purposes intended. The Trustee may so invest and reinvest pursuant to the direction of the  
33 City and in the Trustee’s discretion in the absence of any direct instructions from the City.

34 **Section 10.** (a) The City covenants that it shall not take any action or suffer or permit any action to be  
35 taken or condition to exist which causes or may cause the interest payable on the Series 2018 Bonds to be

1 included in gross income for federal income tax purposes. Without limiting the generality of the foregoing,  
2 the City covenants that the proceeds of the sale of the Series 2018 Bonds and the Special Tax Collections  
3 will not be used directly or indirectly in such manner as to cause the Series 2018 Bonds to be treated as  
4 “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended  
5 (the “Code”).

6 (b) The City represents that it has not used or permitted the use of, and covenants that it will not use  
7 or permit the use of the Street Improvements and the Drainage Improvements financed by the Series 2018  
8 Bonds or the proceeds of the Series 2018 Bonds, in such manner as to cause the Series 2018 Bonds to be  
9 “private activity bonds” within the meaning of Section 141 of the Code. In this regard, the City covenants  
10 that (i) it will not use (directly or indirectly) the proceeds of the Series 2018 Bonds to make or finance loans  
11 to any person, and (ii) that while the Series 2018 Bonds are outstanding the Street Improvements and the  
12 Drainage Improvements financed by the Series 2018 Bonds will only be used by state and local  
13 governmental entities and by persons on a basis as members of the general public.

14 (c) The City covenants that it will not reimburse itself from Series 2018 Bond proceeds for any costs  
15 paid prior to the date the Series 2018 Bonds are issued except in compliance with United States Treasury  
16 Regulation § 1.150-2 (the “Regulation”). This ordinance shall constitute an “official intent” within the  
17 meaning of the Regulation.

18 (d) The City covenants that it will, in compliance with the requirements of Section 148(f) of the Code,  
19 pay with moneys in the Bond Fund to the United States Government in accordance with the requirements  
20 of Section 148(f) of the Code, from time to time, an amount equal to the sum of (1) the excess of (A) the  
21 amount earned on all Non-purpose Investments (as therein defined) attributable to the Series 2018 Bonds,  
22 other than investments attributable to such excess over (B) the amount which would have been earned if  
23 such Non-purpose Investments attributable to the Series 2018 Bonds were invested at a rate equal to the  
24 Yield (as defined in the Code) on the Series 2018 Bonds, plus (2) any income attributable to the excess  
25 described in (1), subject to the exceptions set forth in Section 148 of the Code. The City further covenants  
26 that in order to assure compliance with its covenants herein, it will employ a qualified consultant to advise  
27 the City in making the determination required to comply with this subsection (d). Anything herein to the  
28 contrary notwithstanding this provision may be modified or rescinded if in the opinion of Bond Counsel  
29 such modification or rescission will not affect the tax-exempt status of the Series 2018 Bonds for federal  
30 income tax purposes.

31 **Section 11.** The City covenants that it will take no action which would cause the Series 2018 Bonds  
32 to be “federally guaranteed” within the meaning of Section 149(b) of the Code. The City further covenants  
33 that it will submit to the Secretary of the Treasury of the United States, not later than the 15<sup>th</sup> day of the  
34 second calendar month after the close of the calendar quarter in which the Series 2018 Bonds are issued, a

1 statement concerning the Series 2018 Bonds which contains the information required by Section 149(e) of  
2 the Code.

3 **Section 12. Severability.** In the event any title, subtitle, section, subsection, subdivision, paragraph,  
4 subparagraph, item, sentence, clause, phrase, or work of this ordinance is declared or adjudged to be invalid  
5 or unconstitutional, such declaration or adjudication shall not affect the remaining portions of this ordinance  
6 which shall remain in full force and effect as if the portion so declared or adjudged invalid or  
7 unconstitutional was not originally a part of this ordinance.

8 **Section 13. Repealer.** All ordinances, resolutions, or parts of the same that are inconsistent with the  
9 provisions of this ordinance are hereby repealed to the extent of such inconsistency.

10 **Section 14. Emergency Clause.** *It is hereby ascertained and declared that the Street Improvements  
11 and the Drainage Improvements to be financed by the Series 2018 Bonds are immediately needed for the  
12 preservation of the public peace, health and safety and to remove existing hazards thereto. Such  
13 improvements cannot be accomplished without the issuance of the Series 2018 Bonds, which cannot be sold  
14 at the interest rates specified herein unless this ordinance is immediately effective. Therefore, it is declared  
15 that an emergency exists and this ordinance being necessary for the preservation of the public peace, health  
16 and safety shall be in force and take effect immediately upon and after its passage.*

17 **PASSED: October 16, 2018**

18 **ATTEST:**

**APPROVED:**

19  
20  
21 \_\_\_\_\_  
**Susan Langley, City Clerk**

\_\_\_\_\_   
**Mark Stodola, Mayor**

22 **APPROVED AS TO LEGAL FORM:**

23  
24  
25 \_\_\_\_\_  
**Thomas M. Carpenter, City Attorney**

26 //  
27 //  
28 //  
29 //  
30 //  
31 //  
32 //  
33 //  
34 //  
35 //  
36 //