

1 municipal bond Debt Service Reserve Insurance Policy (the "Reserve Policy") in order to provide a Debt
2 Service Reserve for the bonds; and,

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

5 **WHEREAS**, in addition to the Bonds Refunded, the City has outstanding (a) its Sewer Revenue Bond,
6 Series 2007B (the "Series 2007B Bond"), authorized by Little Rock, Ark., Ordinance No. 19,769, (June 19,
7 2007) (the "2007B Ordinance"); (b) its Sewer Revenue Bond, Series 2009A (the "Series 2009A Bond"),
8 authorized by Little Rock, Ark., Ordinance No. 20,074, (March 10, 2009) (the "2009A Ordinance"); (c) its
9 Sewer Refunding Revenue Bonds, Series 2011 (the "Series 2011 Bonds") authorized by Little Rock, Ark.,
10 Ordinance No. 20,440, (June 7, 2011) (the "2011 Ordinance"); (d) its Sewer Revenue Bond, Series 2013
11 (the "Series 2013 Bond"), authorized by Little Rock, Ark., Ordinance No. 20,711, (April 2, 2013) (the
12 "2013 Ordinance"); (e) its Sewer Refunding Revenue Bonds, Series 2014 (the "Series 2014 Bonds"),
13 authorized by Little Rock, Ark., Ordinance No. 20,937, (September 16, 2014) (the "2014 Ordinance"); (f)
14 its Sewer Refunding Revenue Bonds, Series 2015 (the "Series 2015 Bonds"), authorized by Little Rock,
15 Ark., Ordinance No. 20,994, (February 24, 2015) (the "2015 Ordinance"); (g) its Sewer Revenue Bond,
16 Series 2016 (the "Series 2016A Bond") authorized by Little Rock, Ark., Ordinance No. 21,258, (June 28,
17 2016), as amended by Little Rock, Ark., Ordinance No. 21,844, (February 18, 2020) (collectively, the
18 "2016A Ordinance"); (h) its Sewer Refunding Revenue Bonds, Series 2016B (the "Series 2016B Bonds")
19 authorized by Little Rock, Ark., Ordinance No. 21,317, (October 18, 2016) (the "2016B Ordinance"); (i)
20 its Water Reclamation System Revenue Bonds, Series 2017 (the "Series 2017 Bonds"), authorized by Little
21 Rock, Ark., Ordinance No. 21,479, (September 19, 2017) (the "2017 Ordinance"); (j) its Water Reclamation
22 System Revenue Bond, Series 2018 (the "Series 2018 Bond"), authorized by Little Rock, Ark., Ordinance
23 No. 21,553, (February 20, 2018) (the "2018 Ordinance"); (k) its Water Reclamation System Revenue Bond,
24 Series 2019 (the "Series 2019 Bond"), authorized by Little Rock, Ark., Ordinance No. 21,699, (February
25 19, 2019) (the "2019 Ordinance") and (l) its Water Reclamation System Revenue Bond, Series 2020 (the
26 "Series 2020A Bond"), authorized by Little Rock, Ark., Ordinance No. 21,845, (February 18, 2020) (the
27 "2020A Ordinance"); and,

28 **WHEREAS**, the coverage tests in the 2011 Ordinance, the 2014 Ordinance, the 2015 Ordinance, the
29 2016B Ordinance and the 2017 Ordinance for securing the bonds with a lien on the net revenues of the
30 System on a parity of security with the Series 2011 Bonds, the Series 2014 Bonds, the Series 2015 Bonds,
31 the Series 2016B Bonds and the Series 2017 Bonds (collectively, the "Parity Bonds") have been or will be
32 satisfied; and,

33 **WHEREAS**, the coverage tests in the 2007B Ordinance, the 2009A Ordinance, the 2013 Ordinance,
34 the 2016A Ordinance, the 2018 Ordinance, the 2019 Ordinance and the 2020A Ordinance for securing the
35 bonds with a lien on the net revenues of the System prior to the lien on net revenues of the System in favor

1 of the Series 2007B Bond, the Series 2009A Bond, the Series 2013 Bond, the Series 2016A Bond, the Series
2 2018 Bond, the Series 2019 Bond and the Series 2020A Bond (collectively, the "Subordinate Bonds") have
3 been or will be satisfied; and,

4 **WHEREAS**, the City is also authorizing the issuance of its Water Reclamation System Revenue Bond,
5 Series 2020C (the "Series 2020C Bond") in the maximum principal amount of Seven Million, Five Hundred
6 Thousand Dollars (\$7,500,000.00), pursuant to Little Rock, Ark., Ordinance No. 21,912, (October 20,
7 2020); and,

8 **WHEREAS**, when issued, the Series 2020C Bond will be secured by a lien on the net revenues of the
9 System subordinate to the lien on the net revenues of the System in favor of the bonds and will become
10 included in Subordinate Bonds within the meaning of this ordinance.

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

13 **Section 1.** The Refunding is hereby authorized. The Mayor and other officials of the City are hereby
14 authorized to take, or cause to be taken, all action necessary to accomplish the Refunding and to execute
15 all required contracts. The Bonds Refunded maturing after August 1, 2022, shall be called for redemption
16 on August 1, 2022.

17 **Section 2.** All moneys in the 2012 Sewer Revenue Bond Fund established by the 2012 Ordinance are
18 hereby appropriated and shall be used as necessary for the accomplishment of the Refunding, with any
19 balance to be deposited into the 2020B Bond Fund (hereinafter identified).

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

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

31 **Section 5.** The Disclosure Agreement, in substantially the form submitted to this meeting, is hereby
32 approved, and the Mayor is hereby authorized and directed to execute and deliver the Disclosure Agreement
33 on behalf of the City. The Mayor, the Chief Executive Officer (the "CEO") of the Little Rock Water
34 Reclamation Authority (the "Authority") and the officers of the Authority and the City are each authorized

1 and directed to take all action required on the part of the City to fulfill the City's obligations under the
2 Disclosure Agreement.

3 **Section 6.** Under the authority of the Constitution and laws of the State of Arkansas (the "State"),
4 including particularly Title 14, Chapter 164, Subchapter 4, and Title 14, Chapter 235, Subchapter 2 of the
5 Arkansas Code of 1987 Annotated, City of Little Rock, Arkansas Water Reclamation System Refunding
6 Revenue Bonds, Taxable Series 2020B, are hereby authorized and ordered issued in the principal amount
7 of \$22,850,000 for the purpose of accomplishing the Refunding, paying a premium for the Reserve Policy
8 and paying expenses of issuing the bonds. The bonds shall bear interest at the rates and shall mature on
9 August 1st in the years and in the amounts as follows:

10

<u>Year</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>
2024	\$ 365,000	0.893%
2025	1,055,000	1.023
2026	1,070,000	1.263
2027	1,080,000	1.453
2028	1,100,000	1.677
2029	1,115,000	1.827
2030	1,135,000	1.927
2031	1,160,000	2.027
2032	1,180,000	2.127
2033	1,205,000	2.227
2034	1,235,000	2.337
2035	1,265,000	2.437
2042	9,885,000	2.924

11

12 The bonds shall be dated the date of their delivery to the Purchaser and shall be issuable only as fully
13 registered bonds, without coupons, in the denomination of Five Thousand Dollars (\$5,000.00) or any
14 integral multiple thereof. Unless the City shall otherwise direct, the bonds shall be numbered from R-1
15 upward in order of issuance. Each bond shall be assigned a CUSIP Number.

16 The bonds shall be registered initially in the name of Cede & Co., as nominee for the Depository Trust
17 Company ("DTC"), which shall be considered to be the registered owner of the bonds for all purposes under
18 this ordinance, including, without limitation, payment by the City of the principal of, redemption price,
19 premium, if any, and interest on the bonds, and the receipt of notices and the exercise of rights of registered
20 owners. There shall be one certificated, typewritten bond for each stated maturity date which shall be
21 immobilized in the custody of or on behalf of DTC with the beneficial owners having no right to receive
22 the bonds in the form of physical securities or certificates. DTC and its participants shall be responsible
23 for maintenance of records of the ownership of beneficial interests in the bonds by book-entry on the system
24 maintained and operated by DTC and its participants, and transfers of ownership of beneficial interests shall
25 be made only by DTC and its participants, by book-entry, the City having no responsibility therefor. DTC

1 is expected to maintain records of the positions of participants in the bonds, and the participants and persons
2 acting through participants are expected to maintain records of the purchasers of beneficial interests in the
3 bonds. The bonds as such shall not be transferable or exchangeable, except for transfer to another securities
4 depository or to another nominee of a securities depository, without further action by the City.

5 If any securities depository determines not to continue to act as a securities depository for the bonds
6 for use in a book-entry system, the City may establish a securities depository/book-entry system relationship
7 with another securities depository. If the City does not or is unable to do so, or upon request of the beneficial
8 owners of all outstanding bonds, the City and the Trustee (hereinafter identified), after the Trustee has made
9 provision for notification of the beneficial owners by the then securities depository, shall permit withdrawal
10 of the bonds from the securities depository, and shall authenticate and deliver bond certificates in fully
11 registered form (in denominations of Five Thousand Dollars (\$5,000.00) or integral multiples thereof) to
12 the assigns of the securities depository or its nominee, all at the cost and expense (including costs of printing
13 definitive bonds) of the City, if the City fails to maintain a securities depository/book-entry system, or of
14 the beneficial owners, if they request termination of the system.

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

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

29 Interest on the bonds shall be payable on February 1, 2021, and semiannually thereafter on February 1st
30 and August 1st of each year. Payment of each installment of interest shall be made to the person in whose
31 name the bond is registered on the registration books of the City maintained by Regions Bank, Little Rock,
32 Arkansas, as trustee and paying agent (the "Trustee"), at the close of business on the fifteenth day of the
33 month (whether or not a business day) next preceding each interest payment date (the "Record Date"),
34 irrespective of any transfer or exchange of any such bond subsequent to such Record Date and prior to such
35 interest payment date.

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

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

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

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

33 No charge shall be made to any owner of any bond for the privilege of transfer or exchange, but any
34 owner of any bond requesting any such transfer or exchange shall pay any tax or other governmental charge
35 required to be paid with respect thereto. Except as otherwise provided in the immediately preceding

1 sentence, the cost of preparing each new bond upon each exchange or transfer and any other expenses of
2 the City or the Trustee incurred in connection therewith shall be paid by the City. The City shall not be
3 required to transfer or exchange any bonds selected for redemption in whole or in part.

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

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

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

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

26 **(Form of bond)**
27

REGISTERED

REGISTERED

No. R-__

28
29 **UNITED STATES OF AMERICA**
30 **STATE OF ARKANSAS**
31 **COUNTY OF PULASKI**
32 **CITY OF LITTLE ROCK**
33 **WATER RECLAMATION SYSTEM REFUNDING REVENUE BOND**

1 **TAXABLE SERIES 2020B**
2

Maturity Date: August 1, 20__

Interest Rate: _____%

Dated Date: _____, 2020

CUSIP No.: _____

3
4 **Registered Owner: CEDE & CO.**

5 **Principal Amount: _____ DOLLARS**
6

7 **KNOW ALL MEN BY THESE PRESENTS:**

8 That the City of Little Rock, County of Pulaski, State of Arkansas (the "City"), for value received,
9 hereby promises to pay, but solely from the source as hereinafter provided and not otherwise, to the
10 Registered Owner shown above upon the presentation and surrender hereof at the principal corporate office
11 of Regions Bank, Little Rock, Arkansas, or its successor or successors, as trustee and paying agent (the
12 "Trustee"), on the Maturity Date shown above, the Principal Amount shown above, in such coin or currency
13 of the United States of America as at the time of payment shall be legal tender for the payment of public
14 and private debts and to pay by check or draft interest thereon, but solely from the source as hereinafter
15 provided and not otherwise, in like coin or currency from the interest commencement date specified below
16 at the Interest Rate per annum shown above, payable February 1, 2021, and semiannually thereafter on the
17 first days of February and August of each year, until payment of such principal sum or, if this bond or a
18 portion thereof shall be duly called for redemption, until the date fixed for redemption, and to pay interest
19 on overdue principal and interest (to the extent legally enforceable) at the rate borne by this bond. Payment
20 of each installment of interest shall be made to the person in whose name this bond is registered on the
21 registration books of the City maintained by the Trustee at the close of business on the fifteenth day of the
22 month (whether or not a business day) next preceding each interest payment date (the "Record Date"),
23 irrespective of any transfer or exchange of this bond subsequent to such Record Date and prior to such
24 interest payment date.

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

32 This bond shall bear interest from the payment date next preceding the date on which it is authenticated
33 unless it is authenticated on an interest payment date, in which event it shall bear interest from such date,

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

6 This bond is one of an issue of City of Little Rock, Arkansas Water Reclamation System Refunding
7 Revenue Bonds, Taxable Series 2020B aggregating Twenty-Two Million Eight Hundred Fifty Thousand
8 Dollars (\$22,850,000) in principal amount (the "bonds"), and is issued for the purposes of refunding the
9 City's Sewer Revenue Bonds, Series 2012, paying the premium for a Debt Service Reserve Insurance Policy
10 and paying expenses incidental thereto and to the authorization and issuance of the bonds.

11 The bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of
12 Arkansas (the "State"), including particularly Title 14, Chapter 164, Subchapter 4 and Title 14, Chapter
13 235, Subchapter 2 of the Arkansas Code of 1987 Annotated, and pursuant to Little Rock, Ark., Ordinance
14 No. _____ (October 20, 2020) (the "Authorizing Ordinance"), and do not constitute an indebtedness of
15 the City within the meaning of any constitutional or statutory limitation. The bonds are not general
16 obligations of the City, but are special obligations payable solely from the net revenues (the "Net
17 Revenues") derived from the operation of the City's sewer system, which is now identified as a water
18 reclamation system (the "System"), on a parity of security with the City's outstanding Sewer Refunding
19 Revenue Bonds, Series 2011, Series 2014, Series 2015 and Series 2016B and Water Reclamation System
20 Revenue Bonds, Series 2017, and prior to the pledge of Net Revenues in favor of the City's Sewer Revenue
21 Bonds, Series 2007B, Series 2009A, Series 2013, Series 2016, Series 2018, Series 2019, Series 2020 and
22 Series 2020C. An amount of Net Revenues sufficient to pay the principal of and interest on the bonds has
23 been duly pledged and set aside into the 2020B Water Reclamation System Revenue Bond Fund created by
24 the Authorizing Ordinance. Reference is hereby made to the Authorizing Ordinance for a detailed statement
25 of the terms and conditions upon which the bonds are issued, of the nature and extent of the security for the
26 bonds, and the rights and obligations of the City, the Trustee and the registered owners of the bonds. The
27 City has fixed and has covenanted and agreed to maintain rates for the services of the System which shall
28 be sufficient at all times to provide for the proper and reasonable expenses of operation and maintenance
29 of the System and for the payment of the principal of and interest on the bonds, including Trustee's fees, as
30 the same become due and payable, to establish and maintain a Debt Service Reserve and to make the
31 required deposit for the depreciation of the System.

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

33 (1) The bonds are subject to redemption prior to maturity, at the option of the City, from funds
34 from any source, on and after August 1, 2027, at par, in whole or in part at any time, at a redemption
35 price equal to the principal amount of the bonds being redeemed, plus accrued interest to the

1 redemption date. If fewer than all of the bonds shall be called for redemption, the particular
2 maturities of the bonds to be redeemed shall be selected by the City in its discretion.

3 (2) To the extent not previously redeemed, the bonds maturing on August 1, 2042, are subject
4 to mandatory sinking fund redemption by lot in such manner as the Trustee shall determine, on
5 August 1 in the years and in the amounts set forth below, at a redemption price equal to the principal
6 amount being redeemed plus accrued interest to the date of redemption:
7

Bonds Due August 1, 2042	
<u>Year</u>	<u>Amount</u>
(August 1)	
2036	\$1,295,000
2037	1,330,000
2038	1,365,000
2039	1,410,000
2040	1,450,000
2041	1,495,000
2042 (maturity)	1,540,000

8
9 In case any outstanding bond is in a denomination greater than Five Thousand Dollars (\$5,000.00),
10 each Five Thousand Dollars (\$5,000.00) of face value of such bond shall be treated as a separate bond of
11 the denomination of Five Thousand Dollars (\$5,000.00).

12 Notice of redemption identifying the bonds or portions thereof (which shall be Five Thousand Dollars
13 (\$5,000.00), or a multiple thereof) to be redeemed shall be given by the Trustee, not less than thirty (30)
14 nor more than sixty (60) days prior to the date fixed for redemption, by mailing a copy of the redemption
15 notice by first class mail, postage prepaid, or sending a copy of the redemption notice via other standard
16 means, including electronic or facsimile communication, to all registered owners of bonds to be redeemed.
17 Failure to mail or send an appropriate notice or any such notice to one or more registered owners of bonds
18 to be redeemed shall not affect the validity of the proceedings for redemption of other bonds as to which
19 notice of redemption is duly given in proper and timely fashion. All such bonds or portions thereof thus
20 called for redemption and for the retirement of which funds are duly provided in accordance with the
21 Authorizing Ordinance prior to the date fixed for redemption will cease to bear interest on such redemption date.

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

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

4 IN WITNESS WHEREOF, the City of Little Rock, Arkansas has caused this bond to be executed by
5 its Mayor and City Clerk and its corporate seal to be impressed or imprinted on this bond, all as of the Dated
6 Date shown above.
7

ATTEST:

CITY OF LITTLE ROCK, ARKANSAS

By: _____

City Clerk

Mayor

(SEAL)

8
9 (Form of Trustee's Certificate)

10
11 TRUSTEE'S CERTIFICATE OF AUTHENTICATION

12
13 This bond is one of the bonds designated Taxable Series 2020B in and issued under the provisions of the
14 within mentioned Authorizing Ordinance.

15 Date of Authentication: _____
16

REGIONS BANK

Little Rock, Arkansas, Trustee

By: _____

Authorized Signature

17
18 [A Form of Assignment will be attached to the bonds.]

19 **Section 9.** The rates charged for services of the System heretofore fixed by Little Rock, Ark.,
20 Ordinance No. 21,080 of the City, (August 4, 2015), and the conditions, rights and obligations pertaining
21 thereto, as set out in those ordinances, are hereby ratified, confirmed and continued. None of the facilities
22 or services afforded by the System shall be furnished without a charge being made therefor. In the event
23 that the City or any department, agency or instrumentality thereof shall avail itself of the facilities and
24 services afforded by the System, the reasonable value of the services or facilities so afforded shall be
25 charged against the City or such department, agency or instrumentality and shall be paid for as the charges
26 accrue. The revenues so received shall be deemed to be revenues derived from the operation of the System

1 and shall be used and accounted for in the same manner as the other revenues derived from the operation
2 of the System.

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

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

23 This Section 9 shall not apply to the type of charges fixed by Little Rock, Ark., Ordinance No. 20,590
24 (June 5, 2012).

25 **Section 10.** The System shall be continuously operated as a revenue producing undertaking and all
26 System revenues shall be paid into a special fund heretofore created and designated "Sewer Fund" (the
27 "Revenue Fund"). The System revenues so deposited in the Revenue Fund are hereby pledged and shall be
28 applied to the payment of the reasonable and necessary expenses of operation, repair and maintenance of
29 the System, to the payment of the principal of and premium, if any, and interest on System Bonds, to the
30 establishment and maintenance of Debt Service Reserves, to the providing of a Depreciation Fund, to pay
31 insurers of System Bonds for any amounts owed in connection with Debt Service Reserve Fund Insurance
32 Policies or Surety Bonds for System Bonds, and to reimburse the Reserve Insurer for any amounts owing
33 with respect to the Reserve Policy as hereinafter set forth. The Revenue Fund, and the other special funds
34 hereinafter in this ordinance provided for or referred to, shall be maintained in such depositories of the City
35 as shall from time to time be designated by the Commission, with all such depositories to hold membership

1 in the Federal Deposit Insurance Corporation (the "FDIC"), to be located in Little Rock, Arkansas, and to
2 have a capital and surplus of not less than Fifteen Million Dollars (\$15,000,000.00), and with all deposits
3 in any depository in excess of the amount insured by the FDIC to be secured by bonds or other direct or
4 fully guaranteed obligations of the United States of America unless invested in accordance with Section 28
5 hereof.

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

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

21 **Section 12.** After making the required monthly deposits into the Operation and Maintenance Fund,
22 there shall be paid from the Revenue Fund, pro rata, the required monthly deposits into the bond funds (and
23 Debt Service Reserves therein) for the Parity Bonds and any additional bonds issued on a parity with the
24 bonds pursuant to Section 18 hereof (the "Parity Bond Funds") and into a special fund in the name of the
25 City which is hereby created and designated the "2020B Water Reclamation System Revenue Bond Fund"
26 (the "2020B Bond Fund" and collectively with the Parity Bond Funds, the "Senior Bond Funds"). Payments
27 into the 2020B Bond Fund shall be made on or before the fifteenth day of each month, commencing in
28 December 2020, until all outstanding bonds, with interest thereon, have been paid in full or provision made
29 for such payment, a sum equal to 1/6 of the next installment of interest due on the bonds plus 1/12 of the
30 next installment of principal due on the bonds; provided, however, that payments into the Bond Fund
31 through January 2021 shall be in an amount equal to one-half of the interest due February 1, 2021, and
32 payments into the Bond Fund for purposes of making the first principal payment due August 1, 2024, need
33 not commence until August 2023.

34 The City shall also pay into the 2020B Bond Fund such additional sums as necessary to provide for the
35 Trustee's fees and expenses and Reserve Policy Payments (as defined in Section 14 hereof) due the Reserve

1 Insurer. The City shall realize a credit against monthly deposits into the 2020B Bond Fund from all interest
2 earnings on moneys in the 2020B Bond Fund, for transfers into the 2020B Bond Fund from funds held in
3 connection with the Bonds Refunded, and for transfers from the Cost of Issuance Fund pursuant to Section
4 25 hereof.

5 If Net Revenues are insufficient to make the required payment on the fifteenth day of the following
6 month into the 2020B Bond Fund, the amount of any such deficiency in the payment made shall be added
7 to the amount otherwise required to be paid into the 2020B Bond Fund on the 15th day of the next month.

8 When the moneys held in the 2020B Bond Fund shall be and remain sufficient to pay the principal of
9 and interest on all of the bonds then outstanding plus Trustee's fees and Reserve Policy Payments due the
10 Reserve Insurer, the City shall not be obligated to make any further payments into the 2020B Bond Fund.

11 It shall be the duty of the City to cause to be withdrawn from the 2020B Bond Fund and deposited with
12 the Trustee at least five (5) business days before the due date of any principal and/or interest on any bond,
13 at maturity or redemption prior to maturity, and deposited with the Trustee an amount equal to the amount
14 of such bond and interest due thereon for the sole purpose of paying the same, together with the Trustee's
15 fee and any Reserve Policy Payments due the Reserve Insurer. No withdrawal of funds from the 2020B
16 Bond Fund shall be made for any other purpose except as otherwise authorized in this ordinance.

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

21 **Section 13.** There is hereby created, as part of the 2020B Bond Fund, a Debt Service Reserve (the
22 "Debt Service Reserve") which shall be maintained by the City. There shall be deposited into the Debt
23 Service Reserve the Reserve Policy issued by the Reserve Insurer, which shall be in an amount equal to the
24 lesser of (i) the maximum annual principal and interest requirement on the bonds or (ii) 10% of the principal
25 amount of the bonds (the "Required Level"). If for any reason the City should fail at any time to make any
26 of the required payments into the 2020B Bond Fund, the Debt Service Reserve shall be used to the extent
27 necessary for the payment of principal of and interest on the bonds. The City shall reimburse the Reserve
28 Insurer from the 2020B Bond Fund for all amounts drawn under the Reserve Policy in accordance with the
29 Reserve Agreement and as hereinafter provided. The repayment of Reserve Policy Payments (as defined
30 in Section 14 hereof) shall be made after the payment of debt service on the bonds, the Parity Bonds and
31 any additional parity bonds issued under Section 18 hereof.

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

33 (a) In the event that payment is required under the Reserve Policy, the Trustee shall ascertain
34 the necessity for a claim under the Reserve Policy in accordance with subsection (b) below and

1 provide notice to the Reserve Insurer in accordance with the terms of the Reserve Policy at least
2 five (5) business days prior to each date upon which principal and interest is due on the bonds.

3 (b) The City shall repay any draws under the Reserve Policy and pay all related reasonable
4 expenses incurred by the Reserve Insurer. Interest shall accrue and be payable on such draws and
5 expenses from the date of payment by the Reserve Insurer at the Late Payment Rate. "Late Payment
6 Rate" means the lesser of (A) the greater of (i) the per annum rate of interest, publicly announced
7 from time to time by JPMorgan Chase Bank, at its principal office in the City of New York, New
8 York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective
9 on the date such change is announced by JPMorgan Chase Bank) plus 5%, and (ii) the then
10 applicable highest rate of interest on the bonds and (B) the maximum rate permissible under
11 applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed
12 on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan
13 Chase Bank ceases to announce its Prime Rate publicly, the Prime Rate shall be the publicly
14 announced prime or base lending rate of such other bank, banking association or trust company
15 bank as the Reserve Insurer, in its sole and absolute discretion, shall specify.

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

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

24 All cash and investments, if any, in the Debt Service Reserve and all other Net Revenues available to
25 pay debt service on the bonds shall be transferred to the 2020B Bond Fund for payment of the debt service
26 on the bonds before any drawing may be made on the Reserve Policy or any other credit facility on deposit
27 in the Debt Service Reserve in lieu of cash (a "Reserve Fund Credit Instrument").

28 Payment of any Reserve Policy Cost shall be made prior to replenishment of any cash amounts in the
29 Debt Service Reserve. Draws on all Reserve Fund Credit Instruments (including the Reserve Policy) on
30 which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage
31 then available thereunder) after applying all available cash and investments in the Debt Service Reserve.
32 Payment of Reserve Policy Costs and reimbursement of amounts with respect to other Reserve Fund Credit
33 Instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Debt
34 Service Reserve. For the avoidance of doubt, "available coverage" means the coverage then available for
35 disbursement pursuant to the terms of the applicable Reserve Fund Credit Instrument without regard to the

1 legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon
2 or the failure of such provider to honor any such claim or draw.

3 The Maximum Policy Limit (as defined in the Reserve Policy) shall automatically and irrevocably be
4 reduced from time to time by the amount of any reduction in the Required Level.

5 (c) Draws under the Reserve Policy may only be used to make payments on the bonds.

6 (d) This ordinance shall not be discharged until all Reserve Policy Costs owing to the Reserve
7 Insurer shall have been paid in full. The City's obligation to pay such amount shall expressly
8 survive payment in full of the bonds.

9 (e) The Reserve Policy shall expire and terminate on the earlier of the date the bonds are no
10 longer outstanding and the final maturity of the bonds.

11 (f) Upon a failure of the City to pay Reserve Policy Costs when due in accordance with the
12 requirements above or any other breach of the terms of this ordinance, the Reserve Insurer shall be
13 entitled to exercise any and all legal and equitable remedies available to it, including those provided
14 under this ordinance other than remedies which would adversely affect owners of the bonds. In
15 order to secure the City's payment obligations with respect to Reserve Policy Costs, there is hereby
16 granted and perfected in favor of the Reserve Insurer a security interest in Net Revenues and other
17 collateral pledged as security for the bonds, which security interest and payment obligations are
18 subordinate in priority of payment to the payment of debt service due on the bonds, Parity Bonds,
19 and any other additional parity bonds issued under Section 18 hereof. The City shall include any
20 Reserve Policy Costs then due and owing the Reserve Insurer in the calculations set forth in Section
21 9 and Section 18 hereof. Reserve Policy Costs shall be paid to the Reserve Issuer immediately
22 following the payment of the principal of and interest on the bonds including following the
23 occurrence of a default or an event of default under this ordinance.

24 (g) The City agrees unconditionally that it will pay or reimburse the Reserve Insurer for any
25 and all reasonable charges, fees, costs, losses, liabilities and expenses that Reserve Insurer may pay
26 or incur, including, but not limited to, fees and expenses of the Reserve Insurer's agents, attorneys,
27 accountants, consultants, appraisers and auditors and reasonable costs of investigations, in
28 connection with the administration (including waivers and consents, if any), enforcement, defense,
29 exercise or preservation of any rights and remedies in respect of this ordinance and any other
30 Related Document ("Administrative Expenses"). For purposes of the foregoing, costs and expenses
31 shall include a reasonable allocation of compensation and overhead attributable to the time of
32 employees of the Reserve Insurer spent in connection with the actions described in the preceding
33 sentence. The City agrees that failure to pay any Administrative Expenses on a timely basis will
34 result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-

1 annually, from the date that payment is first due to the Reserve Insurer until the date the Reserve
2 Insurer is paid in full.

3 (h) Any amendment, supplement, modification to, or waiver of, this ordinance or any other
4 document executed in connection with the bonds (the "Related Documents") that requires the
5 consent of holders of the bonds or adversely affects the rights or interests of the Reserve Insurer
6 shall be subject to the prior written consent of the Reserve Insurer.

7 (i) The Reserve Insurer is hereby expressly made a third party beneficiary of this ordinance
8 and each other Related Document and may enforce the provisions of this ordinance and each
9 Related Document as if it were a party thereto.

10 (j) Payments made by the Reserve Insurer under the Reserve Policy with respect to claims for
11 interest on or principal of the bonds shall not discharge the obligation of the City with respect to
12 such bonds, and the Reserve Insurer shall become the owner of such unpaid bonds and claims for
13 the interest thereon. The City, the Trustee and the owners of the bonds recognize and agree that to
14 the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the
15 Trustee), on account of principal of or interest on the bonds, the Reserve Insurer will be subrogated
16 to the rights of such holders to receive the amount of such principal and interest from the City, with
17 interest on bond principal (but not bond interest); provided, however, that the rights of the Reserve
18 Insurer to receive principal and interest payments from the City obtained through subrogation shall
19 be subordinate to only the right of the holders of the bonds, the Parity Bonds and any additional
20 parity bonds to receive principal and interest payments from the City. The foregoing subordination
21 shall be limited to principal and interest payments on the bonds and shall in no way limit the
22 Reserve Insurer's other rights as an owner of a bond or the rights granted to the Reserve Insurer
23 under the Related Documents. The Reserve Insurer shall only be entitled to receive payments
24 through subrogation to the extent not otherwise reimbursed by the City under the Reserve
25 Agreement.

26 (k) The City shall provide the Reserve Insurer with the following notices and other
27 information: (i) notice of any draw upon the Debt Service Reserve within two (2) business days
28 after knowledge thereof, other than in connection with withdrawals of amounts in excess of the
29 Required Level; (ii) prior written notice of the advance refunding or redemption of any of the bonds,
30 including the principal amount, maturities and CUSIP numbers thereof; (iii) all notices and other
31 information it is obligated to provide under the Disclosure Agreement and to the holders of the
32 bonds or the Trustee under this ordinance or any other Related Document; and (iv) such other
33 information as the Reserve Insurer may reasonably request.

34 (l) Notices and other information to the Reserve Insurer shall be sent to the following address
35 (or such other address as the Reserve Insurer may designate in writing):

1 Build America Mutual Assurance Company
2 200 Liberty Street, 27th Floor
3 New York, NY 10281
4 Attention: Surveillance, Re: Policy No. _____
5 Telephone: (212) 235-2500
6 Telecopier: (212) 235-1542
7 Email: notices@buildamerica.com
8

9 **Section 15.** After making the deposits into the Operation and Maintenance Fund and the Senior Bond
10 Funds, there shall be transferred from the Revenue Fund into the bond funds for the Subordinate Bonds (the
11 "Subordinate Bond Funds"), the amounts required by the ordinances authorizing the Subordinate Bonds,
12 and the administration and servicing fees due in connection with the Subordinate Bonds.

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

23 **Section 17.** Any surplus in the Revenue Fund, after making the required monthly deposits into all of
24 the funds as set forth above, including the repayment of the Reserve Policy Payments, shall be used to pay
25 all other amounts owed the Reserve Insurer, including the repayment of Administrative Expenses, and may
26 be used, at the option of the City, for any lawful purpose of the System, as approved by the Commission.

27 **Section 18.** So long as any of the bonds are outstanding, the City shall not issue or attempt to issue
28 any bonds claimed to be entitled to a priority of lien on Net Revenues over the lien securing the bonds and
29 the Parity Bonds. The City reserves the right to issue additional bonds to finance or pay the cost of making
30 any future extensions, betterments or improvements to the System, or to refund bonds issued for such
31 purposes, but the City shall not authorize or issue any such additional bonds ranking on a parity with the
32 bonds and the Parity Bonds unless and until there have been procured and filed with the City Clerk and the
33 Trustee a statement by an Accountant reciting the opinion, based upon necessary investigation, that the Net
34 Revenues of the System for the fiscal year immediately preceding the fiscal year in which it is proposed to
35 issue such additional bonds shall equal not less than 120% of the average annual principal and interest
36 requirements on all the then outstanding System Bonds and the additional bonds then proposed to be issued.
37 The term "Net Revenues" means gross System revenues less operation and maintenance expenses other

1 than depreciation, interest and amortization of deferred bond discount expenses, determined in accordance
2 with generally accepted accounting principles. In making the computation set forth above, the City, and
3 the Accountant on behalf of the City, may, based upon the opinion or report of a registered professional
4 engineer not in the regular employ of the City, treat any increase in rates for the System enacted subsequent
5 to the first day of such preceding fiscal year as having been in effect during or throughout such fiscal year
6 and may include in gross System revenues for such fiscal year the amount that would have been received,
7 based on such opinion or report, had the increase been in effect during or throughout such fiscal year.

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

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

30 **Section 21.** The Commission will keep proper books of accounts and records (separate from all other
31 records and accounts of the City) in which complete and correct entries shall be made of all transactions
32 relating to the operation of the System, and such books shall be available for inspection by the Trustee and
33 any registered owner of any of the bonds at reasonable times and under reasonable circumstances. The City
34 and the Commission agree to have these records audited by an Accountant at least once each year, and a
35 copy of the audit shall be delivered to the Trustee at its request. In the event that the City or the Commission

1 fail or refuse to make the audit, the Trustee, or any registered owner of the bonds, may have the audit made,
2 and the cost thereof shall be charged against the Operation and Maintenance Fund.

3 **Section 22.** Any bond shall be deemed to be paid within the meaning of this ordinance when payment
4 of the principal of and interest on such bond (whether at maturity or upon redemption as provided herein,
5 or otherwise), either (i) shall have been made or caused to be made in accordance with the terms thereof,
6 or (ii) shall have been provided for by irrevocably depositing with the Trustee, in trust and irrevocably set
7 aside exclusively for such payment (1) cash sufficient to make such payment and/or (2) direct obligations
8 of (including obligations issued or held in book entry form on the books of) the Department of the Treasury
9 of the United States of America ("Government Securities"), maturing as to principal and interest in such
10 amounts and at such times as will provide sufficient moneys to make such payment, and all necessary and
11 proper fees, compensation and expenses of the Trustee pertaining to the bonds with respect to which such
12 deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee.

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

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

23 **Section 23.** If there be any default in the payment of the principal of or interest on any of the bonds, or
24 if the City defaults in any 2020B Bond Fund requirement or in the performance of any of the other covenants
25 contained in this ordinance and such failure continues unremedied for thirty (30) days, the Trustee may,
26 and upon the written request of the registered owners of not less than 10% in principal amount of the then
27 outstanding bonds, shall, by proper suit, compel the performance of the duties of the officials of the City
28 under the laws of Arkansas. And in the case of a default in the payment of the principal of and interest on
29 any of the bonds, the Trustee may and upon written request of the registered owners of not less than 10%
30 in principal amount of the then outstanding bonds, shall apply in a proper action to a court of competent
31 jurisdiction for the appointment of a receiver to administer the System on behalf of the City and the
32 registered owners of the bonds with power to charge and collect (or by mandatory injunction or otherwise
33 to cause to be charged and collected) rates sufficient to provide for the payment of the expenses of operation,
34 maintenance and repair and to pay any bonds and interest outstanding and to apply the System revenues in

1 conformity with the laws of Arkansas and with this ordinance. When all defaults in principal and interest
2 payments have been cured, the custody and operation of the System shall revert to the City.

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

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

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

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

32 No delay or omission of the Trustee or of any registered owners of the bonds to exercise any right or
33 power accrued upon any default shall impair any such right or power or shall be construed to be a waiver
34 of any such default or an acquiescence therein; and every power and remedy given by this ordinance to the

1 Trustee and to the registered owners of the bonds, respectively, may be exercised from time to time and as
2 often as may be deemed expedient.

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

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

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

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

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

33 As set forth in the delivery instructions to the Trustee signed by the Mayor and City Clerk (the "Delivery
34 Instructions"), the amount of the Purchase Price necessary to accomplish the Refunding, along with other
35 funds of the System appropriated hereby, shall be deposited with the trustee for the Bonds Refunded. The

1 remainder of the Purchase Price shall be deposited into a special account of the City in the Trustee
2 designated "Water Reclamation System Refunding Revenue Bond Cost of Issuance Fund, Series 2020B"
3 (the "Cost of Issuance Fund"). The moneys in the Cost of Issuance Fund shall be disbursed solely in
4 payment of the costs of accomplishing the Refunding, paying necessary expenses incidental thereto, and
5 paying expenses of issuing the Bonds. Disbursements shall be based on the Delivery Instructions or on
6 requisitions which shall contain at least the following information: the person to whom payment is being
7 made; the amount of the payment; and the purpose by general classification of the payment. Each
8 requisition must be signed by the Director of Finance of the Authority. The Trustee shall keep a record of
9 all requisitions.

10 Any moneys remaining in the Cost of Issuance Fund on March 1, 2021 shall be transferred by the
11 Trustee to the 2020B Bond Fund.

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

20 So long as the System is under the control of the Commission, performance by the Commission of any
21 obligation of the City hereunder shall be deemed performance by the City. The Commission presently
22 consists of Chris Marsh, Ganelle Holman, Debbie Shock, Richard L. Mays, Jr., Bill Flowers, Schawnee
23 Hightower and Lauren Ward.

24 **Section 27.** The Trustee shall only be responsible for the exercise of good faith and reasonable
25 prudence in the execution of its trust. The recitals in this ordinance and on the face of the bonds are the
26 recitals of the City and not of the Trustee. The Trustee shall not be required to take any action as Trustee
27 unless it shall have been requested to do so in writing by the owners of not less than 10% in principal
28 amount of the bonds then outstanding and shall have been offered reasonable security and indemnity against
29 the costs, expenses and liabilities to be incurred therein or thereby. The Trustee may resign at any time by
30 giving sixty (60) days' notice in writing to the City Clerk and to the registered owners of the bonds and the
31 majority in value of the registered owners of the outstanding bonds or the City, if it is not in default under
32 this ordinance, at any time, with or without cause, may remove the Trustee. In the event of a vacancy in
33 the office of Trustee, either by resignation or by removal, the City shall appoint a new Trustee, such
34 appointment to be evidenced by a written instrument or instruments filed with the City Clerk. Every
35 successor Trustee appointed pursuant to this Section shall be a trust company or bank in good standing,

1 duly authorized to exercise trust powers and subject to examination by federal or state authority. The
2 original Trustee and any successor Trustee shall file a written acceptance and agreement to execute the trust
3 imposed upon it or them by this ordinance, but only upon the terms and conditions set forth in this ordinance
4 and subject to the provisions of this ordinance, to all of which the respective owners of the bonds agree.
5 Such written acceptance shall be filed with the City Clerk and a copy thereof shall be placed in the bond
6 transcript. Any successor Trustee shall have all the powers herein granted to the original Trustee. The
7 Trustee's resignation shall become effective upon the acceptance of the trusts by the successor Trustee.

8 **Section 28.** (a) Moneys held for the credit of the 2020B Bond Fund shall be continuously invested and
9 reinvested pursuant to the direction of the Commission in Eligible Investments, all of which shall mature,
10 or which shall be subject to redemption by the holder thereof, at the option of such holder, not later than
11 the payment date for interest or principal and interest on the bonds.

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

17 (c) "Eligible Investments" means any of the securities that are at the time legal for investment
18 of City funds pursuant to Resolution No. 12,520 of the City, as may be amended from time to time.

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

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

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

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

33 **Section 29.** It is covenanted and agreed by the City with the registered owners of the bonds, or any of
34 them, that the City and the Commission will faithfully and punctually perform all duties with reference to
35 the System required by the Constitution and laws of the State, including the charging and collecting of

1 reasonable and sufficient rates lawfully established for services rendered by the System, the segregating of
2 System revenues as herein required, and the applying of System revenues to the respective funds herein
3 created or referred to.

4 **Section 30.** The City covenants that it will not sell or lease the System, or any substantial portion
5 thereof; provided, however, that nothing herein shall be construed to prohibit the City from making such
6 dispositions of properties of the System and such replacements and substitutions for properties of the
7 System as shall be necessary or incidental to the efficient operation of the System as a revenue-producing
8 undertaking. All revenues derived from such dispositions shall be deposited into the Revenue Fund.

9 **Section 31.** The requirements of Little Rock, Ark., Ordinance No. 15,249, as they may relate to the
10 authorization and sale of the Bonds, are hereby waived.

11 **Section 32.** The Reserve Agreement, in substantially the form submitted to this meeting is hereby
12 approved, and the Mayor and the City Clerk are hereby authorized and directed to execute and deliver the
13 Reserve Agreement on behalf of the City, and the Mayor and other officers of the City are authorized to
14 execute and deliver such undertakings as may be appropriate to the securing of the Reserve Policy.

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

20 **Section 34. Repealer.** All laws, ordinances, resolutions, or parts of the same, that are inconsistent with
21 the provisions of this ordinance, are hereby repealed to the extent of such inconsistency.

22 **Section 35. Emergency Clause.** It is hereby ascertained and declared that the Refunding must be
23 accomplished as soon as possible in order to take advantage of low interest rates for tax-exempt bonds, such
24 as the bonds, that will enable the City to reduce future rate increases as much as reasonably feasible. It is,
25 therefore, declared that an emergency exists and this ordinance being necessary for the immediate
26 preservation of the public peace, health and safety shall take effect and be in force from and after its passage.

27 **PASSED: October 20, 2020**

28 **ATTEST:**

APPROVED:

29
30 _____
31 **Susan Langley, City Clerk**

_____ **Frank Scott, Jr., Mayor**

32 **APPROVED AS TO LEGAL FORM:**

33
34 _____
35 **Thomas M. Carpenter, City Attorney**