



1 **APPROVED AS TO LEGAL FORM:**

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4 **Thomas M. Carpenter, City Attorney**

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1 **EXHIBIT A**

2  
3 **AGREEMENT**

4 This Agreement is entered into this \_\_\_\_ day of April, 2018, between the City of Little Rock, Arkansas,  
5 ("the City") and the Arkansas Livestock Show Association ("the Association").

6 **RECITALS**

7 In 2011, the City levied a 3/8% Capital Sales Sax ("the Tax") to be dedicated to capital improvements  
8 of a public nature in Little Rock, Ark., Ordinance No. 20,449 (July 11, 2011); the City adopted a resolution  
9 which specifically outlined the capital projects that would be funded with this capital sales tax money in  
10 Little Rock, Ark., Resolution No. 13,343 (July 11, 2011). Pursuant to an election held on September 13,  
11 2011, the City electors approved the implementation of this Capital Improvement Sales Tax; at the time the  
12 voters considered whether to approve such a levy, the Association was in the process of considering alter-  
13 native sites for the location of the Arkansas State Fairgrounds which hosts several events of substantial  
14 value to the City because of the thousands of people who visit during the time of the Arkansas State Fair,  
15 and other tourist events and gatherings; the City and the Association entered into discussions on mutual  
16 ways to maintain the Fairgrounds in the City for an extended period of time; To this end, the City set aside  
17 the estimated sum of Three Million Dollars (\$3,000,000.00) from the proceeds of the Tax for the expansion  
18 and improvement of facilities to enhance the fairgrounds in Section 8 (c) of Little Rock, Ark., Resolution  
19 No. 13,343 (July 11, 2011); Further, at the time this Agreement is formally executed, the City and the  
20 Association have already engaged in certain improvement efforts, and these efforts are hereby ratified by  
21 the parties as a part of this Agreement;

22 **THEREFORE, IN CONSIDERATION OF THE TERMS AND SPECIFICATIONS SET**  
23 **FORTH BELOW, THE CITY AND THE ASSOCIATION ENTER INTO THIS AGREEMENT AS**  
24 **FOLLOWS:**

25 **Section 1. Ratification of Actions.** All prior agreements and payments that have been made as a result  
26 of the agreement of the Association to maintain the Arkansas State Fairgrounds in the corporate limits of  
27 the City, and of the City to pay for improvements or expansion of facilities at the fairgrounds, are hereby  
28 ratified and included as if a part of this Agreement.

29 **Section 2. Term of Agreement.** This Agreement shall be in full force and effect from and after the date  
30 of its execution until, and including, December 31, 2032, a term of twenty (20) years duration since the  
31 implementation of the Tax, and which includes the Arkansas State Fair for the calendar year 2032.

32 **Section 3. Use of Tax proceeds.** Pursuant to the authority provided in Little Rock, Ark., Resolution  
33 No. 13,343 §8 (c) (July 11, 2011), the City, during the term of this Agreement, shall make available to the  
34 Association Tax revenues of not more than Three Million Dollars (\$3,000,000.00) to be used for expansion  
35 and improvement of facilities that can enhance the Arkansas State Fairgrounds, provided that these funds

1 will be used for projects that qualify as a capital use of funds, as defined by General Accepted Accounting  
2 Principles (GAAP), since the levy of the Tax was limited to the use of such proceeds for capital  
3 improvements of a public nature; notwithstanding any other definition approved in Arkansas State Law,  
4 the parties agree that the term "capital improvements of a public nature," can include the purchase of  
5 additional property by the Association for use in the presentation of the events at the Arkansas State  
6 Fairgrounds.

7 **Section 4. *Distribution of Tax proceeds from the City to the Association.*** Before any distribution of  
8 Tax proceeds by the City to the Association occurs, the Association shall provide the City a detailed  
9 statement of the specific capital improvements of a public nature that will be funded with the proceeds, the  
10 expected cost associated with such improvements, and a reasonable time frame in which the funds shall  
11 be expended by the Association.

12 **Section 5. *Comprehensive Plan for the Fair.*** Within a reasonable period of time after the execution of  
13 this Agreement, not to exceed one (1) calendar year, the Association shall provide to the City a  
14 comprehensive plan for the expansion and improvement of the facilities to enhance the fairgrounds and, to  
15 the extent possible, the manner in which City Tax proceeds may be utilized to help fulfill this  
16 comprehensive plan. It is understood by the parties that a comprehensive plan is subject to review,  
17 modification, and change, and no such action shall be deemed a violation of this Agreement.

18 **Section 6. *Distribution of Tax proceeds.***

19 (a) It is understood by the parties that the Three Million Dollars (\$3,000,000.00) in Tax proceeds  
20 contemplated to be provided to the Association by the City is an estimate based upon projections  
21 as to the collection of proceeds pursuant to the Tax. If for any reason outside the control of the City  
22 the total anticipated proceeds from the Tax are not met, then the City may, after consultation with  
23 the Association, proportionately reduce the obligation for total proceeds to be provided pursuant to  
24 this Agreement.

25 (b) It is understood by the parties that the collection of the Tax proceeds occurs on a monthly basis  
26 as Tax proceeds are sent to the City by the Arkansas Department of Finance & Administration, and  
27 that in the use of the Tax proceeds, and other revenues available to the City for an annual budget,  
28 the City is required to: (i) follow state law, state regulations, and local ordinance requirements, as  
29 to the receipt, collection and expenditure of such funds; (ii) must not engage in deficit spending, or  
30 other practices prohibited by federal, state, or local law; and, (iii) must allocate Tax proceeds for  
31 the various purposes the City has identified.

32 (c) Nothing in this Agreement is to be considered by the City or the Association to mean that the  
33 City will guarantee, or simply provide, a certain amount of Tax proceeds to the Association in any  
34 calendar year, nor shall it be considered to mean that the City is limited in the total amount of Tax  
35 proceeds it can provide to the Association in any calendar year.

1       **Section 7. *Disagreement on the use of Tax proceeds.*** The parties recognize that provisions of the  
2 Arkansas Constitution, and Arkansas law, mandate the use of the Tax proceeds for capital improvements  
3 of a public nature. Therefore, the parties agree that if there is any question by either party that a certain  
4 request qualifies as such an expenditure, the City will not be required to make the payment until the parties  
5 have met in person to discuss the concerns. If agreement cannot be reached as to the property use of the  
6 funds, the City is not required to make such a payment, and substituted use for capital improvements shall  
7 be submitted. The parties further agree that capital improvements of a public nature does not apply to  
8 normal annual maintenance, normal wear and tear, utility usage costs, salaries, and other such items that  
9 are not capital in nature.

10       **Section 8. *Default.***

11       (a) If the City provides Tax proceeds to the Association for capital improvements of a public nature,  
12 and the Association fails to use the proceeds for such a purpose, then the City may terminate its  
13 obligation to provide any remaining Tax proceeds for the balance of the term of this Agreement.  
14 Further, if the Arkansas State Fairgrounds are moved prior to 2027, then the Association shall repay  
15 to the City any part, including all if appropriate, of the Three Million Dollars (\$3,000,000.00) the  
16 City has provided pursuant to this Agreement.

17       (b) If any court of competent jurisdiction determines that this Agreement is contrary to the  
18 provisions of law and cannot be enforced, then the parties shall terminate the Agreement, provided  
19 that any outstanding obligations on the date of such declaration which do qualify as a proper  
20 expenditure of Tax proceeds shall be made unless otherwise estopped by the court.

21       (c) The City and the Association agree that bankruptcy of either entity is a condition of default, and  
22 this Agreement is not an instrument that can be listed as an ongoing asset, or ongoing liability, of  
23 any party.

24       **Section 9. *Nondiscrimination.*** The parties agree that in the fulfillment of this Agreement neither party  
25 shall discriminate against any person in violation of any federal, state, or local law or regulation including  
26 but not limited to, Little Rock, Ark., Ordinance No. 21,031 (April 21, 2015) which prohibits discrimination  
27 on the basis of race, color, creed, religion, sex, national origin, disability, marital status, sexual orientation,  
28 gender identity, or genetic information.

29       **Section 10. *Access to Legal Counsel.*** Both parties agree that prior to execution of this Agreement the  
30 respective counsel have had access to legal counsel of their choice and, therefore, no party shall be given  
31 any deference or advantage in terms of the interpretation of the terms of this Agreement based upon which  
32 legal counsel drafted the terms of the Agreement.

33       **Section 11. *Multiple Copies.*** This Agreement may be executed in multiple copies, any of which shall  
34 be deemed an authenticated copy of the Agreement for purposes of introduction into evidence in any legal  
35 proceeding.

