



1       **WHEREAS**, the Board of Directors of the City has held a public hearing on the question of the  
2 issuance of bonds that was preceded by public notice published in the *Arkansas Democrat-Gazette* on  
3 March 3, 2018, in the form attached as Exhibit A hereto (the “Notice”); and

4       **WHEREAS**, the City has determined to proceed with the Improvements and to issue bonds approved  
5 at the election designated as “City of Little Rock, Arkansas Hotel Gross Receipts Tax Bonds, Series  
6 2018” (the “bonds”); and

7       **WHEREAS**, the City is making arrangements for the sale of the bonds to Stephens, Inc. (the  
8 “Purchaser”), pursuant to a Bond Purchase Agreement between the Purchaser and the City (the “Purchase  
9 Agreement”), which has been exhibited to and is before the Board of Directors at the meeting at which  
10 this ordinance is adopted; and

11       **WHEREAS**, the City Advertising and Promotion Commission (the “Commission”), which is the  
12 governing body of the Little Rock Convention and Visitors Bureau (“LRCVB”) and which collects the  
13 Pledged Revenues (as defined in Section 8 hereof), has approved the pledging of collections of the  
14 Pledged Revenues to the payment of the principal of and interest on the bonds; and

15       **WHEREAS**, the Preliminary Official Statement, dated March 21, 2018, offering the bonds for sale  
16 (the “Preliminary Official Statement”), has been exhibited to and is before the Board of Directors at the  
17 meeting at which this ordinance is adopted; and

18       **WHEREAS**, the Continuing Disclosure Agreement between the City and First Security Bank (the  
19 “Trustee”), providing for the ongoing disclosure obligations of the City with respect to the bonds (the  
20 “Disclosure Agreement”), has been exhibited to and is before the Board of Directors at the meeting at  
21 which this ordinance is adopted; and

22       **WHEREAS**, payment of the scheduled principal of and interest on the bonds when due is guaranteed  
23 by Build America Mutual Assurance Company, or any successor thereto or assignee thereof (the  
24 “Insurer”), pursuant to a Municipal Bond Insurance Policy (the “Insurance Policy”), as set forth in the  
25 Insurance Policy; and

26       **WHEREAS**, the Insurer will also issue a Municipal Bond Debt Service Reserve Insurance Policy  
27 (the “Reserve Policy”) in order to provide a Debt Service Reserve for the bonds; and

28       **WHEREAS**, the Debt Service Reserve Agreement between the City and the Insurer (the “Reserve  
29 Agreement”) has been exhibited to and is before the Board of Directors at the meeting at which this  
30 ordinance is adopted; and

31       **WHEREAS**, the Arkansas Arts Center Foundation, an Arkansas nonprofit corporation, will provide  
32 funds to pay the costs of the Improvements for the Arts Center not being financed by the bonds;

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

1       **Section 1.** The Purchase Agreement, in substantially the form submitted to this meeting, is approved  
2 and the bonds are hereby sold to the Purchaser at a purchase price which shall include an underwriter’s  
3 discount not greater than 0.85% (the “Purchase Price”). The Mayor is authorized to execute and deliver  
4 the Purchase Agreement for and on behalf of the City and to take all action required on the part of the  
5 City to fulfill its obligations under the Purchase Agreement.

6       **Section 2.** The Preliminary Official Statement, in substantially the form submitted to this meeting, is  
7 hereby approved and the use of the Preliminary Official Statement in connection with the sale of the  
8 bonds is hereby authorized, and the Mayor is hereby authorized and directed, for and on behalf of the  
9 City, to execute the Preliminary Official Statement and the final Official Statement in the name of the  
10 City for use in connection with the sale of the bonds.

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

16       **Section 4.** For purposes of compliance with Section 147(f) of the Internal Revenue Code of 1986, as  
17 amended (the “Code”), the issuance of the Bonds for the purposes set forth in the Notice is hereby  
18 approved. Under the authority of the Constitution and laws of the State, including particularly  
19 Amendment No. 62 to the Constitution of the State and the Authorizing Legislation, the bonds are hereby  
20 authorized and ordered issued in the maximum principal amount of Thirty-Seven Million, Five Hundred  
21 Thousand Dollars (\$37,500,000.00), the proceeds of the sale of which will be used to finance a portion of  
22 the costs of the Improvements, provide a debt service reserve, and pay expenses of issuing and insuring  
23 the bonds. The maximum principal amount of bonds allocable to the Improvements for the Arts Center  
24 shall be Thirty-Six Million, Four Hundred Thousand Dollars (\$36,400,000.00). The maximum principal  
25 amount of bonds allocable to the Improvements for the MacArthur Museum shall be One Million, One  
26 Hundred Thousand Dollars (\$1,100,000.00). The bonds shall have a true interest cost (after taking into  
27 account original issue discount and premium but excluding underwriter's discount and costs of issuing  
28 and insuring the bonds) not greater than 4.75%, shall have a weighted average maturity (taking into  
29 account mandatory sinking fund redemption, if any) of not greater than twenty (20) years and shall  
30 mature not later than April 1, 2048. The interest rates and maturities of the bonds shall be established by  
31 an ordinance to be adopted by the Board of Directors prior to the bonds being issued.

32       For purposes of compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended  
33 (the “Code”), the bonds shall be dated the date of delivery to the Purchaser and shall be issuable only as  
34 fully registered bonds without coupons in the denomination of Five Thousand Dollars (\$5,000.00) or any  
35 integral multiple thereof. Unless the City shall otherwise direct, the bonds shall be numbered from 1

1 upward in order of issuance. Each bond shall have a CUSIP Number but the failure of a CUSIP Number  
2 to appear on any bond shall not affect its validity.

3 The bonds shall be registered initially in the name of Cede & Co., as nominee for the Depository  
4 Trust Company (“DTC”), which shall be considered to be the registered owner of the bonds for all  
5 purposes under this ordinance, including, without limitation, payment by the City of principal of,  
6 redemption price, premium, if any, and interest on the bonds, and receipt of notices and exercise of rights  
7 of registered owners. There shall be one (1) certificated, typewritten bond for each stated maturity date  
8 which shall be immobilized in the custody of DTC with the beneficial owners having no right to receive  
9 the bonds in the form of physical securities or certificates. DTC and its participants shall be responsible  
10 for maintenance of records of the ownership of beneficial interests in the bonds by book-entry on the  
11 system maintained and operated by DTC and its participants, and transfers of ownership of beneficial  
12 interests shall be made only by DTC and its participants, by book-entry, the City having no responsibility  
13 therefor. DTC is expected to maintain records of the positions of participants in the bonds, and the  
14 participants and persons acting through participants are expected to maintain records of the purchasers of  
15 beneficial interests in the bonds. The bonds as such shall not be transferable or exchangeable, except for  
16 transfer to another securities depository or to another nominee of a securities depository, without further  
17 action by the City.

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

28 Prior to issuance of the bonds, the City shall have executed and delivered to DTC a written agreement  
29 (the “Representation Letter”) setting forth (or incorporating therein by reference) certain undertakings and  
30 responsibilities of the City with respect to the bonds so long as the bonds or a portion thereof are  
31 registered in the name of Cede & Co. (or a substitute nominee) and held by DTC. Notwithstanding such  
32 execution and delivery of the Representation Letter, the terms thereof shall not in any way limit the  
33 provisions of this Section or in any other way impose upon the City any obligation whatsoever with  
34 respect to persons having interests in the bonds other than the registered owners, as shown on the

1 registration books kept by the Trustee. The Trustee shall take all action necessary for all representations  
2 of the City in the Representation Letter with respect to the Trustee to at all times be complied with.

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

8 Interest on the bonds shall be payable on October 1, 2018, and semiannually thereafter on April 1<sup>st</sup>  
9 and October 1<sup>st</sup> of each year. Payment of each installment of interest shall be made to the person in  
10 whose name the bond is registered on the registration books of the City maintained by the Trustee, at the  
11 close of business on the 15<sup>th</sup> day of the month (whether or not a business day) next preceding each interest  
12 payment date (the "Record Date"), irrespective of any transfer or exchange of any such bond subsequent  
13 to such Record Date and prior to such interest payment date, by check or draft mailed by the Trustee to  
14 such owner at his address on such registration books. Principal of the bonds shall be payable at the  
15 corporate trust office of the Trustee.

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

23 Only such bonds as shall have endorsed thereon a Certificate of Authentication substantially in the  
24 form set forth in Section 6 hereof (the "Certificate") duly executed by the Trustee shall be entitled to any  
25 right or benefit under this ordinance. No bond shall be valid and obligatory for any purpose unless and  
26 until the Certificate shall have been duly executed by the Trustee, and the Certificate of the Trustee upon  
27 any such bond shall be conclusive evidence that such bond has been authenticated and delivered under  
28 this ordinance. The Certificate on any bond shall be deemed to have been executed if signed by an  
29 authorized officer of the Trustee, but it shall not be necessary that the same officer sign the Certificate on  
30 all of the bonds.

31 In case any bond shall become mutilated or be destroyed or lost, the City shall, if not then prohibited  
32 by law, cause to be executed and the Trustee may authenticate and deliver a new bond of like date,  
33 maturity and tenor in exchange and substitution for and upon cancellation of such mutilated bond, or in  
34 lieu of and in substitution for such bond destroyed or lost, upon the owner paying the reasonable expenses  
35 and charges of the City and Trustee in connection therewith, and, in the case of a bond destroyed or lost,

1 his filing with the Trustee evidence satisfactory to it that such bond was destroyed or lost, and of his  
2 ownership thereof, and furnishing the City and Trustee with indemnity satisfactory to them. The Trustee  
3 is hereby authorized to authenticate any such new bond. In the event any such bond shall have matured,  
4 instead of issuing a new bond, the City may pay the same without the surrender thereof. Upon the  
5 issuance of a new bond under this Section, the City may require the payment of a sum sufficient to cover  
6 any tax or other governmental charge that may be imposed in relation thereto and any other expenses  
7 (including the fees and expenses of the Trustee) connected therewith.

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

14 Bonds may be exchanged at the principal corporate trust office of the Trustee for an equal aggregate  
15 principal amount of bonds of any other authorized denomination or denominations. The City shall  
16 execute and the Trustee shall authenticate and deliver bonds which the registered owner making the  
17 exchange is entitled to receive. The execution by the City of any bond of any denomination shall  
18 constitute full and due authorization of such denomination and the Trustee shall be thereby authorized to  
19 authenticate and deliver such bond.

20 No charge shall be made to any owner of any bond for the privilege of transfer or exchange, but any  
21 owner of any bond requesting any such transfer or exchange shall pay any tax or other governmental  
22 charge required to be paid with respect thereto. Except as otherwise provided in the immediately  
23 preceding sentence, the cost of preparing each new bond upon each exchange or transfer and any other  
24 expenses of the City or the Trustee incurred in connection therewith shall be paid by the City. Neither the  
25 Trustee nor the City shall be required to transfer or exchange any bonds selected for redemption in whole  
26 or in part.

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

33 In any case where the date of maturity of interest on or principal of the bonds or the date fixed for  
34 redemption of any bonds shall be a Saturday or Sunday or shall be in the State a legal holiday or a day on  
35 which banking institutions are authorized by law to close, then payment of interest or principal need not

1 be made on such date but may be made on the next succeeding business day with the same force and  
2 effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for  
3 the period after the date of maturity or date fixed for redemption.

4 **Section 5.** The bonds shall be executed on behalf of the City by the manual or facsimile signatures  
5 of the Mayor and City Clerk and shall have impressed or imprinted thereon the seal of the City. Payment  
6 of the principal of and interest on the bonds as due (by stated maturity or by scheduled mandatory sinking  
7 fund redemption) is insured by the Insurer pursuant to the Insurance Policy, as set forth in the Insurance  
8 Policy.

9 **Section 6.** The bonds and the Certificate shall be in substantially the following form and with such  
10 variations as necessary to conform to the sale of the bonds, and the Mayor and City Clerk are hereby  
11 expressly authorized and directed to make all recitals contained therein:

|  |                               |
|--|-------------------------------|
| (Form of Bond)   |                               |
| REGISTERED   | REGISTERED                    |
| No. _____  | \$ _____                      |
| UNITED STATES OF AMERICA<br>STATE OF ARKANSAS<br>COUNTY OF PULASKI<br>CITY OF LITTLE ROCK<br>HOTEL GROSS RECEIPTS TAX BOND<br>SERIES 2018  |                               |
| Interest Rate: ____%   | Maturity Date: April 1, _____ |
| Dated Date: _____, 2018  |                               |
| Registered Owner: Cede & Co.   |                               |
| Principal Amount: _____ Dollars  |                               |
| CUSIP No.: _____   |                               |
| KNOW ALL MEN BY THESE PRESENTS:  |                               |
| That the City of Little Rock, County of Pulaski, State of Arkansas (the "City"), for value<br>received, hereby promises to pay to the Registered Owner shown above upon the presentation and<br>surrender hereof at the principal office of First Security Bank, with offices in Searcy, Arkansas, or its<br>successor or successors, as Trustee and Paying Agent (the "Trustee"), on the Maturity Date shown above,<br>the Principal Amount shown above, in such coin or currency of the United States of America as at the<br>time of payment shall be legal tender for the payment of public and private debts and to pay by check or |                               |

1 draft to the Registered Owner shown above interest thereon, in like coin or currency from the interest  
2 commencement date described below at the Interest Rate per annum shown above, payable on October 1,  
3 2018, and on each April 1<sup>st</sup> and October 1<sup>st</sup> thereafter, until payment of such Principal Amount or, if this  
4 bond or a portion hereof shall be duly called for redemption, until the date fixed for redemption, and to  
5 pay interest on overdue principal and interest (to the extent legally enforceable) at the rate borne by this  
6 bond. Payment of each installment of interest shall be made to the person in whose name this bond is  
7 registered on the registration books of the City maintained by the Trustee at the close of business on the  
8 fifteenth day of the month (whether or not a business day) next preceding each interest payment date (the  
9 “Record Date”), irrespective of any transfer or exchange of this bond subsequent to such Record Date and  
10 prior to such interest payment date.

11 Unless this bond is presented by an authorized representative of The Depository Trust Company,  
12 a New York corporation (“DTC”), to the Trustee for registration of transfer, exchange or payment, and  
13 any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an  
14 authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is  
15 required by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE  
16 HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the  
17 registered owner hereof, Cede & Co., has an interest herein.

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

25 This bond is one of an issue of City of Little Rock, Arkansas Hotel Gross Receipts Tax Bonds,  
26 Series 2018, aggregating \_\_\_\_\_ Thousand Dollars (\$\_\_\_\_\_) in aggregate  
27 principal amount (the “bonds”), and is issued for the purpose of financing a portion of the costs of  
28 improvements to MacArthur Park, including particularly, without limitation, renovations and additions to,  
29 and furnishings and equipment for, the Arkansas Arts Center and renovations and equipment for the  
30 MacArthur Museum of Arkansas Military History, including any necessary parking, landscaping, signage,  
31 drainage, lighting, road and utility improvements in MacArthur Park, providing a debt service reserve and  
32 paying expenses of authorizing, issuing and insuring the bonds.

33 The bonds are issued pursuant to and in full compliance with the Constitution and laws of the  
34 State of Arkansas (the “State”), particularly Amendment No. 62 to the Constitution of the State and Title  
35 14, Chapter 164, Subchapter 3 (the “Authorizing Legislation”), and Title 26, Chapter 75, Subchapter 6 of



1 the Arkansas Code of 1987 Annotated (the “Tax Legislation”), and pursuant Ordinance No. \_\_\_\_\_,  
 2 duly adopted on \_\_\_\_\_, 2018, as supplemented by Ordinance No. \_\_\_\_\_, duly adopted on  
 3 \_\_\_\_\_, 2018 (collectively, the “Authorizing Ordinance”), and an election duly held at which  
 4 the majority of the legal voters of the City voting on the question approved the issuance of the bonds.  
 5 Reference is hereby made to the Authorizing Ordinance for the details of the nature and extent of the  
 6 security and of the rights and obligations of the City, the Trustee and the registered owners of the bonds.  
 7 The bonds are special obligations of the City, payable from and secured by a pledge of the collections of  
 8 the taxes levied at the aggregate rate of 2% upon the gross receipts or gross proceeds derived and received  
 9 from the renting, leasing or otherwise furnishing of hotel, motel, bed and breakfast or short-term  
 10 condominium or apartment rental accommodations for sleeping for profit in the City, pursuant to the  
 11 authority of the Tax Legislation and Ordinance Nos. 21,140 and 21,141, duly adopted on December 1,  
 12 2015 (collectively, the “Tax”), and the City hereby pledges its collections of the Tax for the payment of  
 13 this bond.

14 The bonds are subject to optional and mandatory sinking fund redemption prior to maturity as  
 15 follows:

16 (1) The bonds may be redeemed at the option of the City, from funds from any source, on  
 17 and after \_\_\_\_\_ 1, 20\_\_\_\_, in whole or in part at any time, at a redemption price equal to the  
 18 principal amount being redeemed plus accrued interest to the redemption date. If fewer than all of the  
 19 bonds shall be called for redemption, the particular maturities of the bonds to be redeemed shall be  
 20 selected by the City in its discretion. If fewer than all of the bonds of any one maturity shall be called for  
 21 redemption, the particular bonds or portion thereof to be redeemed from such maturity shall be selected  
 22 by lot by the Trustee.

24 (2) To the extent not previously redeemed, the bonds maturing on April 1, \_\_\_\_\_, \_\_\_\_\_  
 25 and \_\_\_\_\_ are subject to mandatory sinking fund redemption by lot in such manner as the Trustee shall  
 26 determine, on April 1<sup>st</sup> in the years and in the amounts set forth below, at a redemption price equal to the  
 27 principal amount being redeemed plus accrued interest to the date of redemption:

28 Bonds Maturing April 1, \_\_\_\_\_

|                   |                     |
|-------------------|---------------------|
| Year<br>(April 1) | Principal<br>Amount |
|-------------------|---------------------|

29 Bonds Maturing April 1, \_\_\_\_\_

Year  
(April 1)

Principal  
Amount

1

Bonds Maturing April 1, \_\_\_\_\_

Year  
(April 1)

Principal  
Amount

2

3 In case any outstanding bond is in a denomination greater than Five Thousand Dollars  
4 (\$5,000.00), each Five Thousand Dollars (\$5,000.00) of face value of such bond shall be treated as a  
5 separate bond of the denomination of Five Thousand Dollars (\$5,000.00).

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

17 This bond is transferable by the Registered Owner shown above in person or by his attorney-in-  
18 fact duly authorized in writing at the principal corporate trust office of the Trustee, but only in the  
19 manner, subject to the limitations and upon payment of the charges provided in the Authorizing  
20 Ordinance, and upon surrender and cancellation of this bond. Upon such transfer a new fully registered  
21 bond or bonds of the same maturity, of authorized denomination or denominations, for the same  
22 aggregate principal amount, will be issued to the transferee in exchange therefor. This bond is issued  
23 with the intent that the laws of the State shall govern its construction.

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

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

10 IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things  
11 required to exist, happen and be performed, under the Constitution and laws of the State, particularly  
12 Amendment No. 62 to the Constitution of the State and the Authorizing Legislation, precedent to and in  
13 the issuance of this bond have existed, have happened and have been performed in due time, form and  
14 manner as required by law; that the indebtedness represented by this bond and the issue of which it forms  
15 a part does not exceed any constitutional or statutory limitation; and that tax revenues sufficient to pay the  
16 bonds and interest thereon have been duly pledged in accordance with the Authorizing Legislation for the  
17 payment of the bonds and interest thereon.

18 This bond shall not be valid until it shall have been authenticated by the Certificate hereon duly  
19 signed by the Trustee.

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

23  
24  
25 CITY OF LITTLE ROCK, ARKANSAS

26 ATTEST:

27  
28 By \_\_\_\_\_

29 Mayor

30 \_\_\_\_\_  
31 City Clerk

32  
33 (SEAL)

[A Statement of Insurance provided by the  
Insurer shall be placed on the bond]

(Form of Trustee's Certificate)

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds issued under the provisions of the within mentioned  
Authorizing Ordinance.

Date of Authentication: \_\_\_\_\_

FIRST SECURITY BANK  
TRUSTEE

By \_\_\_\_\_  
Authorized Signature

(A Form of Assignment shall be attached to the bonds.)

**Section 7.** The City hereby expressly pledges and appropriates collections of the two (2) 1% taxes levied by the City pursuant to Title 26, Chapter 75, Subchapter 6 of the Arkansas Code of 1987 Annotated and Ordinance Nos. 21,140 and 21,141, adopted December 1, 2015, on the gross receipts or gross proceeds derived and received from the renting, leasing or otherwise furnishing of hotel, motel, bed and breakfast or short-term condominiums or apartments rental accommodations for sleeping for profit in the City (the "Tax"), to the payment of the principal of and interest on the bonds when due at maturity or at redemption prior to maturity, and to the payment of the Trustee's fees and expenses, any required arbitrage rebate due to the United States and any fees or other amounts due the Insurer with respect to the Insurance Policy or the Reserve Policy. The City covenants that the Tax shall never be repealed or reduced while any of the bonds are outstanding or while any amounts are due and payable to the Insurer. The City further covenants to use due diligence in collecting the Tax. Nothing herein shall prohibit the City from increasing the Tax from time to time, to the extent permitted by law, and no part of the revenues derived from any such increase shall become part of the revenues pledged hereunder.

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**Section 8.**

(a) There is hereby created in a special fund of the City in the Trustee designated as the “Hotel Gross Receipts Tax Revenue Fund” (the “Revenue Fund”).

(b) The Senior Vice President of Finance and Administration of LRCVB shall deposit all collections of the Tax received on and after May 1, 2018 (the “Pledged Revenues”) into the Revenue Fund. Deposits shall be made at least once each month not later than the fifth (5th) business day of the month, commencing in June 2018.

(c) The Trustee shall transfer from the Revenue Fund into the Debt Service Account in the Bond Fund not less than five (5) business days before each April 1<sup>st</sup> and October 1<sup>st</sup>, an amount that will be sufficient to cause the Debt Service Account in the Bond Fund to have moneys to pay the principal of and interest on the bonds on the next due date thereof and Bond Insurer Reimbursement Amounts (as defined in Section 25 hereof) due the Insurer.

(d) After the transfer has been made into the Bond Fund, the Trustee shall withdraw from the Revenue Fund and make the following transfers in the following order of priority:

- (1) payment to the Insurer for amounts due with respect to the Reserve Policy;
- (2) the Trustee’s and Insurer’s fees and expenses and other administrative charges due – Expense Account in the Bond Fund; and
- (3) the fees for the arbitrage rebate calculation and the payment of any arbitrage rebate due the United States Treasury under Section 148(f) of the Code – Expense Account in the Bond Fund.

(e) When the moneys in the Revenue Fund shall be and remain sufficient to pay (1) the principal of all the bonds then outstanding, (2) interest on the bonds until the next interest payment date and (3) the amounts due under clauses (1) through (3) of subsection (d) above, there shall be no obligation to make any further payments into the Revenue Fund.

(f) All moneys remaining in the Revenue Fund on April 1<sup>st</sup> of each year shall be withdrawn from the Revenue Fund and applied as follows: (1) one-half of the remaining amount in the Revenue Fund shall be transferred to the Advertising and Promotion Fund and used for any lawful purpose and (2) one-half of the remaining amount in the Revenue Fund shall be transferred to the City and used for parks purposes.

**Section 9.**

(a) There is hereby created a special fund of the City in the Trustee which is designated “Hotel Gross Receipts Tax Bond Fund” (the “Bond Fund”), for the purpose of providing funds for the payment of principal of and interest on the bonds as they become due at maturity or at redemption prior to maturity, any amounts due the Insurer with respect to the Insurance Policy, any arbitrage

1 rebate, the fees for the arbitrage rebate calculation and the Trustee's fees and expenses. There shall be  
2 established in the Bond Fund the following accounts into which moneys from the Revenue Fund shall  
3 be deposited: (i) Debt Service Account; (ii) Redemption Account; and (iii) Expense Account.  
4 Moneys in the Bond Fund shall be used on each interest payment date (or in the case of arbitrage  
5 rebate or amounts due the Insurer with respect to the Insurance Policy, on any date due) in the  
6 following order of priority as and when necessary:

7 (1) to pay the interest on the bonds then due - Debt Service Account;

8 (2) to pay the principal of the bonds then due at maturity or upon mandatory sinking  
9 fund redemption - Debt Service Account;

10 (3) to pay the Trustee's and Insurer's fees and expenses and other administrative charges,  
11 any arbitrage rebate and the fees for the arbitrage rebate calculation then due - Expense  
12 Account; and

13 (4) to redeem bonds prior to maturity - Redemption Account.

14 (b) When the moneys in the Bond Fund shall be and remain sufficient to pay (1) the principal of  
15 all the bonds then outstanding, (2) interest on the bonds until the next interest payment date, (3) the  
16 Trustee's fees and expenses and (4) any amounts due the Insurer with respect to the Insurance Policy,  
17 there shall be no obligation to make any further payments into the Bond Fund and any Pledged  
18 Revenues remaining in the Bond Fund after the principal of, premium, if any and interest on the  
19 bonds have been paid shall be used to reimburse the Insurer for any amounts owing with respect to  
20 the Insurance Policy and the Reserve Policy and the balance shall be transferred as follows: (i) one-  
21 half shall be transferred to the Advertising and Promotion Fund and used for any lawful purpose and  
22 (ii) one-half shall be transferred to the City and used for parks purposes.

23 (c) All moneys in the Bond Fund shall be used solely for the purpose of paying the principal of  
24 and interest on the bonds, as the same become due, and for the other purposes set forth in this Section  
25 9. The Trustee is authorized and directed to withdraw moneys from the Bond Fund from time to time  
26 as necessary for paying principal of and interest on the bonds when due at maturity or at redemption  
27 prior to maturity and for making other authorized Bond Fund expenditures.

28 (d) The Trustee shall deposit moneys into the Redemption Account any amounts instructed by  
29 the City to be deposited therein for the purpose of optionally redeeming the bonds prior maturity.  
30 The Trustee shall use moneys in the Redemption Account to redeem the bonds.

31 (e) All moneys in the Expense Account in the Bond Fund shall be used to pay the Trustee's fees  
32 and expenses and other administrative charges, any arbitrage rebate and the fees for calculating  
33 arbitrage rebate.

34 (f) The bonds shall be specifically secured by a pledge of the Pledged Revenues, which pledge in  
35 favor of the bonds is hereby irrevocably made according to the terms of this ordinance, and the City,

1 and the officers and employees of the City, including, without limitation, the Commission, shall  
2 execute, perform and carry out the terms thereof in strict conformity with the provisions of this  
3 ordinance.

4 **Section 10.** There is hereby created a special fund in the name of the City in the Trustee which is  
5 designated "Hotel Gross Receipts Tax Debt Service Reserve Fund" (the "Debt Service Reserve Fund").  
6 There shall be established in the Debt Service Reserve Fund a Series 2018 Reserve Account into which  
7 shall be deposited the Reserve Policy in an amount equal to one-half of the maximum annual principal  
8 and interest requirements on the bonds. The Series 2018 Reserve Account in the Debt Service Reserve  
9 Fund shall only secure the bonds. Moneys in the Series 2018 Reserve Account in the Debt Service  
10 Reserve Fund shall be used to make the payments described in clauses (1) and (2) of Section 9 above with  
11 respect to the bonds if moneys in the Debt Service Account in the Bond Fund are not otherwise sufficient  
12 for that purpose. The City may establish an account or accounts in the Debt Service Reserve Fund to  
13 separately secure Additional Parity Bonds (hereinafter defined), and not the bonds, in an amount not to  
14 exceed one-half of the maximum annual principal and interest requirements on such Additional Parity  
15 Bonds. Other accounts in the Debt Service Reserve Fund may be established with cash, a surety bond or  
16 a debt service reserve insurance policy. The City shall reimburse the Insurer for all amounts drawn under  
17 the Reserve Policy and expenses related thereto in accordance with the Reserve Agreement and as  
18 provided in Section 11 hereof. The payment of any Policy Costs (as defined in Section 11 hereof) shall  
19 be made after payment of debt service on the bonds.

20 Notwithstanding anything to the contrary set forth in this ordinance, amounts on deposit in the Series  
21 2018 Reserve Account in the Debt Service Reserve Fund shall be applied solely to the payment of debt  
22 service due on the bonds.

23 **Section 11.** Notwithstanding any provision of this ordinance to the contrary:

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

1 Repayment of draws and accrued interest thereon at the Late Payment Rate (the "Reserve Policy  
2 Payments") and payment of Administrative Costs (as defined in Section 25 hereof) (collectively,  
3 "Policy Costs") shall commence in the first month following each draw, and each such monthly  
4 payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such  
5 draw.

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

10 All cash and investments in the Series 2018 Reserve Account in the Debt Service Reserve Fund,  
11 if any, shall be transferred to the Debt Service Account in the Bond Fund for payment of the debt  
12 service on the bonds before any drawing may be made on the Reserve Policy.

13 Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on  
14 the Reserve Policy shall be made after applying all available cash and investments in the Series 2018  
15 Reserve Account in the Debt Service Reserve Fund.

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

17 (c) If the City shall fail to pay any Policy Costs in accordance with the requirements of  
18 paragraph (a) above, the Insurer shall be entitled to exercise any and all legal and equitable remedies  
19 available to it, including those provided under this ordinance other than remedies which would  
20 adversely affect owners of the bonds.

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

24 (e) The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance  
25 with the provisions of paragraph (a) of this Section and provide notice to the Insurer at least three  
26 business days prior to each date upon which interest or principal is due on the bonds.

27 (f) The Reserve Policy shall expire and terminate on the earlier of the date that the bonds are no  
28 longer outstanding and the final maturity date of the bonds.

29 **Section 12.** Any bond shall be deemed to be paid within the meaning of this ordinance when payment  
30 of the principal of and interest on such bond (whether at maturity or upon redemption as provided herein,  
31 or otherwise), either (i) shall have been made or caused to be made in accordance with the terms thereof,  
32 or (ii) shall have been provided for by irrevocably depositing with the Trustee, in trust and irrevocably set  
33 aside exclusively for such payment (1) moneys sufficient to make such payment and/or (2) direct  
34 obligations of the United States of America ("Government Securities") that are noncallable, maturing as  
35 to principal and interest in such amounts and at such times as will provide sufficient moneys to make such



1 payment, and all necessary and proper fees, compensation and expenses of the Trustee with respect to  
2 which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of  
3 the Trustee. All moneys must be insured at all times by the Federal Deposit Insurance Corporation or  
4 otherwise collateralized with Government Securities.

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

7 When all the bonds shall have been paid within the meaning of this ordinance and if the Trustee has  
8 been paid its fees and expenses, if any required arbitrage rebate payment has been made to the United  
9 States under Section 148(f) of the Code or provision made therefor, and if there are not amounts due the  
10 Insurer with respect to the Insurance Policy or the Reserve Policy, the Trustee shall take all appropriate  
11 action to cause (i) the pledge and lien of this ordinance to be discharged and cancelled, and (ii) all moneys  
12 held by it pursuant to this ordinance and which are not required for the payment of such bonds to be paid  
13 over or delivered to or at the direction of the City.

14 At least three (3) business days prior to any defeasance with respect to the bonds, the City shall,  
15 unless waived by the Insurer, deliver to the Insurer draft copies of an escrow agreement, an opinion of  
16 bond counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the  
17 bonds and a verification report (a "Verification Report") prepared by a nationally recognized independent  
18 financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund.  
19 Such opinion shall be addressed to the Insurer and shall be in form and substance satisfactory to the  
20 Insurer. Such Verification Report shall be in the form and substance satisfactory to the Insurer and,  
21 unless waived by the Insurer, shall either be addressed to the Insurer or shall include a statement to the  
22 effect that such Verification Report may be relied upon by the Insurer. In addition, the escrow agreement  
23 shall provide that:

24 (1) Any substitution of securities following the execution and delivery of the escrow  
25 agreement shall require the delivery of a Verification Report, an opinion of bond counsel that  
26 such substitution will not adversely affect the exclusion from gross income of the holders of the  
27 bonds of the interest on the bonds for Federal Income Tax purposes and the prior written consent  
28 of the Insurer, which consent will not be unreasonably withheld.

29 (2) The City will not exercise any prior optional redemption of bonds secured by the escrow  
30 agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the  
31 right to make any such redemption has been expressly reserved in the escrow agreement and such  
32 reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii)  
33 as a condition to any such redemption there shall be provided to the Insurer a Verification Report  
34 as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements  
35 remaining following any such redemption.

1 (3) The City shall not amend the escrow agreement or enter into a forward purchase  
2 agreement or other agreement with respect to rights in the escrow without the prior written  
3 consent of the Insurer.

4 **Section 13.** The City covenants that it will not issue any bonds, or incur any obligation, secured by a  
5 lien on or pledge of Pledged Revenues, except as hereinafter provided. The City may issue additional  
6 bonds secured by a pledge of the Pledged Revenues on a parity with the pledge in favor of the bonds  
7 (“Additional Parity Bonds”) so long as the City has received collections of Pledged Revenues for a 12  
8 month period that ends not less than thirty (30) and not more than ninety (90) days prior to the date that  
9 the Additional Parity Bonds are authorized by the Board of Directors of the City to be issued, in an  
10 amount equal to or in excess of 150% of the maximum annual debt service requirement for the bonds, any  
11 outstanding Additional Parity Bonds and the Additional Parity Bonds proposed to be issued.

12 The City may issue bonds or incur obligations secured by a lien on and pledge of Pledged Revenues  
13 subordinate to the lien and pledge in favor of the bonds.

14 **Section 14.** The bonds shall be callable for optional redemption prior to maturity in accordance with  
15 the terms set out in the face of the bond form set forth in Section 6 of this ordinance. The bonds shall be  
16 subject to mandatory sinking fund redemption prior to maturity in accordance with the supplemental  
17 ordinance providing for the terms of the bonds.

18 **Section 15.** It is hereby covenanted and agreed by the City with the owners of the bonds that the City  
19 and the Commission will faithfully and punctually perform all duties with reference to the Tax and the  
20 bonds required by the Constitution and laws of the State and by this Ordinance, including the collection  
21 of the Tax, as herein specified and covenanted and the applying of the Pledged Revenues as herein  
22 provided.

23 **Section 16.** The Commission will keep or cause to be kept proper books of accounts and records in  
24 which complete and correct entries shall be made of all transactions relating to the Pledged Revenues  
25 prior to their deposit into the Revenue Fund and such books shall be available for inspection by the  
26 Trustee, the Insurer, the Purchaser and the owner of any of the bonds at reasonable times and under  
27 reasonable circumstances. The Trustee shall provide the Commission with a monthly report of all  
28 transactions relating to the funds established by this ordinance with the Trustee.

29 **Section 17.**

30 (a) Subject to the provisions of subparagraph (g) below, if there be any default in the payment  
31 of the principal of and interest on any of the bonds or if the City defaults in the performance of  
32 any covenant contained in this ordinance or if the City declares bankruptcy, the Trustee may, and  
33 shall, upon the written request of (1) the Insurer or (2) with the consent of the Insurer, the owners  
34 of not less than 10% in principal amount of the bonds then outstanding, by proper suit compel the  
35 performance of the duties of the officials of the City and the Commission under the Constitution

1 and laws of the State and under this ordinance, and to take any action or obtain any proper relief  
2 in law or equity available under the Constitution and laws of the State.

3 (b) No owner of any bond shall have any right to institute any suit, action, mandamus or  
4 other proceeding in equity or in law for the protection or enforcement of any right under this  
5 ordinance or under the Constitution and laws of the State unless (1) such owner or the Trustee  
6 shall have given written notice of such default to the Insurer and (2) such owner previously shall  
7 have given to the Trustee written notice of the default on account of which such suit, action or  
8 proceeding is to be taken, and unless the owners of not less than 10% in principal amount of the  
9 bonds then outstanding shall have made written request of the Trustee after the right to exercise  
10 such powers or right of action, as the case may be, shall have accrued, and shall have afforded the  
11 Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or  
12 granted by the Constitution and laws of the State, or to institute such action, suit or proceeding in  
13 its name, and unless, also, there shall have been offered to the Trustee reasonable security and  
14 indemnity against the cost, expense and liabilities to be incurred therein or thereby and the  
15 Trustee shall have refused or neglected to comply with such request within a reasonable time, and  
16 such notification, request and offer of indemnity are hereby declared in every such case, at the  
17 option of the Trustee, to be conditions precedent to the execution of the powers and trust of this  
18 ordinance or to any other remedy hereunder. It is understood and intended that no one or more  
19 owners of the bonds shall have any right in any manner whatever by his or their action to affect,  
20 disturb or prejudice the security of this ordinance, or to enforce any right hereunder except in the  
21 manner herein provided, that all proceedings at law or in equity shall be instituted, had and  
22 maintained in the manner herein provided and for the benefit of all owners of the outstanding  
23 bonds, and that any individual rights of action or other right given to one or more of such owners  
24 by law are restricted by this ordinance to the rights and remedies herein provided.

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

29 (d) No remedy herein conferred upon or reserved to the Trustee, the Insurer or to the owners  
30 of the bonds is intended to be exclusive of any other remedy or remedies herein provided, and  
31 each and every such remedy shall be cumulative and shall be in addition to every other remedy  
32 given hereunder or given by any law or by the Constitution of the State.

33 (e) No delay or omission of the Trustee, the Insurer or of any owners of the bonds to exercise  
34 any right or power accrued upon any default shall impair any such right or power or shall be  
35 construed to be a waiver of any such default or an acquiescence therein, and every power and

1 remedy given by this Ordinance to the Trustee, the Insurer and to the owners of the bonds,  
2 respectively, may be exercised from time to time and as often as may be deemed expedient.

3 (f) Subject to the provisions of subparagraph (g) below, the Trustee may, and upon the  
4 written request of the owners of not less than a majority of the owners in principal amount of the  
5 bonds then outstanding shall, waive any default which shall have been remedied before the entry  
6 of final judgment or decree in any suit, action or proceeding instituted under the provisions of this  
7 Ordinance or before the completion of the enforcement of any other remedy, but no such waiver  
8 shall extend to or affect any other existing or any subsequent default or defaults or impair any  
9 rights or remedies consequent thereon.

10 (g) Notwithstanding the above, upon the occurrence and continuance of a default, the Insurer  
11 shall be deemed to be the sole holder of the bonds for all purposes under this ordinance,  
12 including, without limitation, for purposes of exercising remedies and approving amendments.

13 **Section 18.** When the bonds have been executed and sealed as herein provided, they shall be  
14 delivered to the Trustee, which shall authenticate them and deliver them to or at the direction of the  
15 Purchaser upon payment of the Purchase Price. Unless paid by the Purchaser as part of the Purchase  
16 Price, the amount necessary to pay the premiums for the Insurance Policy and the Reserve Policy shall be  
17 paid to the Insurer. The expenses of issuing the bonds as set forth in the delivery instructions to the  
18 Trustee signed by the Mayor and City Clerk shall be paid from the Purchase Price.

19 The balance of the Purchase Price shall be deposited in a special account of the City hereby created  
20 and designated the "2018 MacArthur Park Construction Fund" (the "Construction Fund") in the Trustee.  
21 The moneys in the Construction Fund shall be used for accomplishing the Improvements, paying  
22 expenses incidental thereto and paying the expenses of issuing the bonds. Moneys in the Construction  
23 Fund shall also be used to pay the principal of and interest on the bonds when due if moneys in the Bond  
24 Fund are not sufficient for that purpose. There shall be created in the Construction Fund the following  
25 accounts: Arts Center Account and MacArthur Museum Account. There shall be allocated to the  
26 MacArthur Museum Account the sum of One Million Dollars (\$1,000,000.00) from the Purchase Price.  
27 The remainder of the Purchase Price deposited into the Construction Fund shall be allocated to the Arts  
28 Center Account. Moneys in the Arts Center Account shall be expended on Improvements for the Arts  
29 Center and a pro rata share of the expenses of issuing the bonds. Moneys in the MacArthur Museum  
30 Account shall be expended on Improvements for the MacArthur Museum and a pro rata share of the  
31 expenses of issuing the bonds. Disbursements shall be made from the Construction Fund on the basis of  
32 requisitions which shall specify: the name of the person, firm or corporation to whom payment is to be  
33 made; the amount of the payment; the purpose of the payment; and that the payment is a proper charge on  
34 the Construction Fund. Each requisition for the Arts Center Account must be signed by the Vice  
35 President of Finance of the Arts Center or his or her designee and by the City Finance Director or his or

1 her designee. Each requisition from the MacArthur Museum Account must be signed by the City Finance  
2 Director or his or her designee. The Trustee shall issue its check upon the Construction Fund payable to  
3 the person, firm or corporation designated in the requisition.

4 When the Improvements have been completed and all required expenses paid and expenditures made  
5 from the Construction Fund for and in connection with the accomplishment of the Improvements and the  
6 financing thereof, this fact shall, if there are moneys in the Construction Fund, be evidenced by a  
7 certificate signed by the Mayor, which certificate shall state, among other things, the date of the  
8 completion and that all obligations payable from the Construction Fund have been discharged. A copy of  
9 the certificate shall be filed with the Trustee, and upon receipt thereof the Trustee shall transfer any  
10 remaining balance to the Bond Fund.

11 **Section 19.**

12 (a) Moneys held for the credit of the Construction Fund may be invested and reinvested in  
13 Permitted Investments or other investments permitted by State Law, which shall mature, or which  
14 shall be subject to redemption by the holder thereof, at the option of such holder, not later than  
15 the date or dates when such money will be required for the purposes intended.

16 (b) Moneys held for the credit of the Bond Fund and the Revenue Fund shall be invested and  
17 reinvested in Permitted Investments, which shall mature, or which shall be subject to redemption  
18 by the holder thereof, at the option of such holder, not later than the date or dates when the  
19 moneys will be required for payment of the principal of and interest on the bonds when due.

20 (c) The Trustee shall invest and reinvest moneys held by it pursuant to the direction of the  
21 City and in the Trustee's discretion in the absence of any direct instructions from the City.

22 (d) Obligations so purchased as an investment of moneys in any fund shall be deemed at all  
23 times to be a part of such fund and any profit or loss realized from such investments shall be  
24 credited to such fund.

25 (e) To the extent not insured by the Federal Deposit Insurance Corporation or invested as  
26 provided herein, all moneys in the funds created hereby be secured in the manner required or  
27 permitted by State law. All security for deposits shall be perfected in such manner as may be  
28 required or permitted under State law in order to grant to the City a perfected security interest in  
29 such deposits.

30 (f) "Permitted Investments" means any of the securities that are at the time legal for  
31 investment of City funds pursuant to Resolution No. 12,520 of the City and Arkansas Code  
32 Annotated §§19-1-501-505 (Supp. 2013), as each may be amended from time to time.

33 **Section 20.**

34 (a) The Trustee shall be responsible for the exercise of good faith and reasonable prudence in  
35 the execution of its trusts. The recitals in this ordinance and in the bonds are the recitals of the

1 City and not of the Trustee. The Trustee shall not be required to take any action as Trustee unless  
2 it shall have been requested to do so in writing by (1) the Insurer or (2) the owners of not less  
3 than 10% in principal amount of bonds then outstanding and shall have been offered reasonable  
4 security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby.  
5 The Trustee may resign by giving sixty (60) days' notice in writing to the City Clerk, the Insurer  
6 and the owners of the bonds, and the majority in principal amount of the owners of the  
7 outstanding bonds, the Insurer or the City, so long as it is not in default hereunder, at any time,  
8 with or without cause, may remove the Trustee. In addition, the Insurer shall have the right to  
9 remove the Trustee for any breach by the Trustee of the terms of this ordinance. In the event of a  
10 vacancy in the office of Trustee, the City shall forthwith designate a new Trustee by a written  
11 instrument filed in the Office of the City Clerk and the Insurer. The new Trustee shall be a bank  
12 or a trust company in good standing, duly authorized to exercise trust powers and subject to  
13 examination by Federal or State authority, having a reported capital and surplus of not less than  
14 Fifty Million Dollars (\$50,000,000.00) (or is an affiliate of, or has a contractual relationship with,  
15 a corporation or banking association meeting such capital and surplus requirements which  
16 guarantees the obligations and liabilities of the proposed trustee). The Trustee and any successor  
17 Trustee shall file a written acceptance and agreement to execute the trusts imposed upon it by this  
18 ordinance, but only upon the terms and conditions set forth in this ordinance and subject to the  
19 provisions of this ordinance, to all of which the respective owners of the bonds agree. Such  
20 written acceptance shall be filed with the City Clerk, the Insurer, and a copy thereof shall be  
21 placed in the bond transcript. Any successor Trustee shall have all the powers herein granted to  
22 the original Trustee. The Trustee's resignation shall take effect upon the acceptance of the trusts  
23 by the successor Trustee. Notwithstanding the above, no removal, resignation or termination of  
24 the Trustee shall take effect until a successor Trustee, acceptable to the Insurer, shall be qualified  
25 and appointed.

26 (b) Any trustee must be (i) a national banking association that is supervised by the Office of  
27 the Comptroller of the Currency and has at least \$250 million of assets, (ii) a state-chartered  
28 commercial bank that is a member of the Federal Reserve System and has at least \$1 billion of  
29 assets or (iii) otherwise approved by the Insurer in writing.

30 **Section 21.**

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

34 (b) The Trustee may consent to any variation or change in this ordinance (i) that the  
35 Trustee determines is not to the material prejudice of the owners of the bonds or (ii) in order to

1 cure any ambiguity, defect or omission in this ordinance or any amendment hereto, with the prior  
2 written consent of the Insurer but without the consent of the owners of the bonds.

3 (c) The Insurer and the owners of not less than 75% in aggregate principal amount of the  
4 bonds then outstanding shall have the right, from time to time, anything contained in this  
5 ordinance to the contrary notwithstanding, to consent to and approve the adoption by the City of  
6 such ordinance supplemental hereto as shall be necessary or desirable for the purpose of  
7 modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or  
8 provisions contained in this ordinance or in any supplemental ordinance; provided, however, that  
9 nothing contained in this Section shall permit or be construed as permitting (1) an extension of  
10 the maturity of the principal of or the interest on any bond, or (2) a reduction in the principal  
11 amount of any bond or the rate of interest thereon, or (3) the creation of a pledge of the Pledged  
12 Revenues superior to the pledge created by this ordinance, or (4) a privilege or priority of any  
13 bond or bonds over any other bond or bonds, or (5) a reduction in the aggregate principal amount  
14 of the bonds required for consent to such supplemental ordinance.

15 (d) The City shall send copies of any amendments or supplements to this ordinance to the  
16 Insurer and any rating agency which has assigned a rating to the bonds. Any amendments or  
17 supplements to this ordinance shall require the prior written consent of the Insurer with the  
18 exception of amendments or supplements: (i) to cure any ambiguity or formal defect or omissions  
19 or to correct any inconsistent provisions in this ordinance or in any supplement hereto, or (ii) to  
20 grant or confer upon the holders of the bonds any additional rights, remedies, powers, authority or  
21 security that may lawfully be granted or conferred upon the holders of the bonds, or (iii) to add to  
22 the conditions, limitations and restrictions on the issuance of bonds or other obligations under the  
23 provisions of this ordinance other conditions, limitations and restrictions thereafter to be  
24 observed, or (iv) to add to the covenants and agreements of the City in this ordinance other  
25 covenants and agreements thereafter to be observed by the City or to surrender any right or power  
26 therein reserved to or conferred upon the City, or (v) to issue Additional Parity Bonds pursuant to  
27 Section 13 hereof.

28 **Section 22.** The Reserve Agreement, in substantially the form submitted to this meeting is hereby  
29 approved, and the Mayor and the City Clerk are hereby authorized and directed to execute and deliver the  
30 Reserve Agreement on behalf of the City, and the Mayor and other officers of the City are authorized to  
31 execute and deliver such undertakings as may be appropriate to the securing of the Reserve Policy.

32 **Section 23.**

33 (a) The City covenants that it shall not take any action or suffer or permit any action to be  
34 taken or condition to exist which causes or may cause the interest payable on the bonds to be  
35 included in gross income for Federal Income Tax purposes. Without limiting the generality of the

1 foregoing, the City covenants that the proceeds of the sale of the bonds and the Pledged Revenues  
2 will not be used directly or indirectly in such manner as to cause the bonds to be treated as  
3 “arbitrage bonds” within the meaning of Section 148 of the Code.

4 (b) The City represents that it has not used or permitted the use of, and covenants that it will  
5 not use or permit the use of the Improvements for the MacArthur Museum or the proceeds of the  
6 bonds allocated to the MacArthur Museum (the “MacArthur Museum Bonds”), in such manner as  
7 to cause the MacArthur Museum Bonds to be “private activity bonds” within the meaning of  
8 Section 141 of the Code.

9 (c) The City covenants that the bonds allocated to the Arts Center (the “Arts Center Bonds”) will be “qualified 501(c)(3) bonds” as defined in Section 145 of the Code. In this regard, the City  
10 covenants (i) that at least 95% of the net proceeds of the Arts Center Bonds will be expended for  
11 the Improvements for the Arts Center, (ii) that not more than 2% of the proceeds of the Arts  
12 Center Bonds will be expended to pay the costs of issuance of the Arts Center Bonds, including  
13 underwriter’s discount, (iii) that the weighted average maturity of the Arts Center Bonds does not  
14 exceed the expected economic life of the Improvements allocated to the Arts Center by more than  
15 20% and (iv) that while the Arts Center Bonds are outstanding, the Improvements for the Arts  
16 Center will not be sold or leased to, or by, a nongovernmental entity that is not a tax-exempt  
17 organization under Section 501(c)(3) of the Code, unless the City receives an opinion of bond  
18 counsel to the effect that such sale or lease or management arrangement will not adversely affect  
19 the tax-exempt status of interest on the outstanding Arts Center Bonds for Federal Income Tax  
20 purposes.  
21

22 (d) The City covenants that it will not reimburse itself from bond proceeds for any costs paid  
23 prior to the date the bonds are issued except in compliance with United States Treasury  
24 Regulation No. 1.150-2.

25 (e) The City covenants that it will, in compliance with the requirements of Section 148(f) of  
26 the Code, pay with moneys in the Bond Fund to the United States Government in accordance  
27 with the requirements of Section 148(f) of the Code, from time to time, an amount equal to the  
28 sum of (1) the excess of (A) the amount earned on all Non-purpose Investments (as therein  
29 defined) attributable to the bonds, other than investments attributable to such excess over (B) the  
30 amount which would have been earned if such Non-purpose Investments attributable to the bonds  
31 were invested at a rate equal to the Yield (as defined in the Code) on the bonds, plus (2) any  
32 income attributable to the excess described in (1), subject to the exceptions set forth in Section  
33 148 of the Code. The City further covenants that in order to assure compliance with its covenants  
34 herein, it will employ a qualified consultant to advise the City in making the determination  
35 required to comply with this subsection (e). Anything herein to the contrary notwithstanding this



1 provision may be modified or rescinded if in the opinion of Bond Counsel such modification or  
2 rescission will not affect the tax-exempt status of the bonds for Federal Income Tax purposes.

3 **Section 24.** The City covenants that it will take no action which would cause the bonds to be  
4 “Federally guaranteed” within the meaning of Section 149(b) of the Code. The City further covenants  
5 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  
6 second calendar month after the close of the calendar quarter in which the bonds are issued, a statement  
7 concerning the bonds which contains the information required by Section 149(e) of the Code.

8 **Section 25.**

9 (a) The City will provide the Insurer with all notices and other information it is obligated to  
10 provide under the Disclosure Agreement and to the holders of the bonds or the Trustee under this  
11 ordinance.

12 The notice address of the Insurer is: Build America Mutual Assurance Company, 200 Liberty  
13 Street, 27<sup>th</sup> Floor, New York, NY, 10281, Attention: Surveillance, Re: Policy No.  
14 \_\_\_\_\_, Telephone: (212) 235-2500, Telecopier: (212) 235-1542, E-mail:  
15 notices@buildamerica.com. In each case in which notice or other communication refers to an  
16 event of default or a claim on the Insurance Policy, then a copy of such notice or other  
17 communication shall also be sent to the attention of the General Counsel at the same address and  
18 at claims@buildamerica.com or at Telecopier: (212) 235-5214 and shall be marked to indicate  
19 "URGENT MATERIAL ENCLOSED."

20 (b) In the event that principal and/or interest due on the bonds shall be paid by the Insurer  
21 pursuant to the Insurance Policy, the bonds shall remain outstanding for all purposes, not be  
22 defeased or otherwise satisfied and not be considered paid by the City, the assignment and pledge  
23 granted hereby and all covenants, agreements and other obligations of the City to the registered  
24 owners shall continue to exist and shall run to the benefit of the Insurer, and the Insurer shall be  
25 subrogated to the rights of such registered owners.

26 In the event that on the 2<sup>nd</sup> business day prior to any payment date on the bonds, the Trustee  
27 has not received sufficient moneys to pay all principal of and interest on the bonds due on such  
28 payment date, the Trustee shall immediately notify the Insurer or its designee on the same  
29 business day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is  
30 made up in whole or in part prior to or on the payment date, the Trustee shall so notify the Insurer  
31 or its designee.

32 In addition, if the Trustee has notice that any holder of the bonds has been required to  
33 disgorge payments of principal of or interest on the bonds pursuant to a final, non-appealable  
34 order by a court of competent jurisdiction that such payment constitutes an avoidable preference  
35 to such holder within the meaning of any applicable bankruptcy law, then the Trustee shall notify

1 the Insurer or its designee of such fact by telephone or electronic mail, or by overnight or other  
2 delivery service as to which a delivery receipt is signed by a person authorized to accept delivery  
3 on behalf of the Insurer.

4 The Trustee shall irrevocably be designated, appointed, directed and authorized to act as  
5 attorney-in-fact for holders of the bonds as follows:

6 (i) If there is a deficiency in amounts required to pay interest and/or principal on the  
7 bonds, the Trustee shall (1) execute and deliver to the Insurer, in form satisfactory to  
8 the Insurer, an instrument appointing the Insurer as agent and attorney-in-fact for  
9 such holders of the bonds in any legal proceeding related to the payment and  
10 assignment to the Insurer of the claims for interest on the bonds, (2) receive as  
11 designee of the respective holders (and not as paying agent) in accordance with the  
12 tenor of the Insurance Policy payment from the Insurer with respect to the claims for  
13 interest so assigned, (3) segregate all such payments in a separate account (the "BAM  
14 Policy Account") to only be used to make scheduled payments of principal of and  
15 interest on the bonds, and (4) disburse the same to such respective holders; and

16 (ii) If there is a deficiency in amounts required to pay principal of the bonds, the Trustee  
17 shall (1) execute and deliver to the Insurer, in form satisfactory to the Insurer, an  
18 instrument appointing the Insurer as agent and attorney-in-fact for such holder of the  
19 bonds in any legal proceeding related to the payment of such principal and an  
20 assignment to the Insurer of the bonds surrendered to the Insurer, (2) receive as  
21 designee of the respective holders (and not as paying agent) in accordance with the  
22 tenor of the Insurance Policy payment therefore from the Insurer, (3) segregate all  
23 such payments in the BAM Policy Account to only be used to make scheduled  
24 payments of principal of and interest on the bonds and (4) disburse the same to such  
25 holders.

26 The Trustee shall designate any portion of payment of principal on bonds paid by the Insurer,  
27 whether by virtue of mandatory sinking fund redemption, maturity or other advancement of  
28 maturity, on its books as a reduction in the principal amount of bonds registered to the then  
29 current holder, whether DTC or its nominee or otherwise, and shall issue a replacement bond to  
30 the Insurer, registered in the name directed by the Insurer, in a principal amount equal to the  
31 amount of principal so paid (without regard to authorized denominations); provided that the  
32 Trustee's failure to so designate any payment or issue any replacement bond shall have no effect  
33 on the amount of principal or interest payable by the City on any bond or the subrogation or  
34 assignment rights of the Insurer.

1           Payments with respect to claims for interest on and principal of bonds disbursed by the  
2           Trustee from proceeds of the Insurance Policy shall not be considered to discharge the obligation  
3           of the City with respect to such bonds, and the Insurer shall become the owner of such unpaid  
4           bonds and claims for the interest in accordance with the tenor of the assignment made to it under  
5           the provisions of the preceding paragraphs or otherwise. This ordinance shall not be discharged  
6           or terminated unless all amounts due or to become due to the Insurer have been paid in full or  
7           duly provided for.

8           Irrespective of whether any such assignment is executed and delivered, the City and the  
9           Trustee agree for the benefit of the Insurer that:

10          (i) To the extent the Insurer makes payments directly or indirectly (e.g., by paying  
11             through the Trustee), on account of principal of or interest on the bonds, the Insurer  
12             will be subrogated to the rights of such holders to receive the amount of such  
13             principal and interest from the City with interest on bond principal (but not bond  
14             interest), as provided and solely from the sources stated in this ordinance and the  
15             bonds; and

16          (ii) The Insurer will be paid the amount of such principal and interest, with interest on  
17             bond principal (but not bond interest), as provided herein and in the bonds, but only  
18             from the sources and in the manner provided herein and therein for the payment of  
19             principal of and interest on the bonds to holders, and the Insurer will be treated as the  
20             owner of such rights to the amount of such principal and interest.

21          (c) The City agrees unconditionally that it will pay or reimburse the Insurer on demand any  
22             and all reasonable charges, fees, costs, losses, liabilities and expenses that the Insurer may pay or  
23             incur, including, but not limited to, fees and expenses of the Insurer's agents, attorneys,  
24             accountants, consultants, appraisers and auditors and reasonable costs of investigations, in  
25             connection with the administration (including waivers and consents, if any), enforcement,  
26             defense, exercise or preservation of any rights and remedies in respect of this ordinance  
27             ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a  
28             reasonable allocation of compensation and overhead attributable to the time of employees of the  
29             Insurer spent in connection with the actions described in the preceding sentence. The City agrees  
30             that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest  
31             on the unpaid amount at the Late Payment Rate, compounded semiannually, from the date that  
32             payment is first due to the Insurer until the date the Insurer is paid in full.

33          Notwithstanding anything herein to the contrary, the City agrees to pay to the Insurer (i) a  
34             sum equal to the total of all amounts paid by the Insurer under the Insurance Policy and (ii)  
35             interest on bond principal (but not bond interest) from the date paid by the Insurer until payment

1       thereof in full by the City, payable to the Insurer at the stated interest rate for each such bond  
2       (collectively, the "Bond Insurer Reimbursement Amounts") compounded semi-annually. The City  
3       hereby covenants and agrees that the Bond Insurer Reimbursement Amounts are payable from  
4       and secured by a lien on and pledge of the Pledged Revenues and other collateral pledged to the  
5       bonds on a parity with debt service due on the bonds.

6       (d) The rights granted to the Insurer under this ordinance to request, consent to or direct any  
7       action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy.  
8       Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights  
9       and shall not be construed or deemed to be taken for the benefit, or on behalf, of the holders of  
10       the bonds and such action does not evidence any position of the Insurer, affirmative or negative,  
11       as to whether the consent of the holders of the bonds or any other person is required in addition to  
12       the consent of the Insurer.

13       (e) The Insurer shall be entitled to pay principal or interest on the bonds that shall become  
14       Due for Payment but shall be unpaid by reason of Nonpayment by the City (as such terms are  
15       defined in the Insurance Policy) in accordance with this ordinance, whether or not the Insurer has  
16       received a claim upon the Insurance Policy.

17       (f) Any amendment, supplement, modification to, or waiver of, this ordinance that requires  
18       the consent of holders of the bonds or adversely affects the rights or interests of the Insurer shall  
19       be subject to the prior written consent of the Insurer.

20       (g) Any reorganization or liquidation plan with respect to the City must be acceptable to the  
21       Insurer. The Trustee and each owner of the bonds hereby appoint the Insurer as their agent and  
22       attorney-in-fact with respect to the bonds and agree that the Insurer may at any time during the  
23       continuation of any proceeding by or against the City under the United States Bankruptcy Code  
24       or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an  
25       "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including  
26       without limitation, (i) all matters relating to any claim or enforcement proceeding in connection  
27       with an Insolvency Proceeding (a "Claim"), (ii) the direction of any appeal of any order relating  
28       to any Claim, (iii) the posting of any surety, supersedeas or performance bond pending any such  
29       appeal, and (iv) the right to vote to accept or reject any plan of adjustment. In addition, the  
30       Trustee and each owner of the bonds delegate and assign to the Insurer, to the fullest extent  
31       permitted by law, the rights of the Trustee and each owner of the bonds with respect to the bonds  
32       in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party  
33       to an adversary proceeding or action with respect to any court order issued in connection with any  
34       Insolvency Proceeding.

1 (h) Anything in this ordinance to the contrary notwithstanding, upon the occurrence and  
2 continuance of a default, the Insurer shall be entitled to control and direct the enforcement of all  
3 rights and remedies granted to the holders of the bonds or the Trustee for the benefit of the  
4 holders of the bonds under this ordinance. No default may be waived without the Insurer's  
5 written consent.

6 (i) If an Insurer Default (as defined below) shall occur and be continuing, then,  
7 notwithstanding anything herein to the contrary, (1) if at any time prior to or following an Insurer  
8 Default, the Insurer has made payment under the Insurance Policy, to the extent of such payment  
9 the Insurer shall be treated like any other holder of the bonds for all purposes, including giving of  
10 consents, and (2) if the Insurer has not made any payment under the Insurance Policy, the Insurer  
11 shall have no further consent rights until the particular Insurer Default is no longer continuing or  
12 the Insurer makes a payment under the Insurance Policy, in which event, the foregoing clause (1)  
13 shall control. For purposes of this paragraph, "Insurer Default" means: (A) the Insurer has failed  
14 to make any payment under the Insurance Policy when due and owing in accordance with its  
15 terms; or (B) the Insurer shall (i) voluntarily commence any proceeding or file any petition  
16 seeking relief under the United States Bankruptcy Code or any other Federal, State or foreign  
17 bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a  
18 timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply  
19 for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official  
20 for such party or for a substantial part of its property, (iv) file an answer admitting the material  
21 allegations of a petition filed against it in any such proceeding, (v) make a general assignment for  
22 the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C)  
23 any State or Federal Agency or instrumentality shall order the suspension of payments on the  
24 Insurance Policy or shall obtain an order or grant approval for the rehabilitation, liquidation,  
25 conservation or dissolution of the Insurer (including without limitation under the New York  
26 Insurance Law).

27 (j) The Insurer is recognized as and shall be deemed to be a third-party beneficiary of this  
28 Ordinance and may enforce the provisions of this ordinance.

29 (k) No grace period shall be permitted for payment defaults on the bonds. No grace period  
30 for a covenant default shall exceed thirty (30) days without the prior written consent of the  
31 Insurer.

32 **Section 26.** In the event the offices of Mayor, City Clerk, Senior Vice President of Finance and  
33 Administration of LRCVB or Commission, City Finance Director or Vice President of Finance of the  
34 Arts Center shall be abolished, or any two (2) or more of such offices shall be merged or consolidated, or  
35 in the event the duties of a particular office shall be transferred to another office or officer, or in the event

1 of a vacancy in any such office by reason of death, resignation, removal from office, or otherwise, or in  
2 the event any such officer shall become incapable of performing the duties of his office by reason of  
3 sickness, absence from the City, or otherwise, all powers conferred and all obligations and duties imposed  
4 upon such office or officer shall be performed by the office or officer succeeding to the principal function  
5 thereof, or by the office or officer upon whom such powers, obligations, and duties shall be imposed by  
6 law.

7 **Section 27.** The requirements of Little Rock, Ark., Ordinance No. 15,249 (February 17, 1987),  
8 codified as Little Rock, Ark., Rev. Code § 2-172 (1988), as they may relate to the authorization and sale  
9 of the bonds, are hereby waived.

10 **Section 28.** The City agrees and acknowledges that the Tax is not pledged as security to the City's  
11 Hotel and Restaurant Gross Receipts Tax Bonds, Series 2014 (the "Hotel and Restaurant Bonds").  
12 Similarly, the City agrees and acknowledges that the 2% hotel and restaurant tax pledged as security for  
13 the Hotel and Restaurant Bonds is not pledged as security to the bonds.

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

19 **Section 30. Repealer.** All laws, ordinances, resolutions, or parts of the same, that are inconsistent  
20 with the provisions of this resolution, are hereby repealed to the extent of such inconsistency.

21 **Section 31. Emergency Clause.** *It is hereby ascertained and declared that the Improvements are*  
22 *immediately needed for the preservation of the public peace, health and safety and to remove existing*  
23 *hazards thereto. The Improvements cannot be accomplished without the issuance of the bonds,*  
24 *which cannot be sold at the interest rates specified herein unless this Ordinance is immediately effective.*  
25 *Therefore, it is declared that an emergency exists and this Ordinance being necessary for the*  
26 *preservation of the public peace, health and safety shall be in force and take effect immediately upon and*  
27 *after its passage.*

28 **PASSED: March 20, 2018**

29 **ATTEST:**

**APPROVED:**

31 \_\_\_\_\_  
32 **Susan Langley, City Clerk**

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

33 **APPROVED AS TO LEGAL FORM:**

34 \_\_\_\_\_  
35 \_\_\_\_\_  
36 **Thomas M. Carpenter, City Attorney**

1 **EXHIBIT A**

2  
3 **NOTICE OF PUBLIC HEARING**

4  
5 Notice is hereby given by the City of Little Rock, Arkansas (the “City”) that the City proposes to  
6 issue its Hotel Gross Receipts Tax Bonds in the maximum aggregate principal amount of \$37,500,000  
7 (the “bonds”) for the purpose of (i) financing a portion of the costs of improvements to MacArthur Park,  
8 including particularly, without limitation, renovations and additions to, and furnishings and equipment  
9 for, the Arkansas Arts Center (the “Arts Center”) and renovations and equipment for the MacArthur  
10 Museum of Arkansas Military History (the “Military Museum”), including any necessary parking,  
11 landscaping, signage, drainage, lighting, road and utility improvements in MacArthur Park (the  
12 “Improvements”); (ii) providing a debt service reserve and (iii) paying the expenses of issuing the bonds.

13 The bonds were approved at the special election held in the City on February 9, 2016. The bonds will  
14 not be general obligations of the City but will be special obligations, secured solely by a pledge of  
15 collections of taxes levied by the City at an aggregate rate of 2% on gross receipts or gross proceeds  
16 derived and received from the renting, leasing or otherwise furnishing of hotel, motel, bed and breakfast  
17 or short-term condominium or apartment rental accommodations for sleeping for profit in the City.

18 The Arts Center is an art museum and activity center for the visual and performing arts. The Arts  
19 Center is currently approximately 110,000 square-feet and includes particularly, without limitation,  
20 exhibit space for an international collection of art, space for live theater productions, space for a museum  
21 school, space for lectures, films and family programs, education spaces, and administrative and service  
22 space. The Improvements for purposes of the Arts Center include particularly, without limitation,  
23 acquiring, constructing, equipping and furnishing the renovation, remodeling, and expansion of the Arts  
24 Center, including adding building space to the existing Arts Center and improvements to the Arts Centers  
25 grounds and parking facilities. After the Improvements to the Arts Center are completed, it is anticipated  
26 that the Arts Center will consist of approximately 127,000 square-feet and include particularly, without  
27 limitation, exhibit space for an international collection of art, space for live theater productions, space for  
28 a museum school, space for lectures, films and family programs, education spaces, and administrative and  
29 service space. A maximum aggregate principal amount of \$36,400,000 of the bonds will finance the  
30 Improvements to the Arts Center. The facilities that comprise the Arts Center are owned by the City, and  
31 the governing body of the Arts Center is appointed by the Board of Directors of the City. The Arts Center  
32 is located at 501 East 9<sup>th</sup> Street, Little Rock, Arkansas, 72202. The Arkansas Arts Center Foundation, an  
33 Arkansas nonprofit corporation and an organization described in Section 501(c)(3) of the Internal  
34 Revenue Code of 1986, as amended (the “Code”), manages and administers an endowment fund for the  
35 Arts Center and holds legal title to a collection of art objects located at the Arts Center. The \$36,400,000

1 portion of the bonds to be used to finance Improvements to the Arts Center will be treated for federal tax  
2 purposes as a separate issue of “qualified 501(c)(3) bonds” under the Code.

3 The Military Museum is a historical museum that preserves the contribution of Arkansas men and  
4 women who served in the armed forces. Exhibits feature artifacts, photographs, weapons, documents,  
5 uniforms and other military items that portray Arkansas military history at home and abroad. The  
6 Military Museum is approximately 19,500 square-feet. A maximum aggregate principal amount of  
7 \$1,100,000 of the bonds will finance Improvements to the Military Museum. The facilities that comprise  
8 the Military Museum are owned by the City, and the governing body of the Military Museum is appointed  
9 by the Board of Directors of the City. The Military Museum is located at 503 East 9th Street, Little Rock,  
10 Arkansas 72202. The \$1,100,000 portion of the bonds to be used to finance Improvements related to the  
11 Military Museum will be treated for federal tax purposes as a separate issue of governmental bonds under  
12 the Code.

13 A public hearing concerning the proposed issuance of the bonds will be held by the Board of  
14 Directors at its meeting that will start at 6:00 PM on the 20<sup>th</sup> day of March, 2018, at City Hall, 500 West  
15 Markham, Little Rock, Arkansas. At the public hearing, all interested persons shall have an opportunity  
16 to be heard concerning the proposed issuance of the bonds.

17 This 1st day of March, 2018.

18  
19 /s/ Susan Langley  
20 **City Clerk**

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