ORDINANCE NO. ______

AN ORDINANCE TO AUTHORIZE THE ISSUANCE OF A MAXIMUM PRINCIPAL AMOUNT OF THIRTY-SEVEN MILLION, FIVE HUNDRED THOUSAND DOLLARS ($37,500,000.00) OF HOTEL GROSS RECEIPTS TAX BONDS FOR THE PURPOSE OF FINANCING A PORTION OF THE COSTS OF CAPITAL IMPROVEMENTS IN MACARTHUR PARK, INCLUDING THE MACARTHUR MUSEUM OF ARKANSAS MILITARY HISTORY AND THE ARKANSAS ARTS CENTER; TO PLEDGE COLLECTIONS OF A 2% HOTEL GROSS RECEIPTS TAX TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

WHEREAS, there was submitted to the qualified electors of the City of Little Rock, Arkansas (the “City”), the question of issuing, under Amendment No. 62 to the Constitution of the State of Arkansas (the “State”) and under Title 14, Chapter 164, Subchapter 3 and Title 26, Chapter 75, Subchapter 6 of the Arkansas Code of 1987 Annotated (the “Authorizing Legislation”), Capital Improvement Bonds in the maximum principal amount of Thirty-Seven Million, Five Hundred Thousand Dollars ($37,500,000.00) for the purpose of financing a portion of the costs of improvements to MacArthur Park, including particularly, without limitation, renovations and additions to, and furnishings and equipment for, the Arkansas Arts Center (the “Arts Center”) and renovations and equipment for the MacArthur Museum of Arkansas Military History (the “MacArthur Museum”), including any necessary parking, landscaping, signage, drainage, lighting, road and utility improvements in MacArthur Park (collectively, the “Improvements”); and

WHEREAS, at the special election held February 9, 2016, a majority of the electors voting on the question approved the issuance of such bonds; and

WHEREAS, the Arts Center is used as a venue for Arts Center programs and for the exhibition of works of art; and

WHEREAS, the MacArthur Museum is used to display artifacts, photographs, weapons, documents, uniforms and other military items that portray Arkansas’ military history both at home and abroad; and

WHEREAS, the Arts Center and the MacArthur Museum promote tourism in the City and regularly attract visitors from outside the City; and

WHEREAS, in addition to being a part of the City’s park system, the Arts Center and the MacArthur Museum constitute tourist oriented facilities; and
WHEREAS, the Board of Directors of the City has held a public hearing on the question of the issuance of bonds that was preceded by public notice published in the Arkansas Democrat-Gazette on March 3, 2018, in the form attached as Exhibit A hereto (the “Notice”); and

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

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

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

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

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

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

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

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

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

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY OF LITTLE ROCK, ARKANSAS:
Section 1. The Purchase Agreement, in substantially the form submitted to this meeting, is approved and the bonds are hereby sold to the Purchaser at a purchase price which shall include an underwriter's discount not greater than 0.85% (the “Purchase Price”). The Mayor is authorized to execute and deliver the Purchase Agreement for and on behalf of the City and to take all action required on the part of the City to fulfill its obligations under the Purchase Agreement.

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

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

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

For purposes of compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), the bonds shall be dated the date of delivery to the Purchaser and shall be issuable only as fully registered bonds without coupons in the denomination of Five Thousand Dollars ($5,000.00) or any integral multiple thereof. Unless the City shall otherwise direct, the bonds shall be numbered from 1
upward in order of issuance. Each bond shall have a CUSIP Number but the failure of a CUSIP Number to appear on any bond shall not affect its validity.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Form of Bond)

REGISTERED
No.____

UNITED STATES OF AMERICA
STATE OF ARKANSAS
COUNTY OF PULASKI
CITY OF LITTLE ROCK
HOTEL GROSS RECEIPTS TAX BOND
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
received, hereby promises to pay to the Registered Owner shown above upon the presentation and
surrender hereof at the principal office of First Security Bank, with offices in Searcy, Arkansas, or its
successor or successors, as Trustee and Paying Agent (the “Trustee”), on the Maturity Date shown above,
the Principal Amount shown above, in such coin or currency of the United States of America as at the
time of payment shall be legal tender for the payment of public and private debts and to pay by check or
draft to the Registered Owner shown above interest thereon, in like coin or currency from the interest
commencement date described below at the Interest Rate per annum shown above, payable on October 1,
2018, and on each April 1st and October 1st thereafter, until payment of such Principal Amount or, if this
bond or a portion hereof shall be duly called for redemption, until the date fixed for redemption, and to
pay interest on overdue principal and interest (to the extent legally enforceable) at the rate borne by this
bond. Payment of each installment of interest shall be made to the person in whose name this bond is
registered on the registration books of the City maintained by the Trustee at the close of business on the
fifteenth day of the month (whether or not a business day) next preceding each interest payment date (the
“Record Date”), irrespective of any transfer or exchange of this bond subsequent to such Record Date and
prior to such interest payment date.

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

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

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

The bonds are issued pursuant to and in full compliance with the Constitution and laws of the
State of Arkansas (the “State”), particularly Amendment No. 62 to the Constitution of the State and Title
14, Chapter 164, Subchapter 3 (the “Authorizing Legislation”), and Title 26, Chapter 75, Subchapter 6 of
the Arkansas Code of 1987 Annotated (the “Tax Legislation”), and pursuant Ordinance No. _______, duly adopted on __________, 2018, as supplemented by Ordinance No. _______, duly adopted on __________, 2018 (collectively, the “Authorizing Ordinance”), and an election duly held at which the majority of the legal voters of the City voting on the question approved the issuance of the bonds. Reference is hereby made to the Authorizing Ordinance for the details of the nature and extent of the security and of the rights and obligations of the City, the Trustee and the registered owners of the bonds. The bonds are special obligations of the City, payable from and secured by a pledge of the collections of the taxes levied at the aggregate rate of 2% upon 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 condominium or apartment rental accommodations for sleeping for profit in the City, pursuant to the authority of the Tax Legislation and Ordinance Nos. 21,140 and 21,141, duly adopted on December 1, 2015 (collectively, the “Tax”), and the City hereby pledges its collections of the Tax for the payment of this bond.

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

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

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

<table>
<thead>
<tr>
<th>Year (April 1)</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds Maturing April 1, ______</td>
<td></td>
</tr>
</tbody>
</table>

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

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

This bond is transferable by the Registered Owner shown above in person or by his attorney-in-fact duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Authorizing Ordinance, and upon surrender and cancellation of this bond. Upon such transfer a new fully registered bond or bonds of the same maturity, of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor. This bond is issued with the intent that the laws of the State shall govern its construction.
The City and the Trustee may deem and treat the Registered Owner shown above as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the City nor the Trustee shall be affected by any notice to the contrary.

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

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

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

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

CITY OF LITTLE ROCK, ARKANSAS

ATTEST:

By _________________________________

Mayor

______________________________

City Clerk

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

1. to pay the interest on the bonds then due - Debt Service Account;
2. to pay the principal of the bonds then due at maturity or upon mandatory sinking fund redemption - Debt Service Account;
3. to pay the Trustee's and Insurer’s fees and expenses and other administrative charges, any arbitrage rebate and the fees for the arbitrage rebate calculation then due - Expense Account; and
4. to redeem bonds prior to maturity - Redemption Account.

(b) When the moneys in the Bond 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, (3) the Trustee's fees and expenses and (4) any amounts due the Insurer with respect to the Insurance Policy, there shall be no obligation to make any further payments into the Bond Fund and any Pledged Revenues remaining in the Bond Fund after the principal of, premium, if any and interest on the bonds have been paid shall be used to reimburse the Insurer for any amounts owing with respect to the Insurance Policy and the Reserve Policy and the balance shall be transferred as follows: (i) one-half shall be transferred to the Advertising and Promotion Fund and used for any lawful purpose and (ii) one-half shall be transferred to the City and used for parks purposes.

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

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

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

(f) The bonds shall be specifically secured by a pledge of the Pledged Revenues, which pledge in favor of the bonds is hereby irrevocably made according to the terms of this ordinance, and the City,
and the officers and employees of the City, including, without limitation, the Commission, shall execute, perform and carry out the terms thereof in strict conformity with the provisions of this ordinance.

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

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

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

(a) The City shall repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by the Insurer. Interest shall accrue and be payable on such draws from the date of payment by the Insurer at the Late Payment Rate. "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, the Prime Rate shall be the publicly announced prime or base lending rate of such other bank, banking association or trust company bank as the Insurer, in its sole and absolute discretion, shall specify. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days.
Repayment of draws and accrued interest thereon at the Late Payment Rate (the "Reserve Policy Payments") and payment of Administrative Costs (as defined in Section 25 hereof) (collectively, "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

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

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

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

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

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

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

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

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

Section 12. Any bond shall be deemed to be paid within the meaning of this ordinance when payment of the principal of and interest on such bond (whether at maturity or upon redemption as provided herein, or otherwise), either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment (1) moneys sufficient to make such payment and/or (2) direct obligations of the United States of America ("Government Securities") that are noncallable, maturing as to principal and interest in such amounts and at such times as will provide sufficient moneys to make such
payment, and all necessary and proper fees, compensation and expenses of the Trustee with respect to
which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of
the Trustee. All moneys must be insured at all times by the Federal Deposit Insurance Corporation or
otherwise collateralized with Government Securities.

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

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

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

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

(2) The City will not exercise any prior optional redemption of bonds secured by the escrow
agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the
right to make any such redemption has been expressly reserved in the escrow agreement and such
reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii)
as a condition to any such redemption there shall be provided to the Insurer a Verification Report
as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements
remaining following any such redemption.
The City shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of the Insurer.

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

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

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

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

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

Section 17.

(a) Subject to the provisions of subparagraph (g) below, if there be any default in the payment of the principal of and interest on any of the bonds or if the City defaults in the performance of any covenant contained in this ordinance or if the City declares bankruptcy, the Trustee may, and shall, upon the written request of (1) the Insurer or (2) with the consent of the Insurer, the owners of not less than 10% in principal amount of the bonds then outstanding, by proper suit compel the performance of the duties of the officials of the City and the Commission under the Constitution.
and laws of the State and under this ordinance, and to take any action or obtain any proper relief
in law or equity available under the Constitution and laws of the State.

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

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

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

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

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

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

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

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

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

**Section 19.**

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

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

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

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

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

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

**Section 20.**

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

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

Section 21.

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

(b) The Trustee may consent to any variation or change in this ordinance (i) that the
Trustee determines is not to the material prejudice of the owners of the bonds or (ii) in order to
cure any ambiguity, defect or omission in this ordinance or any amendment hereto, with the prior
written consent of the Insurer but without the consent of the owners of the bonds.

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

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

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

Section 23.

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

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

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

(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
coventions (i) that at least 95% of the net proceeds of the Arts Center Bonds will be expended for
the Improvements for the Arts Center, (ii) that not more than 2% of the proceeds of the Arts
Center Bonds will be expended to pay the costs of issuance of the Arts Center Bonds, including
underwriter’s discount, (iii) that the weighted average maturity of the Arts Center Bonds does not
exceed the expected economic life of the Improvements allocated to the Arts Center by more than
20% and (iv) that while the Arts Center Bonds are outstanding, the Improvements for the Arts
Center will not be sold or leased to, or by, a nongovernmental entity that is not a tax-exempt
organization under Section 501(c)(3) of the Code, unless the City receives an opinion of bond
counsel to the effect that such sale or lease or management arrangement will not adversely affect
the tax-exempt status of interest on the outstanding Arts Center Bonds for Federal Income Tax
purposes.

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

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

**Section 24.** The City covenants that it will take no action which would cause the bonds to be “Federally guaranteed” within the meaning of Section 149(b) of the Code. The City further covenants that it will submit to the Secretary of the Treasury of the United States, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the bonds are issued, a statement concerning the bonds which contains the information required by Section 149(e) of the Code.

**Section 25.**

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

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

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

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

In addition, if the Trustee has notice that any holder of the bonds has been required to discharge payments of principal of or interest on the bonds pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy law, then the Trustee shall notify
the Insurer or its designee of such fact by telephone or electronic mail, or by overnight or other
delivery service as to which a delivery receipt is signed by a person authorized to accept delivery
on behalf of the Insurer.

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

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

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

The Trustee shall designate any portion of payment of principal on bonds paid by the Insurer,
whether by virtue of mandatory sinking fund redemption, maturity or other advancement of
maturity, on its books as a reduction in the principal amount of bonds registered to the then
current holder, whether DTC or its nominee or otherwise, and shall issue a replacement bond to
the Insurer, registered in the name directed by the Insurer, in a principal amount equal to the
amount of principal so paid (without regard to authorized denominations); provided that the
Trustee's failure to so designate any payment or issue any replacement bond shall have no effect
on the amount of principal or interest payable by the City on any bond or the subrogation or
assignment rights of the Insurer.
Payments with respect to claims for interest on and principal of bonds disbursed by the
Trustee from proceeds of the Insurance Policy shall not be considered to discharge the obligation
of the City with respect to such bonds, and the Insurer shall become the owner of such unpaid
bonds and claims for the interest in accordance with the tenor of the assignment made to it under
the provisions of the preceding paragraphs or otherwise. This ordinance shall not be discharged
or terminated unless all amounts due or to become due to the Insurer have been paid in full or
duly provided for.

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

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

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

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

Notwithstanding anything herein to the contrary, the City agrees to pay to the Insurer (i) a
sum equal to the total of all amounts paid by the Insurer under the Insurance Policy and (ii)
interest on bond principal (but not bond interest) from the date paid by the Insurer until payment
thereof in full by the City, payable to the Insurer at the stated interest rate for each such bond (collectively, the "Bond Insurer Reimbursement Amounts") compounded semi-annually. The City hereby covenants and agrees that the Bond Insurer Reimbursement Amounts are payable from and secured by a lien on and pledge of the Pledged Revenues and other collateral pledged to the bonds on a parity with debt service due on the bonds.

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

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

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

(g) Any reorganization or liquidation plan with respect to the City must be acceptable to the Insurer. The Trustee and each owner of the bonds hereby appoint the Insurer as their agent and attorney-in-fact with respect to the bonds and agree that the Insurer may at any time during the continuation of any proceeding by or against the City under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (i) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (ii) the direction of any appeal of any order relating to any Claim, (iii) the posting of any surety, supersedeas or performance bond pending any such appeal, and (iv) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each owner of the bonds delegate and assign to the Insurer, to the fullest extent permitted by law, the rights of the Trustee and each owner of the bonds with respect to the bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any Insolvency Proceeding.
(h) Anything in this ordinance to the contrary notwithstanding, upon the occurrence and
continuance of a default, the Insurer shall be entitled to control and direct the enforcement of all
rights and remedies granted to the holders of the bonds or the Trustee for the benefit of the
holders of the bonds under this ordinance. No default may be waived without the Insurer's
written consent.

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

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

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

Section 26. In the event the offices of Mayor, City Clerk, Senior Vice President of Finance and
Administration of LRCVB or Commission, City Finance Director or Vice President of Finance of the
Arts Center shall be abolished, or any two (2) or more of such offices shall be merged or consolidated, or
in the event the duties of a particular office shall be transferred to another office or officer, or in the event
of a vacancy in any such office by reason of death, resignation, removal from office, or otherwise, or in
the event any such officer shall become incapable of performing the duties of his office by reason of
sickness, absence from the City, or otherwise, all powers conferred and all obligations and duties imposed
upon such office or officer shall be performed by the office or officer succeeding to the principal function
thereof, or by the office or officer upon whom such powers, obligations, and duties shall be imposed by
law.

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

Section 28. The City agrees and acknowledges that the Tax is not pledged as security to the City’s
Hotel and Restaurant Gross Receipts Tax Bonds, Series 2014 (the “Hotel and Restaurant Bonds”).
Similarly, the City agrees and acknowledges that the 2% hotel and restaurant tax pledged as security for
the Hotel and Restaurant Bonds is not pledged as security to the bonds.

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

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

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

PASSED: March 20, 2018

ATTEST:                      APPROVED:

_______________________     _________________________
Susan Langley, City Clerk          Mark Stodola, Mayor

APPROVED AS TO LEGAL FORM:

_______________________
Thomas M. Carpenter, City Attorney
EXHIBIT A

NOTICE OF PUBLIC HEARING

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

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

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

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

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

This 1st day of March, 2018.

/s/ Susan Langley
City Clerk