

1 **WHEREAS**, the Commission has approved the pledging of the Pledged Revenues (defined in
2 Section 8 hereof) to the payment of the principal of and interest on the bonds; and,

3 **WHEREAS**, the Preliminary Official Statement, dated May 26, 2014, offering the bonds for sale (the
4 “Preliminary Official Statement”), has been exhibited to and is before the Board of Directors at the
5 meeting at which this Ordinance is adopted; and,

6 **WHEREAS**, the Continuing Disclosure Agreement between the City and _____,
7 with offices in _____, Arkansas (the “Trustee”), providing for the ongoing disclosure
8 obligations of the City with respect to the bonds (the “Disclosure Agreement”), has been exhibited to and
9 is before the Board of Directors at the meeting at which this Ordinance is adopted;

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

12 **Section 1.** The bonds are hereby sold to the Purchaser at the Purchase Price. The Purchase
13 Agreement, in substantially the form exhibited to this meeting, is approved. The Mayor is hereby
14 authorized and directed to execute and deliver the Purchase Agreement on behalf of the City and to take
15 all action required on the part of the City to fulfill its obligations under the Purchase Agreement.

16 **Section 2.** The Preliminary Official Statement is hereby approved and the previous use of the
17 Preliminary Official Statement by the Purchaser in connection with the sale of the bonds is hereby in all
18 respects approved and confirmed, and the Mayor is hereby authorized and directed, for and on behalf of
19 the City, to execute the Preliminary Official Statement and the final Official Statement in the name of the
20 City for use in connection with the sale of the bonds as set forth in the Purchase Agreement.

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

26 **Section 4.** Under the authority of the Constitution and laws of the State, including particularly
27 Amendment No. 62 to the Constitution of the State and the Authorizing Legislation, the bonds are hereby
28 authorized and ordered issued in the aggregate principal amount of \$_____, the proceeds of the
29 sale of which will be used to finance all or a portion of the costs of the Improvements, provide a debt
30 service reserve, and pay expenses of issuing the bonds. The bonds shall mature on July 1 in the years and
31 in the amounts and shall bear interest as follows:

Year
(July 1)

Principal
Amount

Interest
Rate

1 The bonds shall be dated July 1, 2014, and shall be issuable only as fully registered bonds without
2 coupons in the denomination of \$5,000 or any integral multiple thereof. Unless the City shall otherwise
3 direct, the bonds shall be numbered from 1 upward in order of issuance. Each bond shall have a CUSIP
4 number but the failure of a CUSIP number to appear on any bond shall not affect its validity.

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

20 If any securities depository determines not to continue to act as a securities depository for the bonds
21 for use in a book-entry system, the City may establish a securities depository/ book-entry system
22 relationship with another securities depository. If the City does not or is unable to do so, or upon request

1 of the beneficial owners of all outstanding bonds, the City and the Trustee, after the Trustee has made
2 provision for notification of the beneficial owners by the then securities depository, shall permit
3 withdrawal of the bonds from the securities depository, and authenticate and deliver bond certificates in
4 fully registered form (in denominations of \$5,000 or integral multiples thereof) to the assigns of the
5 securities depository or its nominee, all at the cost and expense (including costs of printing definitive
6 bonds) of the City, if the City fails to maintain a securities depository/book-entry system, or of the
7 beneficial owners, if they request termination of the system.

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

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

22 Interest on the bonds shall be payable on January 1, 2015, and semiannually thereafter on January 1
23 and July 1 of each year. Payment of each installment of interest shall be made to the person in whose
24 name the bond is registered on the registration books of the City maintained by the Trustee, at the close of
25 business on the fifteenth day of the month (whether or not a business day) next preceding each interest
26 payment date (the "Record Date"), irrespective of any transfer or exchange of any such bond subsequent
27 to such Record Date and prior to such interest payment date, by check or draft mailed by the Trustee to
28 such owner at his address on such registration books. Principal of the bonds shall be payable at the
29 corporate trust office of the Trustee.

30 Each bond shall bear interest from the payment date next preceding the date on which it is
31 authenticated unless it is authenticated on an interest payment date, in which event it shall bear interest
32 from such date, or unless it is authenticated prior to the first interest payment date, in which event it shall
33 bear interest from July 1, 2014, or unless it is authenticated during the period from the Record Date to the
34 next interest payment date, in which case it shall bear interest from such interest payment date, or unless

1 at the time of authentication thereof interest is in default thereon, in which event it shall bear interest from
2 the date to which interest has been paid.

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

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

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

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

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

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

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

20 **Section 5.** The bonds shall be executed on behalf of the City by the manual or facsimile signatures
21 of the Mayor and City Clerk and shall have impressed or imprinted thereon the seal of the City.

22 **Section 6.** The bonds and the Certificate shall be in substantially the following form and the Mayor
23 and City Clerk are hereby expressly authorized and directed to make all recitals contained therein:

24 (Form of Bond)

25 REGISTERED

REGISTERED

26 No. _____

\$ _____

27
28
29
30 UNITED STATES OF AMERICA
31 STATE OF ARKANSAS
32 COUNTY OF PULASKI
33 CITY OF LITTLE ROCK
34 HOTEL AND RESTAURANT GROSS
35 RECEIPTS TAX BOND
36 SERIES 2014

37
38 Interest Rate: ____%

Maturity Date: July 1, _____

1 Dated Date: July 1, 2014
2 Registered Owner: Cede & Co.
3 Principal Amount: _____ Dollars
4 CUSIP No.: _____
5

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

8 That the City of Little Rock, County of Pulaski, State of Arkansas (the "City"), for value
9 received, hereby promises to pay to the Registered Owner shown above upon the presentation and
10 surrender hereof at the principal office of _____, with offices in _____, Arkansas,
11 or its successor or successors, as Trustee and Paying Agent (the "Trustee"), on the Maturity Date shown
12 above, the Principal Amount shown above, in such coin or currency of the United States of America as at
13 the time of payment shall be legal tender for the payment of public and private debts and to pay by check
14 or draft to the Registered Owner shown above interest thereon, in like coin or currency from the interest
15 commencement date described below at the Interest Rate per annum shown above, payable on January 1,
16 2015 and on each January 1 and July 1 thereafter, until payment of such Principal Amount or, if this bond
17 or a portion hereof shall be duly called for redemption, until the date fixed for redemption, and to pay
18 interest on overdue principal and interest (to the extent legally enforceable) at the rate borne by this bond.
19 Payment of each installment of interest shall be made to the person in whose name this bond is registered
20 on the registration books of the City maintained by the Trustee at the close of business on the fifteenth
21 day of the month (whether or not a business day) next preceding each interest payment date (the "Record
22 Date"), irrespective of any transfer or exchange of this bond subsequent to such Record Date and prior to
23 such interest payment date.
24

25 Unless this bond is presented by an authorized representative of The Depository Trust
26 Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange or
27 payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is
28 requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such
29 other entity as is required by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR
30 OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL
31 inasmuch as the registered owner hereof, Cede & Co., has an interest herein.
32

33 This bond shall bear interest from the payment date next preceding the date on which it is
34 authenticated unless it is authenticated on an interest payment date, in which event it shall bear interest
35 from such date, or unless it is authenticated during the period from the Record Date to the next interest
36 payment date, in which case it shall bear interest from such interest payment date, or unless it is
37 authenticated prior to the first interest payment date, in which event it shall bear interest from the Dated
38 Date shown above, or unless at the time of authentication hereof interest is in default hereon, in which
39 event it shall bear interest from the date to which interest has been paid.
40

41 This bond is one of an issue of City of Little Rock, Arkansas Hotel and Restaurant Gross
42 Receipts Tax Bonds, Series 2014, aggregating _____ Million _____ Hundred _____
43 Thousand Dollars (\$_____) in aggregate principal amount (the "bonds"), and is issued for the
44 purpose of financing all or a portion of the costs of renovations and additions to, and furnishings and
45 equipment for, Robinson Auditorium, providing a debt service reserve and paying expenses of
46 authorizing and issuing the bonds.
47

48 The bonds are issued pursuant to and in full compliance with the Constitution and laws of
49 the State of Arkansas (the "State"), particularly Amendment No. 62 to the Constitution of the State and
50 Title 14, Chapter 164, Subchapter 3 and Title 26, Chapter 75, Subchapter 6 of the Arkansas Code of 1987
51 Annotated (the "Authorizing Legislation"), and pursuant Ordinance No. _____, duly adopted on

1 _____, 2014 (the “Authorizing Ordinance”), and an election duly held at which the majority of the
2 legal voters of the City voting on the question approved the issuance of the bonds. Reference is hereby
3 made to the Authorizing Ordinance for the details of the nature and extent of the security and of the rights
4 and obligations of the City, the Trustee and the registered owners of the bonds. The bonds are special
5 obligations of the City, payable from collections of the 2% tax levied by the City upon the gross receipts
6 or gross proceeds from motels, hotels, restaurants, cafes, cafeterias and similar establishments in the City
7 under Title 26, Chapter 75, Subchapter 6 of the Arkansas Code of 1987 Annotated and Ordinance No.
8 12,353 of the City duly adopted on May 4, 1970 and Ordinance No. 13,527 of the City duly adopted on
9 November 7, 1978, each as amended by Ordinance No. 17,100, duly adopted on January 16, 1996 (the
10 “Tax”), and the City hereby pledges its collections of the Tax for the payment of this bond.

11
12 The bonds are subject to extraordinary, optional and mandatory sinking fund redemption
13 prior to maturity as follows:

14
15 (1) The bonds shall be redeemed by the City from proceeds of the bonds not needed
16 for the purposes intended, in whole at any time or in part on any interest payment date, at a redemption
17 price equal to the principal amount being redeemed plus accrued interest to the redemption date, in
18 inverse order of maturity (and by lot within a maturity in such manner as the Trustee may determine).

19
20 (2) The bonds may be redeemed at the option of the City, from funds from any
21 source, on and after July 1, 2024, in whole at any time, or in part on any interest payment date, at a
22 redemption price equal to the principal amount being redeemed plus accrued interest to the redemption
23 date. If fewer than all of the bonds shall be called for redemption, the particular maturities of the bonds to
24 be redeemed shall be selected by the City in its discretion. If fewer than all of the bonds of any one
25 maturity shall be called for redemption, the particular bonds or portion thereof to be redeemed from such
26 maturity shall be selected by lot by the Trustee.

27
28 (3) To the extent not previously redeemed, the bonds maturing on July 1,
29 _____ are subject to mandatory sinking fund redemption by lot in such manner as the Trustee shall
30 determine, on July 1 in the years and in the amounts set forth below, at a redemption price equal to the
31 principal amount being redeemed plus accrued interest to the date of redemption:
32
33

Bonds Maturing July 1, _____

<u>Year</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>
--------------------------------	-----------------------------------

In case any outstanding bond is in a denomination greater than \$5,000, each \$5,000 of face value of such bond shall be treated as a separate bond of the denomination of \$5,000.

Notice of redemption identifying the bonds or portions thereof (which shall be \$5,000 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 30 nor more than 60 days prior to the date fixed for redemption, by mailing a copy of the redemption notice by first class mail, postage prepaid, to all registered owners of bonds to be redeemed. Failure to mail 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 \$5,000, 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.

1
2 IN WITNESS WHEREOF, the City of Little Rock, Arkansas has caused this bond to be
3 executed by its Mayor and City Clerk and its corporate seal to be impressed or imprinted on this bond, all
4 as of the Dated Date shown above.

5
6 CITY OF LITTLE ROCK, ARKANSAS

7 ATTEST:

8
9 By _____
10 Mayor

11 _____
12 City Clerk

13
14 (SEAL)

15
16 (Form of Trustee's Certificate)

17
18 TRUSTEE'S CERTIFICATE OF AUTHENTICATION

19
20 This bond is one of the bonds issued under the provisions of the within mentioned
21 Authorizing Ordinance.

22
23 Date of Authentication: _____
24

25
26 _____
27 TRUSTEE

28
29 By _____
30 Authorized Signature

31
32 (A Form of Assignment shall be attached to the bonds.)
33
34

35 **Section 7.** The City hereby expressly pledges and appropriates collections of the 2% tax levied by
36 the City pursuant to Title 26, Chapter 75, Subchapter 6 of the Arkansas Code of 1987 Annotated and
37 Ordinance No. 12,353, adopted May 4, 1970 and Ordinance No. 132,527, adopted November 7, 1978,
38 each as amended by Ordinance No. 17,100, adopted January 16, 1996, on the gross receipts or gross
39 proceeds from motels, hotels, restaurants, cafes, cafeterias and similar establishments in the City (the
40 "Tax"), to the payment of the principal of and interest on the bonds when due at maturity or at redemption
41 prior to maturity and to the payment of the Trustee's fees and expenses. The City covenants that the Tax
42 shall never be repealed or reduced while any of the bonds are outstanding. The City further covenants to
43 use due diligence in collecting the Tax. Nothing herein shall prohibit the City from increasing the Tax
44 from time to time, to the extent permitted by law, and no part of the revenues derived from any such
45 increase shall become part of the revenues pledged hereunder.

1 **Section 8.** (a) There is hereby created in a bank selected by the Commission that is a member of the
2 Federal Deposit Insurance Corporation (“FDIC”) a special fund of the City designated as the “Hotel and
3 Restaurant Gross Receipts Tax Revenue Fund” (the “Revenue Fund”).

4 (b) On and after the date the bonds are issued, the Senior Vice President of Finance
5 and Administration of LRCVB shall deposit all collections of the Tax (the “Pledged Revenues”) as and
6 when received into the Revenue Fund. Other than transfers pursuant to subsection (c) hereof, no
7 expenditures shall be made from the General Account.

8 (c) On or before the 25th day of each month, commencing in July 2014, the Senior
9 Vice President of Finance and Administration of the LRCVB shall deposit from the Revenue Fund the
10 following amounts into the following accounts in the following order of priority:

11 (1) 1/6 of the interest on the bonds next due - Debt Service Account in the Bond
12 Fund;

13 (2) 1/12 of the principal of the bonds next due at maturity or upon mandatory sinking
14 fund redemption - Debt Service Account in the Bond Fund;

15 (3) the amount the amount, if any, which may be necessary to reimburse the issuer of
16 the Debt Service Reserve Policy (hereinafter defined) with respect to the Debt Service Reserve Policy and
17 to fund and maintain the Debt Service Reserve Fund (hereinafter identified) at any required level - Debt
18 Service Reserve Fund;

19 (4) the Trustee's fees and expenses and other administrative charges next due - the
20 Trustee's fees and expenses and other administrative charges next due, any arbitrage rebate due the
21 United States Treasury under Section 148(f) of the Internal Revenue Code of 1986, as amended (the
22 “Code”), and the fees for any arbitrage rebate calculation - Expense Account in the Bond Fund; and

23 (5) any remaining amounts shall be used to cover any deficiency in the monthly
24 transfers required by (1) through (4) above for any previous month.

25
26 The transfers made into the Debt Service Account in the Bond Fund shall be reduced in order to take into
27 account as a credit (1) interest earnings, (2) accrued interest deposited therein from bond proceeds and (3)
28 transfers from the Debt Service Reserve Fund.

29 (d) After making the monthly deposits as set forth above, all amounts in the Revenue
30 Fund shall be transferred to the City Advertising and Promotion Fund and be used for any lawful purpose.

31 **Section 9.** (a) There is hereby created a special fund of the City in the Trustee which is designated
32 “Hotel and Restaurant Gross Receipts Tax Bond Fund” (the “Bond Fund”), for the purpose of providing
33 funds for the payment of principal of and interest on the bonds as they become due at maturity or at
34 redemption prior to maturity, any arbitrage rebate, the fees for the arbitrage rebate calculation and the

1 Trustee's fees and expenses. There shall be established in the Bond Fund the following accounts into
2 which moneys from the Revenue Fund shall be deposited monthly: (i) Debt Service Account; (ii)
3 Redemption Account; and (iii) Expense Account. Moneys in the Bond Fund shall be used on each
4 interest payment date in the following order of priority as and when necessary:

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

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

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

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

11
12 (b) When the moneys in the Bond Fund shall be and remain sufficient to pay (1) the
13 principal of all the bonds then outstanding, (2) interest on the bonds until the next interest payment date
14 and (3) the Trustee's fees and expenses, there shall be no obligation to make any further payments into the
15 Bond Fund and any Pledged Revenues remaining in the Bond Fund after the principal of, premium, if any
16 and interest on the bonds have been paid shall be transferred to the Commission.

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

22 (d) The Trustee shall deposit moneys into the Redemption Account in accordance
23 with Section 17 of this Ordinance and any amounts instructed by the City to be deposited therein for the
24 purpose of optionally redeeming the bonds prior maturity. The Trustee shall use moneys in the
25 Redemption Account to redeem the bonds.

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

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

1 **Section 10.** There is hereby created a special fund in the name of the City in the Trustee which is
2 designated “Hotel and Restaurant Gross Receipts Tax Debt Service Reserve Fund” (the “Debt Service
3 Reserve Fund”). There shall be established in the Debt Service Reserve Fund a Series 2014 Reserve
4 Account into which shall be deposited a municipal bond debt service reserve insurance policy (the “Debt
5 Service Reserve Policy”) issued by _____ (the “Reserve Policy Provider”) which shall be
6 in an amount equal to one-half of the maximum annual principal and interest requirements on the bonds.
7 The Series 2014 Reserve Account in the Debt Service Reserve Fund shall only secure the bonds. Moneys
8 in the Series 2014 Reserve Account in the Debt Service Reserve Fund shall be used to make the payments
9 described in clauses (1) and (2) above with respect to the bonds if moneys in the Debt Service Account in
10 the Bond Fund are not otherwise sufficient for that purpose. The City may establish an account or
11 accounts in the Debt Service Reserve Fund to separately secure Additional Parity Bonds (hereinafter
12 defined) in an amount not to exceed one-half of the maximum annual principal and interest requirements
13 on such Additional Parity Bonds. Other accounts in the Debt Service Reserve Fund may be established
14 with cash, a surety bond or a debt service reserve insurance policy.

15 **Section 11.** Any bond shall be deemed to be paid within the meaning of this Ordinance when
16 payment of the principal of and interest on such bond (whether at maturity or upon redemption as
17 provided herein, or otherwise), either (i) shall have been made or caused to be made in accordance with
18 the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee, in trust
19 and irrevocably set aside exclusively for such payment (1) moneys sufficient to make such payment
20 and/or (2) direct obligations of the United States of America (“Government Securities”) that are
21 noncallable, maturing as to principal and interest in such amounts and at such times as will provide
22 sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses
23 of the Trustee with respect to which such deposit is made shall have been paid or the payment thereof
24 provided for to the satisfaction of the Trustee. All moneys must be insured at all times by the FDIC or
25 otherwise collateralized with Government Securities.

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

28 When all the bonds shall have been paid within the meaning of this Ordinance and if the Trustee has
29 been paid its fees and expenses, the Trustee shall take all appropriate action to cause (i) the pledge and
30 lien of this Ordinance to be discharged and cancelled, and (ii) all moneys held by it pursuant to this
31 Ordinance and which are not required for the payment of such bonds to be paid over or delivered to or at
32 the direction of the City.

33 **Section 12.** The City covenants that it will not issue any bonds, or incur any obligation, secured by a
34 lien on or pledge of Pledged Revenues, except as hereinafter provided. The City may issue additional

1 bonds secured by a pledge of the Pledged Revenues on a parity with the pledge in favor of the bonds
2 (“Additional Parity Bonds”) so long as the City has received collections of Pledged Revenues for a 12
3 month period that ends not less than 30 and not more than 90 days prior to the date that the Additional
4 Parity Bonds are authorized by the Board of Directors of the City to be issued, in an amount equal to or in
5 excess of 120% of the maximum annual debt service requirement for the bonds, any outstanding
6 Additional Parity Bonds and the Additional Parity Bonds proposed to be issued.

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

9 **Section 13.** The bonds shall be callable for payment prior to maturity in accordance with the terms
10 set out in the face of the bond form set forth in Section 6 of this Ordinance. The City hereby covenants to
11 use bond proceeds not necessary for the purposes intended to redeem bonds on the first available interest
12 payment date.

13 **Section 14.** It is hereby covenanted and agreed by the City with the owners of the bonds that the City
14 and the Commission will faithfully and punctually perform all duties with reference to the Tax and the
15 bonds required by the Constitution and laws of the State and by this Ordinance, including the collection
16 of the Tax, as herein specified and covenanted and the applying of the Pledged Revenues as herein
17 provided.

18 **Section 15.** The Commission will keep or cause to be kept proper books of accounts and records in
19 which complete and correct entries shall be made of all transactions relating to the Pledged Revenues
20 prior to their deposit into the Advertising and Promotion Fund and such books shall be available for
21 inspection by the Trustee, the Purchaser and the owner of any of the bonds at reasonable times and under
22 reasonable circumstances. Upon the written request by the Trustee, the Commission shall furnish a report
23 to the Trustee on a monthly basis of all receipts and transfers of the Pledged Revenues received by the
24 Commission. The Trustee shall provide the Commission with a monthly report of all transactions relating
25 to the Bond Fund and the Construction Fund (hereinafter identified).

26 **Section 16.** (a) If there be any default in the payment of the principal of and interest on any of the
27 bonds or if the City defaults in the performance of any covenant contained in this ordinance or if the City
28 declares bankruptcy, the Trustee may, and shall, upon the written request of the owners of not less than
29 10% in principal amount of the bonds then outstanding, by proper suit compel the performance of the
30 duties of the officials of the City and the Commission under the Constitution and laws of the State and
31 under this Ordinance, and to take any action or obtain any proper relief in law or equity available under
32 the Constitution and laws of the State.

33 (b) No owner of any bond shall have any right to institute any suit, action, mandamus or
34 other proceeding in equity or in law for the protection or enforcement of any right under this ordinance or

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

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

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

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

32 (f) The Trustee may, and upon the written request of the owners of not less than a
33 majority of the owners in principal amount of the bonds then outstanding shall, waive any default which
34 shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding

1 instituted under the provisions of this ordinance or before the completion of the enforcement of any other
2 remedy, but no such waiver shall extend to or affect any other existing or any subsequent default or
3 defaults or impair any rights or remedies consequent thereon.

4 **Section 17.** When the bonds have been executed and sealed as herein provided, they shall be
5 delivered to the Trustee, which shall authenticate them and deliver them to or at the direction of the
6 Purchaser upon payment of the Purchase Price. The accrued interest shall be deposited in the Bond Fund.
7 Unless paid by the Purchaser as part of the Purchase Price, the amount necessary to pay the premium for
8 the Debt Service Reserve Policy shall be paid to the issuer thereof. The expenses of issuing the bonds as
9 set forth in the delivery instructions to the Trustee signed by the Mayor and City Clerk shall be paid from
10 the Purchase Price.

11 The balance of the Purchase Price shall be deposited in a special account of the City
12 hereby created and designated the “2014 Robinson Auditorium Construction Fund” (the “Construction
13 Fund”) in the Trustee. The moneys in the Construction Fund shall be used for accomplishing the
14 Improvements, paying expenses incidental thereto and paying the expenses of issuing the bonds. Moneys
15 in the Construction Fund shall also be used to pay the principal of and interest on the bonds when due if
16 moneys in the Bond Fund are not sufficient for that purpose. Disbursements shall be made from the
17 Construction Fund on the basis of requisitions which shall specify: the name of the person, firm or
18 corporation to whom payment is to be made; the amount of the payment; the purpose of the payment; and
19 that the payment is a proper charge on the Construction Fund. Each requisition must be signed by two
20 authorized representatives of the Commission, which may be officers of LRCVB. The Trustee shall issue
21 its check upon the Construction Fund payable to the person, firm or corporation designated in the
22 requisition.

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

30 **Section 18.** (a) Moneys held for the credit of the Construction Fund and the Advertising and
31 Promotion Fund may be invested and reinvested in Permitted Investments or other investments permitted
32 by State law, which shall mature, or which shall be subject to redemption by the holder thereof, at the
33 option of such holder, not later than the date or dates when such money will be required for the purposes
34 intended.

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

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

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

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

14 (f) "Permitted Investments" means any of the securities that are at the time legal for
15 investment of City funds pursuant to Resolution No. 12,520 of the City and Arkansas Code Annotated
16 §§19-1-501-505 (Supp. 2013), as each may be amended from time to time.

17 **Section 19.** The Trustee shall be responsible for the exercise of good faith and reasonable prudence
18 in the execution of its trusts. The recitals in this Ordinance and in the bonds are the recitals of the City
19 and not of the Trustee. The Trustee shall not be required to take any action as Trustee unless it shall have
20 been requested to do so in writing by the owners of not less than 10% in principal amount of bonds then
21 outstanding and shall have been offered reasonable security and indemnity against the costs, expenses and
22 liabilities to be incurred therein or thereby. The Trustee may resign by giving 60 days' notice in writing
23 to the City Clerk and the owners of the bonds, and the majority in principal amount of the owners of the
24 outstanding bonds or the City, so long as it is not in default hereunder, at any time, with or without cause,
25 may remove the Trustee. In the event of a vacancy in the office of Trustee, the City shall forthwith
26 designate a new Trustee. The new Trustee shall be a bank or a trust company in good standing, duly
27 authorized to exercise trust powers and subject to examination by federal or state authority, having a
28 reported capital and surplus of not less than \$50,000,000. The Trustee and any successor Trustee shall
29 file a written acceptance and agreement to execute the trusts imposed upon it by this Ordinance, but only
30 upon the terms and conditions set forth in this Ordinance and subject to the provisions of this Ordinance,
31 to all of which the respective owners of the bonds agree. Such written acceptance shall be filed with the
32 City Clerk, and a copy thereof shall be placed in the bond transcript. Any successor Trustee shall have all
33 the powers herein granted to the original Trustee.

1 **Section 20.** (a) The terms of this Ordinance shall constitute a contract between the City and the
2 owners of the bonds and no variation or change in the undertaking herein set forth shall be made while
3 any of the bonds are outstanding, except as hereinafter set forth in subsections (b) and (c).

4 (b) The Trustee may consent to any variation or change in this Ordinance (i) that the
5 Trustee determines is not to the material prejudice of the owners of the bonds or (ii) in order to cure any
6 ambiguity, defect or omission in this Ordinance or any amendment hereto, without the consent of the
7 owners of the bonds.

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

19 **Section 21.** Notwithstanding any provision of this Ordinance to the contrary:

20 (a) In the event that payment is required under the Debt Service Reserve Policy, the
21 Trustee shall provide notice to the Reserve Policy Provider in accordance with the terms of the Debt
22 Service Reserve Policy at least five business days prior to each date upon which principal or interest is
23 due on the bonds.

24 (b) The City shall repay any draws under the Debt Service Reserve Policy and pay all
25 related reasonable expenses incurred by the Reserve Policy Provider and shall pay interest thereon from
26 the date of payment by the Reserve Policy Provider at the Late Payment Rate. "Late Payment Rate"
27 means the lesser of (x) the greater of (i) the per annum rate of interest, publicly announced from time to
28 time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending
29 rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced
30 by JP Morgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the bonds and
31 (y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late
32 Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360
33 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be
34 the publicly announced prime or base lending rate of such national bank as the Reserve Policy Provider

1 shall specify. If the interest provision of this subsection (b) shall result in an effective rate of interest
2 which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness
3 created herein, then all sums in excess of those lawfully collectible as interest for the period in question
4 shall, without further agreement or notice between or by the City and the Reserve Policy Provider, be
5 applied as additional interest for any later periods of time when amounts are outstanding hereunder to the
6 extent that interest otherwise due hereunder for such periods plus such additional interest would not
7 exceed the limit of the usury or such other laws, and any excess shall be applied upon principal
8 immediately upon receipt of such moneys by the Reserve Policy Provider, with the same force and effect
9 as if the City had specifically designated such extra sums to be so applied and the Reserve Policy Provider
10 had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall
11 any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits
12 imposed or provided by the law applicable to this transaction for the use or detention of money or for
13 forbearance in seeking its collection.

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

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

23 (c) Upon a failure of the City to pay Policy Costs when due in accordance with the
24 requirements above, the Reserve Policy Provider shall be entitled to exercise any and all legal and
25 equitable remedies available to it, including those provided under this Ordinance other than (i)
26 acceleration of the maturity of the bonds or (ii) remedies which would adversely affect owners of the
27 bonds. Notwithstanding any provision of this Ordinance to the contrary, this Ordinance shall not be
28 discharged until all Policy Costs owing to the Reserve Policy Provider shall have been paid in full. The
29 City's obligation to pay such amounts shall expressly survive payment in full of the bonds. In order to
30 secure the City's payment obligations with respect to the Policy Costs, there is hereby granted in favor of
31 the Reserve Policy Provider a security interest (subordinate to that of the owners of the bonds) in all
32 Pledged Revenues and collateral pledged as security for the bonds.

33 (d) The City shall pay or reimburse the Reserve Policy Provider any and all charges,
34 fees, costs, losses, liabilities and expenses which the Reserve Policy Provider may reasonably pay or incur

1 including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and
2 reasonable costs of investigations, in connection with (i) any accounts established to facilitate payments
3 under the Debt Service Reserve Policy, (ii) the administration, enforcement, defense or preservation of
4 any rights in respect to this Ordinance or any document executed in connection with the bonds (the
5 "Related Documents"), including defending, monitoring or participating in any litigation or proceeding
6 (including any bankruptcy proceeding in respect to the City) relating to this Ordinance or any other
7 Related Document, any party to any Related Document or the transactions contemplated by the Related
8 Documents, (iii) the foreclosure against, sale or other disposition of any collateral securing any
9 obligations under this Ordinance or any other Related Document, if any, or the pursuit of any remedies
10 under this Ordinance or any other Related Documents, to the extent such costs and expenses are not
11 recovered from such foreclosure, sale or other disposition, (iv) any amendment, waiver or other action
12 with respect to, or related to this Ordinance, the Debt Service Reserve Policy or any other Related
13 Document whether or not executed or completed, or (v) any action taken by the Reserve Policy Provider
14 to cure a default or termination or similar event (or to mitigate the effect thereof) under this Ordinance or
15 any other Related Document; costs and expenses shall include a reasonable allocation of compensation
16 and overhead attributable to time of employees of the Reserve Policy Provider spent in connection with
17 the actions described in clauses (ii) through (v) above. The Reserve Policy Provider reserves the right to
18 charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in
19 respect of this Ordinance or any other Related Document. Amounts payable by the City under this
20 Section shall bear interest at the Late Payment Rate from the date such amount is paid or incurred by the
21 Reserve Policy Provider until the date the Reserve Policy Provider is paid in full.

22 (e) The obligation of the City to pay all amounts due to the Reserve Policy Provider shall
23 be an absolute and unconditional obligation of the City and will be paid or performed strictly in
24 accordance with the provisions of this Ordinance irrespective of (i) any lack of validity or enforceability
25 of or any amendment or other modifications of, or waiver with respect to the bonds, this Ordinance or any
26 other Related Document, or (ii) any amendment or other modification of, or waiver with respect to the
27 Debt Service Reserve Policy; (iii) any exchange, release or non-perfection of any security interest in
28 property securing the bonds, this Ordinance or any other Related Documents; (iv) whether or not such
29 bonds are contingent or matured, disputed or undisputed, liquidated or unliquidated; (v) any amendment,
30 modification or waiver of or any consent to departure from the Debt Service Reserve Policy, this
31 Ordinance or all or any of the other Related Documents; (vi) the existence of any claim, setoff, defense
32 (other than the defense of payment in full) reduction, abatement or other right which the City may have at
33 any time against the Trustee or any other person or entity other than the Reserve Policy Provider, whether
34 in connection with the transactions contemplated herein or in any other Related Documents or any

1 unrelated transactions; (vii) any statement or any other document presented under or in connection with
2 the Debt Service Reserve Policy proving in any and all respects invalid, inaccurate, insufficient,
3 fraudulent or forged or any statement therein being untrue or inaccurate in any respect; or (viii) any
4 payment by the Reserve Policy Provider under the Debt Service Reserve Policy against presentation of a
5 certificate or other document which does not strictly comply with the terms of the Debt Service Reserve
6 Policy.

7 (f) The City shall fully observe, perform and fulfill each of the provisions (as each of
8 those provisions may be amended, supplemented, modified or waived with the prior written consent of
9 the Reserve Policy Provider) of this Ordinance applicable to it, each of the provisions thereof being
10 expressly incorporated into this Ordinance by reference solely for the benefit of the Reserve Policy
11 Provider as if set forth directly herein. No provision of this ordinance or any other Related Document
12 shall be amended, supplemented, modified or waived, without the prior written consent of the Reserve
13 Policy Provider, in any material respect or otherwise in a manner that could adversely affect the payment
14 obligations of the City hereunder or the priority accorded to the reimbursement of Policy Costs under this
15 Ordinance. The Reserve Policy Provider is hereby expressly made a third party beneficiary of this
16 Ordinance and each other Related Document.

17 (g) The City covenants to provide to the Reserve Policy Provider, promptly upon
18 request, any information regarding the bonds or the financial condition and operations of the City as
19 reasonably requested by the Reserve Policy Provider. The City will permit the Reserve Policy Provider to
20 discuss the affairs, finances and accounts of the City or any information the Reserve Policy Provider may
21 reasonably request regarding the security for the bonds with appropriate officers of the City and will use
22 commercially reasonable efforts to enable the Reserve Policy Provider to have access to the facilities,
23 books and records of the City on any business day upon reasonable prior notice.

24 (h) Notices and other information to the Reserve Policy Provider shall be sent to the
25 following address (or such other address as the Reserve Policy Provider may designate in writing):

26 _____.

27 **Section 23.** (a) The City covenants that it shall not take any action or suffer or permit any action to
28 be taken or condition to exist which causes or may cause the interest payable on the bonds to be included
29 in gross income for federal income tax purposes. Without limiting the generality of the foregoing, the
30 City covenants that the proceeds of the sale of the bonds and the Pledged Revenues will not be used
31 directly or indirectly in such manner as to cause the bonds to be treated as “arbitrage bonds” within the
32 meaning of Section 148 of the Code.

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

4 (c) The City covenants that it will not reimburse itself from bond proceeds for any costs
5 paid prior to the date the bonds are issued except in compliance with United States Treasury Regulation
6 No. 1.150-2 (the “Regulation”). This Ordinance shall constitute an “official intent” for the purpose of the
7 Regulation.

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

21 **Section 23.** The City covenants that it will take no action which would cause the bonds to be
22 “federally guaranteed” within the meaning of Section 149(b) of the Code. The City further covenants that
23 it will submit to the Secretary of the Treasury of the United States, not later than the 15th day of the
24 second calendar month after the close of the calendar quarter in which the bonds are issued, a statement
25 concerning the bonds which contains the information required by Section 149(e) of the Code.

26 **Section 24.** In the event the offices of Mayor, City Clerk, Senior Vice President of Finance and
27 Administration of LRCVB or Commission shall be abolished, or any two or more of such offices shall be
28 merged or consolidated, or in the event the duties of a particular office shall be transferred to another
29 office or officer, or in the event of a vacancy in any such office by reason of death, resignation, removal
30 from office, or otherwise, or in the event any such officer shall become incapable of performing the duties
31 of his office by reason of sickness, absence from the City, or otherwise, all powers conferred and all
32 obligations and duties imposed upon such office or officer shall be performed by the office or officer
33 succeeding to the principal function thereof, or by the office or officer upon whom such powers,
34 obligations, and duties shall be imposed by law.

1 **Section 25.** The provisions of this ordinance are separable and in the event that any section or part
2 hereof shall be held to be invalid, such invalidity shall not affect the remainder of this Ordinance.

3 **Section 26.** All ordinances and resolutions and parts thereof in conflict herewith are hereby repealed
4 to the extent of such conflict.

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

11 **PASSED: June 3, 2014**

12 **ATTEST:**

APPROVED:

13
14 _____
15 **Susan Langley, City Clerk**

_____ **Mark Stodola, Mayor**

16 **APPROVED AS TO LEGAL FORM:**

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18 _____
19 **Thomas M. Carpenter, City Attorney**

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