

ORDINANCE NO. 326

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF A SALES AND USE TAX BOND, SERIES 2017 FOR THE PURPOSE OF FINANCING THE COST OF CONSTRUCTING WASTEWATER FACILITIES FOR THE CITY OF GREENLAND, ARKANSAS; PLEDGING COLLECTIONS OF A 1.00% SALES AND USE TAX TO PAY THE PRINCIPAL OF AND INTEREST ON THE BOND; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.**

WHEREAS, there was submitted to the qualified electors of the City of Greenland, 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 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation"), a capital improvement bond to finance the construction of improvements to the wastewater system for the City (the "Project"); and

WHEREAS, at the special election held June 13, 2017, a majority of the electors voting on the question approved the issuance of a bond in the maximum amount of \$1,500,000; and

WHEREAS, the City Council of the City has determined to accomplish the Project and to issue a capital improvement Bond in the aggregate principal amount of \$1,290,000 designated as the "City of Greenland, Arkansas Sales and Use Tax Bond, Series 2017" (the "Series 2017 Bond" or the "Bond"); and

WHEREAS, the City has made arrangements for the placement of the Series 2017 Bond to IBERIABANK, Fayetteville, Arkansas (the "Purchaser" or "Holder"), at a price of \$1,290,000 (the "Purchase Price"), pursuant to a Bond Purchase Agreement between the Purchaser and the City (the "Agreement"), which has been presented to and is before this meeting; and

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Greenland, Arkansas:

Section 1. The offer of the Purchaser for the purchase of the Series 2017 Bond from the City at the Purchase Price, for the Series 2017 Bond bearing interest at the rate per annum, maturing and otherwise subject to the terms and provisions hereafter in this Ordinance set forth in detail be, and is hereby accepted and the Agreement, in substantially the form submitted to this meeting, is approved and the Series 2017 Bond is hereby sold to the Purchaser. The Mayor is hereby authorized and directed to execute and deliver the Agreement on behalf of the City and to take all action required on the part of the City to fulfill its obligations under the Agreement.

Section 2. 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 Series 2017 Bond is hereby authorized and ordered issued in the total principal amount of \$1,290,000, the proceeds of the sale of which are necessary to provide a portion of the funds necessary for accomplishing the Project, paying expenses incidental thereto, providing a debt service reserve, and paying expenses of issuing the Series 2017 Bond.

The Series 2017 Bond shall bear interest at the rate of 2.95% per annum and shall mature on December 1 in the amounts and in the years as follows:

<u>Year</u>	<u>Principal</u>
2018	\$40,000
2019	50,000
2020	50,000
2021	50,000
2022	55,000
2023	55,000
2024	55,000
2025	60,000
2026	60,000
2027	60,000
2028	65,000
2029	65,000
2030	70,000
2031	70,000
2032	485,000

The Series 2017 Bond shall be issuable only as fully one registered Bond without coupons in the denomination of \$1,290,000.

The Series 2017 Bond shall be dated October 12, 2017. Interest on the Series 2017 Bond shall be payable on June 1, 2018, and semi-annually thereafter on June 1 and December 1 of each year. Payment of each installment of interest shall be made to the Purchaser, or its successor or assigns.

The Series 2017 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 October 12, 2017, 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.

The person in whose name the Series 2017 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 the Series 2017 Bond shall be made only to or upon the order of the registered owner thereof or its 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 the Series 2017 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 Series 2017 Bond or the date fixed for redemption of the Series 2017 Bond 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 3. The Series 2017 Bond shall be executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Recorder/Treasurer and shall have impressed or imprinted thereon the seal of the City. The Series 2017 Bond shall be in substantially the following form and the Mayor and City Recorder/Treasurer are hereby expressly authorized and directed to make all recitals contained therein:

	[Form of Series 2017 Bond]	
REGISTERED		REGISTERED
No. R-1		\$1,290,000
	UNITED STATES OF AMERICA STATE OF ARKANSAS COUNTY OF WASHINGTON CITY OF GREENLAND SALES AND USE TAX BOND SERIES 2017	

Interest Rate: 2.95%

Maturity Date: December 1, 2032

Dated Date: October 12, 2017

Registered Owner: IBERIABANK

Principal Amount: One Million Two Hundred Ninety Thousand Dollars

KNOW ALL MEN BY THESE PRESENTS:

That the City of Greenland, County of Washington, 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 office of IBERIABANK, Fayetteville, Arkansas, or its successor or assigns (the "Registered Owner"), 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 each June 1 and December 1, commencing June 1, 2018, 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.

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 the City of Greenland, Arkansas Sales and Use Tax Bond, Series 2017, in the principal amount of One Million Two Hundred Ninety Thousand Dollars (\$1,290,000) (the "Bond"), and is issued for the purpose of financing the costs of constructing improvements to the City's wastewater system, paying necessary expenses incidental thereto, providing a debt service reserve, and paying expenses of authorizing and issuing the Bond.

The Bond is 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 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation"), and pursuant to Ordinance No. 326 of the City duly adopted on September 11, 2017 (the "Authorizing Ordinance"), and an election duly held on June 13, 2017 at which the majority of the legal voters of the City voting on the question approved the issuance of the Bond. 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 and the registered owner of the Bond. The Bond is a special obligation of the City, payable from the collections that are received by the City (the "Pledged Revenues") from a 1.00% sales and use tax (the "Tax") levied by the City under the Authorizing Legislation and Ordinance No. 324 of the City duly adopted on April 10, 2017, and approved by the voters in the City at an election held June 13, 2017, and the City hereby pledges the Pledged Revenues for the payment of this Bond. The City has reserved the right in the Authorizing Ordinance to issue additional bonds under the Authorizing Ordinance on a parity of security with the Bond.

The Bond is subject to extraordinary and optional redemption as follows:

(1) The Series 2017 Bond or a portion thereof may be redeemed on any interest payment date from moneys in the Project Fund not needed to complete the Project at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date.

In addition, the Series 2017 Bond or a portion thereof shall be redeemed from Surplus Tax Receipts (hereinafter defined) on any interest payment date, at least annually, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date. "Surplus Tax Receipts" are, so long as there are no Additional Bonds outstanding, 100% of the collections of Tax in excess of the amount necessary to (i) insure the prompt payments of the principal of, interest on and expenses in connection with the Series 2017 Bond as the same becomes due, (ii) maintain the debt service reserve in the required amount, and (iii) pay any arbitrage rebate dues under Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code").

In the event of a redemption from Surplus Tax Receipts, the Series 2017 Bond shall be redeemed in inverse order of maturity. Surplus Tax Receipts available for redemption shall be allocated to the longest maturity of the Bond then outstanding.

If there are Additional Bonds outstanding, "Surplus Tax Receipts" shall mean collection of the Tax in excess of the amount necessary to (i) insure the prompt payments of the principal of, interest on and administrative fees, if any, and expenses in connection with the Series 2017 Bond and any Additional Bonds as the same become due, (ii) maintain debt service reserves in the required amounts, and (iii) pay any arbitrage rebate dues under Section 148(f) of the Code.

(2) The Series 2017 Bond may be redeemed at the option of the City from funds from any source, in whole at any time or in part on any interest payment date, at a redemption price equal to the principal amount being redeemed, plus accrued interest to the redemption date.

The City has covenanted in the Authorizing Ordinance that Surplus Tax Receipts, as defined above, must be used from time to time on each interest payment date as and to the extent available to redeem the outstanding Bond prior to maturity.

Notice of redemption identifying the Bond 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 City, not less than 15 days prior to the date fixed for redemption, by mailing a copy of the redemption notice by first class mail, postage prepaid, or by other standard means, including facsimile transmission and electronic communication, to the Holder of the Bond. The Bond or portion 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 its attorney-in-fact duly authorized in writing, 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 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 the City shall not be affected by any notice to the contrary.

The Bond is issuable only as one fully registered Bond in the denomination of \$1,290,000. Subject to the limitations and upon payment of the charges provided in the Authorizing Ordinance, the fully registered Bond may be exchanged for a like aggregate principal amount of a fully registered Bond of the same maturity.

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 a tax sufficient to pay the Bond and interest thereon has been duly levied under the laws of the State and receipts derived therefrom are pledged to the payment of the Bond in accordance with the Authorizing Legislation.

The Bond is hereby designated as a qualified tax-exempt obligation within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the City of Greenland, Arkansas has caused this Bond to be executed by its Mayor and City Recorder/Treasurer and its corporate seal to be impressed or imprinted on this Bond, all as of the Dated Date shown above.

CITY OF GREENLAND, ARKANSAS

By: /s/ Bill Groom  
Mayor

ATTEST:

/s/ Stephanie Sharp  
City Recorder/Treasurer

[END OF BOND FORM]

Section 4. The City hereby expressly pledges and appropriates all of the revenues derived by the City from collections of a 1.00% sales and use tax (the "Tax") levied by Ordinance No. 324, adopted April 10, 2017 and approved by the voters at a special election on June 13, 2017 (the "Pledged Revenues"), to the payment of the principal of and interest on the Series 2017 Bond when due at maturity or at redemption prior to maturity, administrative costs, and any required arbitrage rebate due to the United States. The City covenants that the Tax shall not be repealed or reduced while the Series 2017 Bond is outstanding. 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 5. (a) The City hereby designates IBERIABANK, Fayetteville, Arkansas, as the bank which shall receive collections of the Tax from the State Treasurer and the City covenants to file a written designation thereof with the State Treasurer prior to the issuance of the Series 2017 Bond. The Purchaser shall deposit all Pledged Revenues as and when received into a special fund of the City in IBERIABANK which is hereby created and designated "Sales and Use Tax Revenue Fund" (the "Revenue Fund").

(b) Moneys in the Revenue Fund shall, within two (2) business days of receipt, be transferred to the following accounts each month, in the following order of priority:

- (1) 1/6 of the interest on the Bond next due - Debt Service Account in the Bond Fund (hereinafter identified); and
- (2) 1/12 of the principal of the Bond next due at maturity - Debt Service Account in the Bond Fund; and
- (3) the Purchaser's fees and expenses and other administrative charges next due - Expense Account in the Bond Fund; and
- (4) the amount which may be necessary to increase the Debt Service Reserve Account to the required level - Debt Service Reserve Account in the Bond Fund; and
- (5) the amount necessary to pay any arbitrage rebate due under Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code") - Expense Account in the Bond Fund; and
- (6) the balance shall be used to redeem the Series 2017 Bond prior to maturity according to the redemption provisions of the Series 2017 Bond.

The deposits made into the Debt Service Account in the Bond Fund shall be reduced in order to take into account as a credit (1) interest earnings, (2) accrued interest deposited therein from bond proceeds and (3) transfers from the Debt Service Reserve Account. The deposits made into the Debt Service Account shall be increased as needed in order to make up any deficiencies in prior months' deposits.

Section 6. (a) There is hereby created a special fund of the City by the Purchaser which is designated "Sales and Use Tax Bond Fund" (the "Bond Fund"), for the purpose of providing funds for the payment of principal of and interest on the Series 2017 Bond as it becomes due at maturity or at redemption prior to maturity, the Purchaser's fees and expenses and other administrative charges, and any arbitrage rebate due the United States under Section 148(f) of the Code. There shall be established in the Bond Fund the following accounts into which money from the Revenue Fund shall be deposited monthly: (i) Debt Service Account; (ii) Debt Service Reserve Account, and (iii) Expense Account. Moneys in the following Bond Fund accounts shall be used on each interest payment date in the following order of priority as and when necessary:

- (1) to pay the interest on the Bond then due; and
- (2) to pay the principal of the Bond then due; and
- (3) to transfer into the Debt Service Reserve Account such amounts as necessary to increase the Debt Service Reserve Account to the Required Level (hereinafter defined); and
- (4) to pay the Purchaser's fees and expenses and other administrative charges then due; and
- (5) to pay the amount which is payable as arbitrage rebate to the United States Treasury under Section 148(f) of the Code; and
- (6) to redeem a portion of the Series 2017 Bond or the Series 2017 Bond prior to maturity according to the redemption provisions of the Series 2017 Bond.

In addition, moneys in the Expense Account shall be used to pay, when due, the arbitrage rebate, if any.

The Bond Fund (excluding those moneys in the Debt Service Reserve Account) shall, except as provided in this Section, be depleted once a year except for a carryover amount not to exceed the greater of (i) one year's earnings on the Bond Fund or (ii) 1/12 of the debt service on the Series 2017 Bond. Any moneys in the Bond Fund shall, except as provided in this Section, be spent for one of the above purposes within a thirteen-month period beginning on the date of deposit, and any amount received from investment of money held in the Bond Fund will be spent within a one-year period beginning on the date of receipt. The Purchaser shall recalculate the Required Level upon the defeasance or payment in full of any portion of the Series 2017 Bond.

(b) When the Series 2017 Bond is issued, there shall be deposited in the Debt Service Reserve Account an amount equal to \$68,250. This shall be increased to \$129,000 (the "Required Level") from Surplus Tax Receipts until the Required Level is reached. Moneys in the Debt Service Reserve Account shall be used to make principal and interest payments on the Series 2017 Bond when due if moneys in the Bond Fund



are not otherwise sufficient for that purpose. Moneys in the Debt Service Reserve Account over and above the Required Level shall be immediately transferred from the Debt Service Reserve Account into the Bond Fund. The Purchaser shall recalculate the Required Level upon the defeasance or payment in full of any portion of the Series 2017 Bond.

(c) When the moneys in the Bond Fund shall be and remain sufficient to pay (1) the principal of all the Series 2017 Bond then outstanding, (2) interest on the Series 2017 Bond until the next interest payment date, (3) the Purchaser's fees and expenses and other administrative charges, and (4) any arbitrage rebate due to the United States under Section 148(f) of the Code, 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 Bond and the other obligations set forth herein have been paid may be used by the City for its wastewater system.

(d) All moneys in the Bond Fund shall be used solely for the purpose of paying the principal of and interest on the Series 2017 Bond, Purchaser's fees and expenses and other administrative charges, and any arbitrage rebate due to the United States under Section 148(f) of the Code as the same become due.

(e) The Purchaser 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 Series 2017 Bond when due at maturity or at redemption prior to maturity and for making other authorized Bond Fund expenditures.

(f) The Series 2017 Bond shall be specifically secured by a pledge of the Pledged Revenues, which pledge in favor of the Series 2017 Bond is hereby irrevocably made according to the terms of this Ordinance, and the City, and the officers and employees of the City, shall execute, perform and carry out the terms thereof in strict conformity with the provisions of this Ordinance.

Section 7. The Series 2017 Bond shall be deemed to be paid within the meaning of this Ordinance when payment of the principal of and interest on the Series 2017 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 Purchaser, in trust and irrevocably set aside exclusively for such payment (1) cash sufficient to make such payment and/or (2) non-callable Government Securities (as defined in Section 14 hereof) (provided that such deposit will not cause any of the bond to be classified as an "arbitrage bond" within the meaning of Section 148 of the Code), 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 Purchaser with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Purchaser.

On the payment of the Series 2017 Bond within the meaning of this Ordinance, the Purchaser shall hold in trust, for the benefit of the owner of such bond, all such moneys and/or Government Securities.

When the Series 2017 Bond shall have been paid within the meaning of this Ordinance, if the Purchaser has been paid its fees and expenses, and if any required arbitrage rebate payment has been made to the United States under Section 148(f) of the Code or provision made therefor, the Purchaser 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 the Series 2017 Bond to be paid over or delivered to or at the direction of the City.

Section 8. The City covenants that it will not issue any Additional Bonds, or incur any additional obligations, secured by a lien on or pledge of the Pledged Revenues prior to the lien and pledge in favor of the outstanding Series 2017 Bond.

Section 9. The Series 2017 Bond shall be callable for payment prior to maturity in accordance with the terms set out in the face of the bond form set forth in Section 3 of this Ordinance. The City hereby covenants to use Series 2017 Bond proceeds not necessary for the purposes intended to redeem a portion of the Series 2017 Bond on the first available interest payment date.

Section 10. It is hereby covenanted and agreed by the City with the Purchaser of the Series 2017 Bond that the City will faithfully and punctually perform all duties with reference to the Tax and the Bond required by the Constitution and laws of the State and by this Ordinance, including the collection of the Pledged Revenues, as herein specified and covenanted, and the applying of the Pledged Revenues as herein provided.

Section 11. The Purchaser 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 and such books shall be available for inspection by the City, at reasonable times and under reasonable circumstances. The Purchaser shall furnish a report to the City on a monthly basis of all receipts and disbursements of the Pledged Revenues received by the Purchaser, which monthly report shall commence one month following the first month in which the Pledged Revenues are received by the Purchaser.

Section 12. (a) If there be any default in the payment of the principal of and interest on the Series 2017 Bond, or if the City defaults in the performance of any covenant contained in this Ordinance, the Purchaser may by proper suit compel the performance of the duties of the officials of the City 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) All rights of action under this Ordinance or under the Series 2017 Bond, enforceable by the Purchaser, may be enforced by it without the possession of the Series 2017 Bond, and any such suit, action or proceeding instituted by the Purchaser shall be brought in its name, subject to the provisions of this Ordinance.

(c) No remedy herein conferred upon or reserved to the Purchaser of the Series 2017 Bond 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.

(d) No delay or omission of the Purchaser of the Series 2017 Bond 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 Purchaser of the Series 2017 Bond may be exercised from time to time and as often as may be deemed expedient.

(e) The Purchaser may 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.

Section 13. When the Series 2017 Bond has been executed and sealed as herein provided, they shall be delivered to the Purchaser upon payment of the Purchase Price. The expenses of issuing the Series 2017 Bond as set forth in the delivery instructions to the Purchaser signed by the Mayor and City Recorder/Treasurer (the "Delivery Instructions") shall be paid from the Purchase Price. The amount necessary to be deposited into the Debt Service Reserve Account as set forth in the Delivery Instructions shall be deposited therein.

The balance of the Purchase Price shall be deposited in a special account of the City in IBERIABANK hereby created and designated the "Construction Fund" (the "Construction Fund"). The amounts credited to the Construction Fund shall be expended to accomplish the purpose for which the account was created. Issuance costs and other expenses shall be paid from the Construction Fund. 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. Each requisition must be signed by the City's Mayor and City Recorder/Treasurer. IBERIABANK shall issue its check upon the Construction Fund to the person, firm or corporation designated in the requisition. The City shall keep records as to all payments made from the Construction Fund.

Moneys in the Construction Fund shall be used to pay the principal of and interest on the Series 2017 Bond when due if moneys in the Bond Fund are not sufficient for that purpose.

When all required expenses have been paid and expenditures made from the Construction Fund for and in connection with the accomplishment of the 2017 Improvements and the financing thereof, this fact shall, if moneys remain in the Construction Fund, be evidenced by a certificate signed by the Mayor, which certificate

shall state, among other things, that all obligations payable from the Construction Fund have been discharged. A copy of the certificate shall be filed with IBERIABANK, and upon receipt thereof the City shall transfer any remaining balance for deposit into the Bond Fund for purposes of redeeming a portion of the Series 2017 Bond.

Section 14. (a) Moneys held for the credit of the Construction Fund shall be invested and reinvested by the City in Permitted Investments (hereinafter defined) or other investments permitted by Arkansas 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 Debt Service Reserve Account 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 five years from the date of the investment or the final maturity date of the Series 2017 Bond, whichever is earlier.

(c) Moneys held for the credit of the Bond Fund (other than the Debt Service Reserve Account) shall be invested and reinvested in Permitted Investments, which will mature, or which will be subject to redemption by the holder thereof at the option of the holder, not later than the date or dates on which the money shall be required for the payment of the principal of and interest on the Series 2017 Bond when due.

(d) Obligations purchased as an investment of any fund or account shall be deemed at all times a part of such fund. Any profit or loss realized on investments of moneys in any fund shall be charged to said fund.

(e) The Purchaser shall so invest and reinvest moneys in the Bond Fund pursuant to the direction of the City and in the Purchaser's discretion in the absence of any direct instructions from the City.

(f) "Permitted Investments" are defined as (i) direct or fully guaranteed obligations of the United States of America ("Government Securities"), (ii) direct obligations of an agency, instrumentality or government-sponsored enterprise created by an act of the United States Congress and authorized to issue securities or evidences of indebtedness, regardless of whether the securities or evidences of indebtedness are guaranteed for repayment by the United States Government, (iii) certificates of deposit or time deposits of banks, including the Purchaser, which are insured by Federal Deposit Insurance Corporation or, if in excess of insurance coverage, collateralized by Government Securities or other securities authorized by Arkansas law to secure public funds or (iv) money market funds invested exclusively in Government Securities and the obligations described in (ii) above.

Section 15. (a) The terms of this Ordinance shall constitute a contract between the City and the Purchaser, its successors or assigns, and no variation or change in the undertaking herein set forth shall be made while the Series 2017 Bond is outstanding, except as hereinafter set forth in subsections (b) and (c).

(b) The Purchaser may consent to any variation or change in this Ordinance that the Purchaser determines is not to the material prejudice of the Purchaser, in order to cure any ambiguity, defect or omission in this Ordinance or any amendment hereto or in connection with the issuance of the Additional Parity Bonds.

(c) The Purchaser 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 the Series 2017 Bond, or (2) a reduction in the principal amount of the Series 2017 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.

Section 16. (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 Series 2017 Bond to be included in gross income for federal income tax purposes. Without limiting the generality of the foregoing, the City covenants that the proceeds of the sale of the Series 2017 Bond and the Pledged Revenues will not be used directly or indirectly in such manner as to cause the Series 2017 Bond to be treated as an "arbitrage bond" 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 being financed or the proceeds of the Series 2017 Bond, in such manner as to cause the bond to be a "private activity bond" within the meaning of Section 141 of the Code.

(c) The City covenants that it will not reimburse itself from Series 2017 Bond proceeds for any costs paid prior to the date the Series 2017 Bond is issued except in compliance with United States Treasury Regulation No. 1.150-2 (the "Regulation"). Ordinance No. 324 shall constitute an "official intent" for the purpose of the Regulation.

(d) 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 Series 2017 Bond, other than investments attributable to such excess over (B) the amount which would have been earned if such Non-purpose Investments attributable to the Series 2017 Bond were invested at a rate equal to the Yield (as defined in the Code) on the Series 2017 Bond, 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 (d). 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 Series 2017 Bond for federal income tax purposes.

Section 17. The City covenants that it will take no action which would cause the Series 2017 Bond 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 Series 2017 Bond is issued, a statement concerning the Series 2017 Bond which contains the information required by Section 149(e) of the Code.

Section 18. The provisions of this Ordinance are separable and in the event that any section or part hereof shall be held to be invalid, such invalidity shall not affect the remainder of this Ordinance.

Section 19. All ordinances and resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 20. It is hereby ascertained and declared that the Project is immediately needed for the preservation of the public peace, health and safety and to remove existing hazards thereto. The Project cannot be accomplished without the issuance of the Series 2017 Bond, which cannot be sold at the interest rate 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: September 11, 2017.

APPROVED:

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Recorder/Treasurer