

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF A CITY OF NORTH LITTLE ROCK TAX INCREMENT BOND, SERIES 2019; PROVIDING FOR THE SECURITY FOR AND PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BOND; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, on December 28, 2006, the North Little Rock City Council (“City Council”) adopted Ordinance No. 7896 (the “District Ordinance”) creating the Redevelopment District of the City of North Little Rock, Arkansas #2 (“Lower Baring Cross Redevelopment District”) under the authority of Amendment No. 78 to the Arkansas Constitution (“Amendment No. 78”) and Arkansas Code Annotated Sections 14-168-301 *et seq.*, as from time to time amended (the “Act,” and collectively with Amendment 78, the “Redevelopment Act”); and

WHEREAS, the City of North Little Rock, Arkansas (the “City”) is authorized and empowered under the provisions of the Redevelopment Act to issue bonds, notes, or other evidence of indebtedness, in one or more series, and to pledge the Tax Increment and other redevelopment revenues for repayment of the same; and

WHEREAS, under the authority of the Redevelopment Act and Arkansas Code Annotated Sections 14-78-101 *et seq.*, as from time to time amended, on September 26, 2011, the City Council adopted Ordinance No. 8374 authorizing the issuance of a promissory note (the “Interim Note”) in the amount of \$1,300,000 to finance the cost of constructing waterworks, sewers, and grading, paving, curbing and guttering streets and laying sidewalks that serve the real property located within the boundaries of the Lower Baring Cross Redevelopment District; and

WHEREAS, pursuant to Resolution No. 9048 adopted on September 26, 2016, the City Council directed the Finance Director to pay all outstanding principal and accrued interest with respect to the Interim Note on or prior to its maturity on October 27, 2016 and to proceed with hiring a structuring agent to assist in structuring the terms of bonds, notes, or other evidences of indebtedness secured by the Tax Increment pursuant to the Redevelopment Act, in an amount sufficient to reimburse the City for a portion of the Project costs of the Lower Baring Cross Redevelopment District, including particularly, the amounts paid to satisfy the principal and interest with respect to the Interim Note and the costs of issuance associated with such bonds, notes or other evidence of indebtedness; and

WHEREAS, under the authority of the Redevelopment Act, on December 27, 2016, the City Council adopted the Bond Ordinance authorizing the issuance of the City’s \$1,105,000 Tax Increment Bond, Series 2017 (the “Series 2017 Bond”) and the purchase of the same by the City’s electric utility which is operated as a separate component unit of the City (the “Purchaser” or “Bondholder”); and

WHEREAS, the Tax Increment has increased to an amount sufficient to support other obligations of the City related to the development of the Lower Baring Cross Redevelopment District; and

WHEREAS, pursuant to Ordinance No. 9129 adopted by the City Council on May 13, 2019, the Bondholder consented to the issuance of additional indebtedness payable from the Tax Increment and the Special Fund (as hereinafter defined) on a parity with the lien and pledge of the Tax Increment and the Special Fund to the Series 2017 Bond; and

WHEREAS, in order to achieve such purposes, Stephens Inc. (the "Structuring Agent") and Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C. (the "Bond Counsel") were hired to advise the City; and

WHEREAS, the Structuring Agent has worked with representatives of the City to analyze the amount of Tax Increment that is likely to be available for debt service on the Series 2017 Bond and additional indebtedness and to quantify the amount that may be available to finance the construction of additional streets, drainage, sidewalks, water and sewer and other infrastructure within the Lower Baring Cross Redevelopment District (the "2019 Project"); and

WHEREAS, the 2019 Project is consistent with and part of the "Project Plan" previously approved by the City in Ordinance No. 8026 adopted by the City Council on December 10, 2007; and

WHEREAS, the Tax Increment will support debt service on the Series 2017 Bond at the fixed rate of 3.25 % per annum commencing on December 1, 2019 and debt service on the City's \$790,000 Tax Increment Bond, Series 2019 (the "Series 2019 Bond") at the fixed rate of 5.25% per annum; and

WHEREAS, the Structuring Agent has made arrangements for the purchase of the Series 2019 Bond by the Purchaser at a price of par; and

WHEREAS, each of the City and the Purchaser intend that the debt evidenced by the Series 2017 Bond and the Series 2019 Bond shall not merge and shall be reflected on the books and accounts of the Purchaser as an investment with amounts due thereunder payable by the City pursuant to the terms of the Series 2017 Bond and the Series 2019 Bond, respectively, and this Ordinance.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS:

Section 1. The sale of the Series 2019 Bond to the Purchaser at a price of par to evidence the loan from the Purchaser, subject to the terms and provisions hereafter in this Ordinance set forth in detail be, and is hereby approved, and the Series 2019 Bond is hereby authorized to be sold to the Purchaser.

Section 2. Under the authority of the Constitution and laws of the State of Arkansas (the "State"), including particularly the Redevelopment Act, the Series 2019 Bond, to be designated "City of North Little Rock, Arkansas Tax Increment Bond, Series 2019," is hereby

authorized and ordered issued in the aggregate principal amount of not to exceed \$790,000, the proceeds of the sale of which are necessary to finance a portion of the costs of the 2019 Project of the Lower Baring Cross Redevelopment District and the costs of issuance associated with the Series 2019 Bond.

The Series 2019 Bond shall be dated as of the date of delivery, with interest payable semi-annually on December 1 and June 1 of each year, commencing December 1, 2019. Interest shall be payable at the fixed rate of 5.25% per annum.

Principal of the Series 2019 Bond shall be paid annually on December 1 of each year, commencing December 1, 2022, with the final payment due on December 1, 2031. Principal shall be paid on the Series 2019 Bond as set forth on Exhibit A attached hereto.

The Series 2019 Bond may be prepaid by the City, in whole or in part, on any date, without penalty, from any legally available source. The City shall notify the Bondholder either telephonically or by e-mail of the principal amount to be prepaid and the date upon which such payment shall occur. Promptly upon receipt of any regularly scheduled principal payment or prepayment of principal, the Bondholder shall make a notation of such principal amount paid on the Record of Principal Payments attached to the Series 2019 Bond. The amounts shown on the Record of Principal Payments attached to the Series 2019 Bond shall be deemed to be conclusive evidence of the principal amount of the Series 2019 Bond outstanding, absent manifest error.

Principal is payable to the Purchaser at its address of 1400 West Maryland, North Little Rock, Arkansas 72214 or such other address as is provided by the Purchaser. Payment of interest and principal shall be by check or draft mailed to the Purchaser at such address. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2019 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 2019 Bond or the date fixed for redemption of any portion of the Series 2019 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.

In case the Series 2019 Bond shall become mutilated or be destroyed or lost, the City shall, if not then prohibited by law, cause to be executed and delivered a new Bond of like date, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated Series 2019 Bond, or in lieu of and in substitution for a Series 2019 Bond destroyed or lost, upon the owner paying the reasonable expenses and charges of the City in connection therewith, and, in the case of a Series 2019 Bond destroyed or lost, the Bondholder's filing with the City evidence satisfactory to it that such Series 2019 Bond was destroyed or lost. Upon the issuance of a new Series 2019 Bond under this Section, the City may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith.

The City shall cause books for the registration and for the transfer of the Series 2019 Bond as provided herein and in the Series 2019 Bond. The Series 2019 Bond is transferable by the Bondholder, in whole, subject to the restrictions on transfer set forth in this Ordinance and in the Series 2019 Bond. Upon an authorized transfer, a Series 2019 Bond of the same maturity, for the same aggregate principal amount will be issued to the transferee in exchange therefor.

Prior to any transfer to any subsequent Bondholder (a “transferee”), such Bondholder shall warrant and represent to the City in a manner satisfactory to the City in its sole discretion that:

(a) Such transferee is a person or entity who, based upon such factors as financial sophistication, net worth and knowledge and experience in financial matters, is capable of evaluating the merits and risks of an investment such as the Series 2019 Bond. Transferee can bear the economic risk of the purchase of the Series 2019 Bond and has such knowledge and experience in business and financial matters, including the analysis of the purchase of similar investments, as to be capable of evaluating the merits and risks of an investment in the Series 2019 Bond on the basis of the information requested and reviewed by it. Transferee will complete and provide to the City an Accredited Investor Qualification Statement in standard form and will represent and warrant that transferee is an Accredited Investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933 (the “Securities Act”) or a Qualified Institutional Buyer as such term is defined in Rule 144A promulgated under the Securities Act.

(b) Transferee will acknowledge that the Series 2019 Bond is not currently required to be, has not been, and is not intended to be, registered under the Securities Act or registered or otherwise qualified under the securities laws of any state or other jurisdiction, and that any sale or other transfer of the Series 2019 Bond may be made only in accordance with such laws. Transferee will acknowledge that the Series 2019 Bond is not currently rated by any national securities rating agency. Transferee will acknowledge that the Series 2019 Bond is exempt from the continuing disclosure requirements of Rule 15c2-12 of Securities and Exchange Commission and that the City will not provide any continuing disclosure with respect to the Series 2019 Bond.

(c) Transferee will acknowledge and agree that transferee will only sell or transfer the Series 2019 Bond in strict compliance with applicable state and federal laws regarding the sale of restricted securities, as applicable, and then only in compliance with Rule 144A under the Securities Act. Transferee will acknowledge that its interest may not be sold, transferred or assigned except in compliance with the terms of this Ordinance and the Series 2019 Bond.

(d) Transferee will acknowledge and agree that the Series 2019 Bond is being acquired, in whole, by the transferee for investment and not with a view to, or for resale in connection with, any distribution of the Series 2019 Bond.

(e) Transferee will acknowledge and agree that it is duly and legally authorized to purchase the Series 2019 Bond and that the Series 2019 Bond is a lawful investment for it under all applicable laws.

Section 3. The City hereby acknowledges, represents and warrants that the Purchaser is purchasing the Series 2019 Bond in evidence of a privately negotiated loan and in that connection the Series 2019 Bond shall not be (i) assigned a separate rating by any municipal securities rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement, or (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service.

Section 4. The Series 2019 Bond shall be executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk and shall have impressed or imprinted thereon the seal of the City.

Section 5. The principal and interest on the Series 2019 Bond are secured by and are payable solely from the Tax Increment and amounts deposited in the Lower Baring Cross Redevelopment District Special Fund (the "Special Fund") created by the District Ordinance. All amounts on deposit in the Special Fund are hereby pledged to the payment of the Series 2019 Bond on a parity of security with the pledge in favor of the Series 2017 Bond. Pursuant to the District Ordinance, all amounts received by the City as the Tax Increment shall be deposited in the Special Fund. The "Tax Increment" shall have the meaning set forth in the Redevelopment Act, as determined by multiplying the incremental value of the real property within the Lower Baring Cross Redevelopment District by the maximum applicable ad valorem rate permitted pursuant to the Redevelopment Act.

The Series 2019 Bond is a special and limited obligation of the City payable as to principal and interest solely out of the Tax Increment and the Special Fund. The Tax Increment and the Special Fund are hereby pledged, appropriated and assigned to the payment of the principal of and interest on the Series 2019 Bond on a parity of security with the pledge in favor of the Series 2017 Bond, all in accordance with their terms and the provisions of this Ordinance. The Series 2019 Bond does not constitute an indebtedness for which the faith and credit of the State of Arkansas or the City is pledged within the meaning of any Constitutional or statutory limitation. The Series 2019 Bond shall never constitute an obligation of or a charge against the general credit or general taxing powers of the City.

The pledge, charge, lien, trusts and assignments made herein with respect to the Tax Increment and the Special Fund shall be valid and binding, and shall be deemed continuously perfected from the time of issuance of the Series 2019 Bond, and the Tax Increment and the Special Fund shall thereupon be immediately subject to the pledge, charge, lien, trust and assignment created hereby upon receipt thereof by or for the City, without any physical delivery, segregation thereof or further act, and such pledge, charge, lien, trust and assignment shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City, irrespective of whether such parties have notice thereof.

So long as the Series 2019 Bond is outstanding under the provisions of this Ordinance, all receipts derived from the Tax Increment shall be deemed to be necessary to accomplish the purposes of the City and shall be subject to the covenants and agreements set forth in this Ordinance, and no such revenues or receipts shall ever be used or deposited otherwise except as herein expressly permitted.

The City covenants that while any of the principal of the Series 2019 Bond or the Series 2017 Bond is outstanding it will use due diligence in causing the collection of the Tax Increment.

Section 6. The Series 2019 Bond shall be in substantially the form set forth in Exhibit B hereto, and the Mayor and City Clerk are hereby expressly authorized and directed to make all recitals contained therein.

Section 7. From and after the issuance of the Series 2019 Bond and for so long as the Series 2019 Bond or the Series 2017 Bond is Outstanding, the City shall not create or permit the creation of any indebtedness, or issue any bonds, notes, warrants, certificates or other obligations or evidences of indebtedness payable in any manner from the Tax Increment or the Special Fund which is superior to, on parity with or subordinate to the lien and pledge of the Tax Increment or the Special Fund for the benefit of the Series 2019 Bond or the Series 2017 Bond without the prior written consent of the Bondholder.

Section 8. (a) The Series 2019 Bond shall be executed by the City and delivered to the Purchaser upon payment in cash of \$790,000 ("total sale proceeds"). The total sale proceeds shall be deposited in the Construction Fund (as hereinafter created and described).

(b) There is hereby created a separate account to be named the "2019 Redevelopment District Construction Fund" to be held by, or under the direction of, the City (the "Construction Fund"). Amounts in the Construction Fund shall be disbursed to pay costs of issuance of the Series 2019 Bond and expenses of the 2019 Project upon filing in the official records pertaining to said Fund of a certificate describing such disbursement. Upon disbursement of all amounts held in the Construction Fund, such Fund shall be closed.

(c) The City shall keep detailed records of all expenditures and disbursements from the Construction Fund.

Section 9. The Series 2019 Bond shall be deemed to be paid within the meaning of this Ordinance when payment of the principal of and interest on the Series 2019 Bond (whether at maturity or upon prepayment as provided herein, or otherwise) shall have been made or caused to be made in accordance with the terms thereof.

When all amounts due with respect to the Series 2019 Bond and the Series 2017 Bond shall have been paid within the meaning of this Ordinance, the City 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 that are not required for the payment of the Series 2019 Bond or the Series 2017 Bond to be paid over or delivered to or at the direction of the City in compliance with the Redevelopment Act.

Section 10. (a) (i) If there be any default in the payment of the principal of or interest on the Series 2019 Bond or the Series 2017 Bond, (ii) if the City declares bankruptcy, or (iii) if the City defaults in the performance of any of the other covenants contained in this Ordinance, the Bondholder may by proper suit compel, by mandamus or otherwise, the performance of the duties of the officials of the City under the laws of Arkansas.

(b) All proceedings at law or in equity shall be instituted, had and maintained in the manner herein described and for the benefit of all registered owners of the outstanding Series 2019 Bond.

(c) No remedy herein conferred upon or reserved to the Bondholder 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 Bondholder 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 Bondholder may be exercised from time to time and as often as may be deemed expedient.

(e) The Bondholder may waive any default that 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 11. (a) The terms of this Ordinance shall constitute a contract between the City and Bondholder. No variation or change in the undertaking herein set forth shall be made while the Series 2019 Bond is outstanding, except as hereinafter set forth in subsections (b) and (c).

(b) The City may modify this Ordinance without the consent of the Bondholder solely in order to cure any ambiguity or correct any defect herein as the City may deem necessary or desirable and not inconsistent herewith.

(c) The Bondholder shall have the right, but not the obligation, 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. Nothing contained in this Ordinance shall permit or be construed as permitting, without the affirmative written consent of the Bondholder, (i) an extension of the maturity of the principal of or the interest on the Series 2019 Bond or the Series 2017 Bond, or (ii) a reduction in the principal amount of the Series 2019 Bond or the Series 2017 Bond or the rate of interest thereon, or (iii) the creation of a lien or pledge superior to, on parity with or subordinate to the lien and pledge created by this Ordinance, or (iv) a reduction in the aggregate principal amount of the Series 2019 Bond or the Series 2017 bond required for consent to such supplemental ordinance.

Section 12. Moneys held in the Special Fund and the Construction Fund shall be invested and reinvested pursuant to the direction of the City in compliance with the City's investment policy.

Section 13. The City will keep proper books of accounts and records (separate from all other records and accounts) in which complete and correct entries shall be made of all

transactions relating to the Series 2019 Bond, the Series 2017 Bond and the Tax Increment. Such books shall be available for inspection by the Bondholder at reasonable times and under reasonable circumstances.

Section 14. Nothing in this Ordinance, expressed or implied, is intended to give any person or entity, other than the City and the Bondholder, any right, remedy or claim.

Section 15. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the City and the Bondholder, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City and the Bondholder.

Section 16. So long as any amounts are owed to the Bondholder with respect to the Series 2019 Bond or the Series 2017 Bond, the City covenants that it will not take any action or permit any action that will result in the dissolution or termination of the Lower Baring Cross Redevelopment District.

Section 17. The Mayor and City Clerk, for and on behalf of the City, are hereby authorized and directed to do any and all things necessary to effect the execution and delivery of the Series 2019 Bond and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance. The Mayor and City Clerk are hereby further authorized and directed, for and on behalf of the City, to execute all papers, documents, certificates and other instruments that may be required for the carrying out of such authority as to evidence the exercise thereof.

Section 18. The provisions of this Ordinance are hereby declared to be severable. In the event that any section, paragraph, subdivision, clause, phrase or other provision or portion of this Ordinance shall be adjudged illegal, invalid, unenforceable or unconstitutional, the same shall not affect the validity of this Ordinance as a whole, or any part or provision thereof, other than the part so decided to be illegal, invalid, unenforceable or unconstitutional, and the remaining provisions of this Ordinance shall be construed as if such illegal, invalid, unenforceable or unconstitutional provision or provisions had never been contained herein.

Section 19. The provisions of Ordinance No. 8869 adopted by the City Council on December 27, 2016 and Ordinance No. 9129 adopted by the City Council on May 13, 2019 are hereby supplemented, amended, and modified to evidence and permit the intents and purposes of this Ordinance.

Section 20. All ordinances and resolutions or parts thereof, in conflict herewith are hereby repealed to the extent of such conflict.

Section 21. It is hereby ascertained and declared that the issuance of the Series 2019 Bond must be accomplished and the 2019 Project must be constructed, completed and/or financed as soon as possible to accommodate the needs of the City, its inhabitants and persons residing in the area to be served thereby, without which the life, health, safety and welfare thereof are jeopardized, and that the action authorized by this Ordinance is necessary for the

accomplishment thereof. It is, therefore, declared that an emergency exists and this Ordinance being necessary for the immediate preservation of the public peace, health and safety shall take effect and be in force from and after its passage.

PASSED:

APPROVED:

Mayor Joe A. Smith

SPONSOR:

ATTEST:

Joe A. Smith

Mayor Joe A. Smith

by AF

Diane Whitbey, City Clerk

APPROVED AS TO FORM:

Amy Fields

Amy Fields, City Attorney

Prepared by:

Michele Simmons Allgood
Mitchell, Williams, Selig Gates & Woodyard, P.L.L.C.
425 West Capitol Ave., Suite 1800
Little Rock, AR 72201

FILED	<i>10:45</i>	A.M.	_____	P.M.
By	<i>A Fields City Atty</i>			
DATE	<i>5/21/19</i>			
Diane Whitbey, City Clerk and Collector North Little Rock, Arkansas				
RECEIVED BY	<i>DJW</i>			

Exhibit A

Principal Payment Schedule

<u>Payment Date</u>	<u>Principal Amount</u>
12/01/2022	\$60,000.00
12/01/2023	65,000.00
12/01/2024	70,000.00
12/01/2025	70,000.00
12/01/2026	75,000.00
12/01/2027	80,000.00
12/01/2028	85,000.00
12/01/2029	90,000.00
12/01/2030	95,000.00
12/01/2031	100,000.00

Exhibit B

Form of Bond

THIS BOND IS SUBJECT TO SIGNIFICANT RESTRICTIONS SET FORTH IN THE BOND ORDINANCE (DEFINED BELOW), INCLUDING, WITHOUT LIMITATION, THE REQUIREMENT THAT THIS BOND MAY BE TRANSFERRED ONLY TO ACCREDITED INVESTORS OR QUALIFIED INSTITUTIONAL BUYERS IN COMPLIANCE WITH THE BOND ORDINANCE.

UNITED STATES OF AMERICA
STATE OF ARKANSAS
COUNTY OF PULASKI
CITY OF NORTH LITTLE ROCK
TAX INCREMENT BOND
SERIES 2019

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ISSUE DATE</u>
5.25%	DECEMBER 1, 2031	JULY __, 2019

OWNER: NORTH LITTLE ROCK ELECTRIC UTILITY, A COMPONENT UNIT OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS

PRINCIPAL AMOUNT: SEVEN HUNDRED NINETY THOUSAND AND NO/100 DOLLARS (\$790,000.00)

The City of North Little Rock, County of Pulaski, State of Arkansas, a city of the first class (the "City"), for value received, hereby promises to pay, but solely from the source as hereinafter provided and not otherwise, to the order of the Owner shown above, or its permitted assigns, the Principal Amount shown above and to pay interest on the unpaid balance of said principal amount from the Issue Date specified above at the Interest Rate per annum shown above payable on the first day of December and of June of each year commencing on December 1, 2019.

Principal of this Bond shall be paid in installments with the final installment due December 1, 2031. The principal installments shall be paid on December 1 in the years and in the amounts as follows:

<u>Payment Date</u>	<u>Principal Amount</u>
12/01/2022	\$60,000.00
12/01/2023	65,000.00
12/01/2024	70,000.00
12/01/2025	70,000.00
12/01/2026	75,000.00
12/01/2027	80,000.00
12/01/2028	85,000.00
12/01/2029	90,000.00

12/01/2030	95,000.00
12/01/2031	100,000.00

Payments shall be applied first to interest and the balance to principal. Interest shall accrue on the basis of a 360 day year with twelve thirty (30) day months. The principal of and interest on this Bond are payable in lawful money of the United States of America.

Principal is payable to the Owner at the address provided by it to the City. Payment of interest and principal shall be by check or draft mailed to the Owner at such address. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

THIS BOND IS ISSUED PURSUANT TO AND IN FULL COMPLIANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF ARKANSAS, INCLUDING PARTICULARLY AMENDMENT NO. 78 TO THE ARKANSAS CONSTITUTION ("AMENDMENT NO. 78") AND ARKANSAS CODE ANNOTATED SECTIONS 14-168-301 ET SEQ., AS FROM TIME TO TIME AMENDED (THE "ACT," AND COLLECTIVELY WITH AMENDMENT 78, THE "REDEVELOPMENT ACT") AND PURSUANT TO ORDINANCE NO. _____, DULY ADOPTED ON MAY __, 2019 (THE "BOND ORDINANCE"), AND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN ANY CONSTITUTIONAL OR STATUTORY LIMITATION.

Reference is hereby made to the Bond Ordinance for a detailed statement of the terms and conditions upon which the Bond is issued, of the nature and extent of the security for the Bond, and the rights and obligations of the City and the owner of the Bond.

The Bond may be prepaid by the City, in whole or in part, on any date, without penalty, from any legally available source. The City shall notify the Owner either telephonically or by e-mail of the principal amount to be prepaid and the date upon which such payment shall occur. Promptly upon receipt of any regularly scheduled principal payment or prepayment of principal, the Owner shall make a notation of such principal amount paid on the Record of Principal Payments attached to this Bond.

The principal and interest on the Series 2019 Bond are secured by and are payable solely from the Tax Increment and amounts deposited in the Lower Baring Cross Redevelopment District Special Fund (the "Special Fund") created by the District Ordinance. All amounts on deposit in the Special Fund are hereby pledged to the payment of the Series 2019 Bond on a parity of security with the pledge in favor of the City's \$1,105,000 Tax Increment Bond, Series 2017 (the "Series 2017 Bond"). Pursuant to the District Ordinance, all amounts received by the City as the Tax Increment shall be deposited in the Special Fund. The "Tax Increment" shall have the meaning set forth in the Redevelopment Act, as determined by multiplying the incremental value of the real property within the Lower Baring Cross Redevelopment District by the maximum applicable ad valorem rate permitted pursuant to the Redevelopment Act.

The Series 2019 Bond is a special and limited obligation of the City payable as to principal and interest solely out of the Tax Increment and the Special Fund. The Tax Increment

and the Special Fund are pledged, appropriated and assigned to the payment of the principal of and interest on the Series 2019 Bond on a parity of security with the pledge in favor of the Series 2017 Bond, all in accordance with their terms and the provisions of the Bond Ordinance. The Series 2019 Bond does not constitute an indebtedness for which the faith and credit of the State of Arkansas or the City is pledged within the meaning of any Constitutional or statutory limitation. The Series 2019 Bond shall never constitute an obligation of or a charge against the general credit or general taxing powers of the City.

This Bond may be transferred only upon compliance with the terms and conditions set forth in the Bond Ordinance.

No recourse shall be had for the payment of the principal of or interest on this Bond or for any claim based thereon or upon any obligation, covenant, or agreement contained in this Bond or the Bond Ordinance against any past, present, or future official or employee of the City, or any official, alderman, officer, or employee of any successor of City, as such, either directly or through City or any successor of City, under any rule of law or equity, statute, or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such official, alderman, officer, or employee as such is hereby expressly waived and released as a condition of and consideration for the execution of and the issuance of the Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the Bond does exist, has happened and has been performed in due time, form and manner as required by law; that the indebtedness represented by the Bond, together with all obligations of the City, does not exceed any constitutional or statutory limitation.

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

**CITY OF NORTH LITTLE ROCK,
ARKANSAS**

By: _____
Mayor

ATTEST:

By: _____
City Clerk

(S E A L)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Social Security or Federal Taxpayer Identification Number)

(Please print or typewrite Name and Address, including Zip Code, of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably directs the City to acknowledge and recognize the transfer of ownership of the within Bond for purpose of future payments of principal and interest and all other rights granted to the owner hereof, with full power of substitution in the premises.

Dated: _____

By: _____

Name: _____

Title: _____

Record of Principal Payments

DATE OF PAYMENT	PRINCIPAL AMOUNT PAID	PRINCIPAL AMOUNT OUTSTANDING	SIGNATURE