

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE AUTHORIZING THE ISSUANCE OF SALES AND USE TAX BONDS FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF CAPITAL IMPROVEMENTS; PLEDGING A 1% SALES AND USE TAX TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, there was submitted to the qualified electors of the City of Tontitown, Arkansas (the "City") the questions 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 bonds in the maximum aggregate principal amount of \$3,400,000 for the purpose of refunding the City's Sales and Use Tax Refunding Bonds, Series 2013 (the "Refunding"); (b) capital improvement bonds in the maximum aggregate principal amount of \$4,325,000 for the purpose of financing all or a portion of the costs of extensions, betterments and improvements to the City's water system (the "Water Improvements"); (c) capital improvement bonds in the maximum aggregate principal amount of \$4,425,000 for the purpose of financing all or a portion of the costs of extensions, betterments and improvements to the City's sewer system (the "Sewer Improvements"); and (d) capital improvement bonds in the maximum aggregate principal amount of \$5,300,000 for the purpose of financing all or a portion of the costs of a new fire station and any necessary furnishings and equipment and parking, street, lighting and utility improvements related thereto (the "Fire Improvements"); and

WHEREAS, at the special election held October 12, 2021, a majority of the electors voting on the questions approved the issuance of such bonds; and

WHEREAS, the City Council has determined to proceed with the Fire Improvements and to issue capital improvement bonds in the aggregate principal amount of \$5,300,000 designated as "City of Tontitown, Arkansas Sales and Use Tax Bonds, Taxable Improvement Series 2022A" (the "Series 2022A Bonds"); and

WHEREAS, the City Council has further determined to proceed with the Water Improvements and the Sewer Improvements (collectively, the "2022B Improvements") and the Refunding and to issue capital improvement bonds designated as the "City of Tontitown, Arkansas Sales and Use Tax Bonds, Refunding and Improvement Series 2022B" (the "Series 2022B Bonds") in the aggregate principal amount of \$11,470,000 allocated as follows: \$2,730,000 for the Refunding; \$4,320,000 for the Water Improvements; and \$4,420,000 for the Sewer Improvements; and

WHEREAS, the City has made arrangements for the sale of (a) the Series 2022A Bonds to Stephens Inc. (the "Purchaser"), at a price of \$5,207,250 (principal amount less underwriter's discount of \$92,750) (the "2022A Purchase Price") and (b) the Series 2022B Bonds

to the Purchaser, at a price of \$11,484,291.60 (principal amount plus net original issue premium of \$215,016.60 and less \$200,725 of underwriter's discount) (the "2022B Purchase Price"), pursuant to a Bond Purchase Agreement between the Purchaser and the City (the "Purchase Agreement"), which has been presented to and is before this meeting; and

WHEREAS, the Preliminary Official Statement, dated December 7, 2021, offering the Series 2022A Bonds and the Series 2022B Bonds (collectively, the "2022 Bonds") for sale (the "Preliminary Official Statement"), has been presented to and is before this meeting; and

WHEREAS, the Continuing Disclosure Agreement between the City and Regions Bank, Little Rock, Arkansas (the "Disclosure Agreement"), providing for the disclosure obligations of the City with respect to the 2022 Bonds, has been presented to and is before this meeting; and

WHEREAS, Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof (the "Insurer") will be issuing a municipal bond insurance policy (the "Insurance Policy") guaranteeing the scheduled payment of principal of and interest on the 2022 Bonds when due; and

WHEREAS, the City may issue additional parity bonds under Section 12 hereof (the "Additional Parity Bonds"); and

WHEREAS, the 2022 Bonds and any Additional Parity Bonds are hereinafter referred to collectively as the "bonds";

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

Section 1. The Fire Improvements and the 2022B Improvements (collectively, the "Improvements") and the Refunding shall be accomplished, and the Mayor and City Clerk-Treasurer are hereby authorized to take all action necessary in connection therewith and to execute all required contracts and documents. The City's Sales and Use Tax Refunding Bonds, Series 2013 (the "Bonds Refunded") will be redeemed on the date the Series 2022B Bonds are issued at a price of par plus accrued interest.

Section 2. The offer of the Purchaser for the purchase of (a) the Series 2022A Bonds from the City at the 2022A Purchase Price and (b) the Series 2022B Bonds from the City at the 2022B Purchase Price, subject to the terms and provisions hereafter in this Ordinance set forth in detail is hereby accepted and the Purchase Agreement, in substantially the form submitted to this meeting, is approved and the 2022 Bonds are hereby sold to the Purchaser. The Mayor is hereby authorized and directed to execute and deliver the Purchase Agreement on behalf of the City and to take all action required on the part of the City to fulfill its obligations under the Purchase Agreement.

Section 3. The Preliminary Official Statement is hereby approved and the previous use of the Preliminary Official Statement by the Purchaser in connection with the sale of the 2022 Bonds is hereby in all respects approved and confirmed, and the Mayor is hereby authorized and directed, for and on behalf of the City, to execute the Preliminary Official Statement and the final Official Statement in the name of the City for use in connection with the sale of the 2022 Bonds as set forth in the Purchase Agreement.

Section 4. The Disclosure Agreement, in substantially the form submitted to this meeting, is approved, and the Mayor is hereby authorized and directed to execute and deliver the Disclosure Agreement for and on behalf of the City. The Mayor is authorized and directed to take all action required on the part of the City to fulfill the City's obligations under the Disclosure Agreement. Any legal fees and other administrative costs incurred by the City in connection with the Disclosure Agreement (except audit fees) shall be considered administrative costs that may be payable from moneys in the Bond Fund (hereinafter identified).

Section 5. 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, (a) the Series 2022A Bonds are hereby authorized and ordered issued in the aggregate principal amount of \$5,300,000, the proceeds of the sale of which are necessary to finance all or a portion of the costs of the Fire Improvements, to partially fund a debt service reserve, to pay a portion of the premium for the Insurance Policy and to pay expenses of issuing the Series 2022A Bonds and (b) the Series 2022B Bonds are hereby authorized and ordered issued in the aggregate principal amount of \$11,470,000, the proceeds of the sale of which are necessary to finance all or a portion of the costs of the 2022B Improvements, to accomplish the Refunding, to partially fund a debt service reserve, to pay a portion of the premium for the Insurance Policy and to pay expenses of issuing the Series 2022B Bonds.

The 2022 Bonds shall bear interest at the rates and shall mature on February 1 in the amounts and in the years as follows:

#### SERIES 2022A BONDS

<u>Year</u> <u>(February 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>
2027	\$ 640,000	1.500%
2032	715,000	2.300
2037	1,125,000	2.875
2042	1,300,000	3.070
2047	1,520,000	3.170

## SERIES 2022B BONDS

<u>Year</u> <u>(February 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>
2023	\$ 230,000	4.000%
2024	240,000	4.000
2025	250,000	4.000
2026	260,000	4.000
2027	270,000	3.000
2028	280,000	3.000
2029	285,000	3.000
2030	295,000	3.000
2031	305,000	3.000
2032	315,000	3.000
2034	535,000	3.000
2038	1,170,000	3.000
2042	1,320,000	3.000
2047	1,860,000	2.500
2052	3,855,000	2.500

The 2022 Bonds shall be issuable only as fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. Unless the City shall otherwise direct, the 2022 Bonds of each series shall be numbered from 1 upward in order of issuance. Each 2022 Bond shall have a CUSIP number but the failure of a CUSIP number to appear on any 2022 Bond shall not affect its validity.

The 2022 Bonds shall be registered initially in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), which shall be considered to be the registered owner of the 2022 Bonds for all purposes under this Ordinance, including, without limitation, payment by the City of principal of, redemption price, premium, if any, and interest on the 2022 Bonds, and receipt of notices and exercise of rights of registered owners. There shall be one certificated, typewritten 2022 Bond for each stated maturity date of each series which shall be immobilized in the custody of or on behalf of DTC with the beneficial owners having no right to receive the 2022 Bonds in the form of physical securities or certificates. DTC and its participants shall be responsible for maintenance of records of the ownership of beneficial interests in the 2022 Bonds by book-entry on the system maintained and operated by DTC and its participants, and transfers of ownership of beneficial interests shall be made only by DTC and its participants, by book-entry, the City having no responsibility therefor. DTC is expected to maintain records of the positions of participants in the 2022 Bonds, and the participants and persons acting through participants are expected to maintain records of the purchasers of beneficial interests in the 2022 Bonds. The 2022 Bonds as such shall not be transferable or exchangeable, except for transfer to another securities depository or to another nominee of a securities depository, without further action by the City.

If any securities depository determines not to continue to act as a securities depository for the 2022 Bonds for use in a book-entry system, the City may establish a securities depository/book-entry system relationship with another securities depository. If the City does not

or is unable to do so, or upon request of the beneficial owners of all outstanding 2022 Bonds, the City and the Trustee (hereinafter identified), after the Trustee has made provision for notification of the beneficial owners by the then securities depository, shall permit withdrawal of the 2022 Bonds from the securities depository, and authenticate and deliver bond certificates in fully registered form (in denominations of \$5,000 or integral multiples thereof) to the assigns of the securities depository or its nominee, all at the cost and expense (including costs of printing definitive bonds) of the City, if the City fails to maintain a securities depository/book-entry system, or of the beneficial owners, if they request termination of the system.

Prior to issuance of the 2022 Bonds, the City shall have executed and delivered to DTC a written agreement (the "Representation Letter") setting forth (or incorporating therein by reference) certain undertakings and responsibilities of the City with respect to the 2022 Bonds so long as the 2022 Bonds or a portion thereof are registered in the name of Cede & Co. (or a substitute nominee) and held by DTC. Notwithstanding such execution and delivery of the Representation Letter, the terms thereof shall not in any way limit the provisions of this Section or in any other way impose upon the City any obligation whatsoever with respect to persons having interests in the 2022 Bonds other than the registered owners, as shown on the registration books kept by the Trustee. The Trustee shall take all action necessary for all representations of the City in the Representation Letter with respect to the Trustee to at all times be complied with.

The authorized officers of the Trustee and the City shall do or perform such acts and execute all such certificates, documents and other instruments as they or any of them deem necessary or advisable to facilitate the efficient use of a securities depository for all or any portion of the 2022 Bonds; provided that neither the Trustee nor the City may assume any obligations to such securities depository or beneficial owners of 2022 Bonds that are inconsistent with their obligations to any registered owner under this Ordinance.

Each 2022 Bond shall be dated as of its date of delivery to the Purchaser. Interest on the 2022 Bonds shall be payable on August 1, 2022 and semiannually thereafter on February 1 and August 1 of each year. Payment of each installment of interest shall be made to the person in whose name the 2022 Bond is registered on the registration books of the City maintained by Regions Bank, Little Rock, Arkansas, as Trustee and Paying Agent (the "Trustee"), at the close of business on the fifteenth day of the month (whether or not a business day) next preceding each interest payment date (the "Record Date"), irrespective of any transfer or exchange of any such 2022 Bond subsequent to such Record Date and prior to such interest payment date, by check or draft by the Trustee to such owner at his address on such registration books. Principal of the 2022 Bonds shall be payable at the corporate trust office of the Trustee.

Each 2022 Bond shall bear interest from the payment date next preceding the date on which it is authenticated unless it is authenticated on an interest payment date, in which event it shall bear interest from such date, or unless it is authenticated prior to the first interest payment date, in which event it shall bear interest from its dated date, or unless it is authenticated during the period from the Record Date to the next interest payment date, in which case it shall bear interest from such interest payment date, or unless at the time of authentication thereof interest is in default thereon, in which event it shall bear interest from the date to which interest has been paid.

Only such 2022 Bonds as shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in Section 7 hereof (the "Certificate") duly executed by the Trustee shall be entitled to any right or benefit under this Ordinance. No 2022 Bond shall be valid and obligatory for any purpose unless and until the Certificate shall have been duly executed by the Trustee, and the executed Certificate of the Trustee upon any such 2022 Bond shall be conclusive evidence that such 2022 Bond has been authenticated and delivered under this Ordinance. The Certificate on any 2022 Bond shall be deemed to have been executed if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the Certificate on all of the 2022 Bonds.

In case any 2022 Bond shall become mutilated or be destroyed or lost, the City shall, if not then prohibited by law, cause to be executed and the Trustee may authenticate and deliver a new 2022 Bond of like date, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated 2022 Bond, or in lieu of and in substitution for such 2022 Bond destroyed or lost, upon the owner paying the reasonable expenses and charges of the City and Trustee in connection therewith, and, in the case of a 2022 Bond destroyed or lost, his filing with the Trustee evidence satisfactory to it that such 2022 Bond was destroyed or lost, and of his ownership thereof, and furnishing the City and Trustee with indemnity satisfactory to them. The Trustee is hereby authorized to authenticate any such new 2022 Bond. In the event any such 2022 Bond shall have matured, instead of issuing a new 2022 Bond, the City may pay the same without the surrender thereof. Upon the issuance of a new 2022 Bond under this Section, the City may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

The City shall cause books to be maintained for the registration and for the transfer of the 2022 Bonds as provided herein and in the 2022 Bonds. The Trustee shall act as the bond registrar. Each 2022 Bond is transferable by the registered owner thereof or by his attorney duly authorized in writing at the principal office of the Trustee. Upon such transfer a new fully registered 2022 Bond or Bonds of the same maturity and series, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefor.

2022 Bonds may be exchanged at the principal corporate trust office of the Trustee for an equal aggregate principal amount of 2022 Bonds of any other authorized denomination or denominations. The City shall execute and the Trustee shall authenticate and deliver 2022 Bonds which the registered owner making the exchange is entitled to receive.

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

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

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

Section 6. The bonds shall be executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk-Treasurer and shall have impressed or imprinted thereon the seal of the City.

Payment of the principal of and interest on the 2022 Bonds, as due (by stated maturity or by scheduled mandatory redemption) is insured by the Insurer pursuant to the Insurance Policy, as set forth in the Insurance Policy.

Section 7. The 2022 Bonds and the Certificate shall be in substantially the following form and the Mayor and City Clerk-Treasurer are hereby expressly authorized and directed to make all recitals contained therein:

(Form of Series 2022A Bond)

REGISTERED

REGISTERED

No. \_\_\_\_\_

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF ARKANSAS  
COUNTY OF WASHINGTON  
CITY OF TONTITOWN  
SALES AND USE TAX BOND  
TAXABLE IMPROVEMENT SERIES 2022A

Interest Rate: \_\_\_\_\_ %

Maturity Date: February 1, \_\_\_\_\_

Dated Date: January 18, 2022

Registered Owner: Cede & Co.

Principal Amount: \_\_\_\_\_ Dollars

CUSIP No.: \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS:

That the City of Tontitown, 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 principal corporate trust office of Regions Bank, Little Rock, Arkansas, or its successor or successors, as Trustee and Paying Agent (the "Trustee"), on the Maturity Date shown above, the Principal Amount shown above, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts and to pay by check or draft to the Registered Owner shown above interest thereon, in like coin or currency from the interest commencement date described below at the Interest Rate per annum shown above, payable on August 1, 2022 and on each February 1 and August 1 thereafter, until payment of such Principal Amount or, if this bond or a portion hereof shall be duly called for redemption, until the date fixed for redemption, and to pay interest on overdue principal and interest (to the extent legally enforceable) at the rate borne by this bond. Payment of each installment of interest shall be made to the person in whose name this bond is registered on the registration books of the City maintained by the Trustee at the close of business on the fifteenth day of the month (whether or not a business day) next preceding each interest payment date (the "Record Date"), irrespective of any transfer or exchange of this bond subsequent to such Record Date and prior to such interest payment date.

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

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

This bond is one of an issue of City of Tontitown, Arkansas Sales and Use Tax Bonds, Taxable Improvement Series 2022A, aggregating Five Million Three Hundred Thousand Dollars (\$5,300,000) in aggregate principal amount (the "Series 2022A Bonds"), and is issued for the purpose of financing all or a portion of the costs of fire improvements, partially funding a debt service reserve, paying a portion of the premium for a municipal bond insurance policy and paying expenses of authorizing and issuing the Series 2022A Bonds. The City is also issuing its Sales and Use Tax Bonds, Refunding and Improvement Series 2022B (the "Series 2022B Bonds") and



the Series 2022A Bonds and the Series 2022B Bonds (collectively, the "bonds") are equally and ratably secured.

The bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas (the "State"), particularly Amendment No. 62 to the Constitution of the State and Title 14, Chapter 164, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation"), and pursuant to Ordinance No. \_\_\_\_ of the City, duly adopted on December 14, 2021 (the "Authorizing Ordinance"), and an election duly held at which the majority of the legal voters of the City voting on the questions approved the issuance of the bonds. Reference is hereby made to the Authorizing Ordinance for the details of the nature and extent of the security and of the rights and obligations of the City, the Trustee and the registered owners of the bonds. The bonds are special obligations of the City, payable from and secured by a first and prior pledge of the net collections of a 1% sales and use tax (the "Tax") levied by the City under Title 26, Chapter 75, Subchapter 2 of the Arkansas Code of 1987 Annotated and Ordinance No. 131 of the City duly adopted on August 24, 1999, as amended, and the City hereby pledges the net collections of the Tax 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 bonds.

The Series 2022A Bonds are subject to extraordinary, optional and mandatory sinking fund redemption prior to maturity as follows:

(1) The Series 2022A Bonds shall be redeemed by the City from proceeds of the Series 2022A Bonds not needed for the purposes intended, on any interest payment date, in whole or in part, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date, in inverse order of maturity (and by lot within a maturity in such manner as the Trustee may determine).

(2) The Series 2022A Bonds are subject to redemption at the option of the City, from funds from any source, on and after February 1, 2027, in whole or in part at any time, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date. If fewer than all of the Series 2022A Bonds shall be called for redemption, the particular maturities to be redeemed shall be selected by the City in its discretion. If fewer than all of the Series 2022A Bonds of any one maturity shall be called for redemption, the particular Series 2022A Bonds or portion thereof to be redeemed from such maturity shall be selected by lot by the Trustee.

(3) To the extent not previously redeemed, the Series 2022A Bonds are subject to mandatory sinking fund redemption by lot in such manner as the Trustee shall determine on February 1 in the years and in the amounts set forth below, at a redemption price equal to the principal amount being redeemed plus accrued interest to the date of redemption:

Series 2022A Bonds Maturing February 1, 2027

Year (February 1)	Principal Amount
2023	\$110,000
2024	130,000
2025	130,000
2026	135,000
2027 (maturity)	135,000

Series 2022A Bonds Maturing February 1, 2032

Year (February 1)	Principal Amount
2028	\$135,000
2029	140,000
2030	145,000
2031	145,000
2032 (maturity)	150,000

Series 2022A Bonds Maturing February 1, 2037

Year (February 1)	Principal Amount
2033	\$210,000
2034	220,000
2035	225,000
2036	230,000
2037 (maturity)	240,000

Series 2022A Bonds Maturing February 1, 2042

Year (February 1)	Principal Amount
2038	\$245,000
2039	255,000
2040	260,000
2041	265,000
2042 (maturity)	275,000

Series 2022A Bonds Maturing February 1, 2047

Year (February 1)	Principal Amount
2043	\$285,000
2044	290,000
2045	305,000
2046	315,000
2047 (maturity)	325,000

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 by first class mail, postage prepaid, or sending via other standard means, including electronic or facsimile communication, a copy of the redemption notice to all registered owners of bonds to be redeemed. Failure to send an appropriate notice or any such notice to one or more registered owners of bonds to be redeemed shall not affect the validity of the proceedings for redemption of other bonds as to which notice of redemption is duly given in proper and timely fashion. All such bonds or portions thereof thus called for redemption and for the retirement of which funds are duly provided in accordance with the Authorizing Ordinance prior to the date fixed for redemption will cease to bear interest on such redemption date.

This bond is transferable by the Registered Owner shown above in person or by his attorney-in-fact duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Authorizing Ordinance, and upon surrender and cancellation of this bond. Upon such transfer a new fully registered bond or bonds of the same maturity and series, 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 and series 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 a tax sufficient to pay the bonds and interest thereon has been duly levied in accordance with the Authorizing Legislation and made payable annually until all of the bonds and interest thereon have been fully paid and discharged.

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

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

CITY OF TONTITOWN, ARKANSAS

ATTEST:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk-Treasurer

(SEAL)

[A Statement of Insurance Provided by the  
Insurer Shall Be Placed on the Series 2022A Bonds]

(Form of Trustee's Certificate)

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the Series 2022A Bonds issued under the provisions of the within mentioned Authorizing Ordinance.

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

REGIONS BANK  
Little Rock, Arkansas  
TRUSTEE

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

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, \_\_\_\_\_ ("Transferor"), hereby sells, assigns and transfers unto \_\_\_\_\_, the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ as attorney to transfer the within bond on the books kept for registration thereof with full power of substitution in the premises.

DATE: \_\_\_\_\_

\_\_\_\_\_  
Transferor

GUARANTEED BY:  
\_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by a member of or participant in the Securities Transfer Agents Medallion Program (STAMP), or in another signature guaranty program recognized by the Trustee.

(Form of Series 2022B Bond)

REGISTERED

REGISTERED

No. \_\_\_\_\_

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF ARKANSAS  
COUNTY OF WASHINGTON  
CITY OF TONTITOWN  
SALES AND USE TAX BOND  
REFUNDING AND IMPROVEMENT SERIES 2022B

Interest Rate: \_\_\_\_\_%

Maturity Date: February 1, \_\_\_\_\_

Dated Date: January 18, 2022

Registered Owner: Cede & Co.

Principal Amount: \_\_\_\_\_ Dollars

CUSIP No.: \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS:

That the City of Tontitown, 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 principal corporate trust office of Regions Bank, Little Rock, Arkansas, or its successor or successors, as Trustee and Paying Agent (the "Trustee"), on the Maturity Date shown above, the Principal Amount shown above, in such coin or currency of

the United States of America as at the time of payment shall be legal tender for the payment of public and private debts and to pay by check or draft to the Registered Owner shown above interest thereon, in like coin or currency from the interest commencement date described below at the Interest Rate per annum shown above, payable on August 1, 2022 and on each February 1 and August 1 thereafter, until payment of such Principal Amount or, if this bond or a portion hereof shall be duly called for redemption, until the date fixed for redemption, and to pay interest on overdue principal and interest (to the extent legally enforceable) at the rate borne by this bond. Payment of each installment of interest shall be made to the person in whose name this bond is registered on the registration books of the City maintained by the Trustee at the close of business on the fifteenth day of the month (whether or not a business day) next preceding each interest payment date (the "Record Date"), irrespective of any transfer or exchange of this bond subsequent to such Record Date and prior to such interest payment date.

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

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

This bond is one of an issue of City of Tontitown, Arkansas Sales and Use Tax Bonds, Refunding and Improvement Series 2022B, aggregating Eleven Million Four Hundred Seventy Thousand Dollars (\$11,470,000) in aggregate principal amount (the "Series 2022B Bonds"), and is issued for the purpose of financing all or a portion of the costs of water and sewer improvements, partially funding a debt service reserve, paying a portion of the premium for a municipal bond insurance policy and paying expenses of authorizing and issuing the Series 2022B Bonds. The City is also issuing its Sales and Use Tax Bonds, Taxable Improvement Series 2022A (the "Series 2022A Bonds") and the Series 2022A Bonds and the Series 2022B Bonds (collectively, the "bonds") are equally and ratably secured.

The bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas (the "State"), particularly Amendment No. 62 to the Constitution of the State and Title 14, Chapter 164, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation"), and pursuant to Ordinance No. \_\_\_\_ of the City, duly adopted on December 14, 2021 (the "Authorizing Ordinance"), and an election duly held at which the majority

of the legal voters of the City voting on the questions approved the issuance of the bonds. Reference is hereby made to the Authorizing Ordinance for the details of the nature and extent of the security and of the rights and obligations of the City, the Trustee and the registered owners of the bonds. The bonds are special obligations of the City, payable from and secured by a first and prior pledge of the net collections of a 1% sales and use tax (the "Tax") levied by the City under Title 26, Chapter 75, Subchapter 2 of the Arkansas Code of 1987 Annotated and Ordinance No. 131 of the City duly adopted on August 24, 1999, as amended, and the City hereby pledges the net collections of the Tax 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 bonds.

The Series 2022B Bonds are subject to extraordinary, optional and mandatory sinking fund redemption prior to maturity as follows:

(1) The Series 2022B Bonds shall be redeemed by the City from proceeds of the Series 2022B Bonds not needed for the purposes intended, on any interest payment date, in whole or in part, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date, in inverse order of maturity (and by lot within a maturity in such manner as the Trustee may determine).

(2) The Series 2022B Bonds are subject to redemption at the option of the City, from funds from any source, on and after February 1, 2027, in whole or in part at any time, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date. If fewer than all of the Series 2022B Bonds shall be called for redemption, the particular maturities to be redeemed shall be selected by the City in its discretion. If fewer than all of the Series 2022B Bonds of any one maturity shall be called for redemption, the particular Series 2022B Bonds or portion thereof to be redeemed from such maturity shall be selected by lot by the Trustee.

(3) To the extent not previously redeemed, the Series 2022B Bonds maturing on February 1 in the years 2034, 2038, 2042, 2047 and 2052 are subject to mandatory sinking fund redemption by lot in such manner as the Trustee shall determine on February 1 in the years and in the amounts set forth below, at a redemption price equal to the principal amount being redeemed plus accrued interest to the date of redemption:

Series 2022B Bonds Maturing February 1, 2034

Year (February 1)	Principal Amount
2033	\$265,000
2034 (maturity)	270,000

Series 2022B Bonds Maturing February 1, 2038

Year (February 1)	Principal Amount
2035	\$280,000
2036	290,000
2037	295,000
2038 (maturity)	305,000

Series 2022B Bonds Maturing February 1, 2042

Year (February 1)	Principal Amount
2039	\$315,000
2040	325,000
2041	335,000
2042 (maturity)	345,000

Series 2022B Bonds Maturing February 1, 2047

Year (February 1)	Principal Amount
2043	\$355,000
2044	365,000
2045	370,000
2046	380,000
2047 (maturity)	390,000

Series 2022B Bonds Maturing February 1, 2052

Year (February 1)	Principal Amount
2048	\$735,000
2049	750,000
2050	770,000
2051	790,000
2052 (maturity)	810,000

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 by first class mail, postage prepaid, or sending via other standard means, including electronic or facsimile communication, a copy of the redemption notice to all registered



owners of bonds to be redeemed. Failure to send an appropriate notice or any such notice to one or more registered owners of bonds to be redeemed shall not affect the validity of the proceedings for redemption of other bonds as to which notice of redemption is duly given in proper and timely fashion. All such bonds or portions thereof thus called for redemption and for the retirement of which funds are duly provided in accordance with the Authorizing Ordinance prior to the date fixed for redemption will cease to bear interest on such redemption date.

This bond is transferable by the Registered Owner shown above in person or by his attorney-in-fact duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Authorizing Ordinance, and upon surrender and cancellation of this bond. Upon such transfer a new fully registered bond or bonds of the same maturity and series, 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 and series 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 a tax sufficient to pay the bonds and interest thereon has been duly levied in accordance with the Authorizing Legislation and made payable annually until all of the bonds and interest thereon have been fully paid and discharged.

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

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

CITY OF TONTITOWN, ARKANSAS

ATTEST:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk-Treasurer

(SEAL)

[A Statement of Insurance Provided by the  
Insurer Shall Be Placed on the Series 2022B Bonds]

(Form of Trustee's Certificate)

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the Series 2022B Bonds issued under the provisions of the  
within mentioned Authorizing Ordinance.

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

REGIONS BANK  
Little Rock, Arkansas  
TRUSTEE

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

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, \_\_\_\_\_ ("Transferor"), hereby sells,  
assigns and transfers unto \_\_\_\_\_, the within bond and all rights thereunder, and hereby  
irrevocably constitutes and appoints \_\_\_\_\_ as attorney to transfer the within bond on  
the books kept for registration thereof with full power of substitution in the premises.

DATE: \_\_\_\_\_

\_\_\_\_\_  
Transferor

GUARANTEED BY:

\_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by a member of or participant in the Securities Transfer Agents Medallion Program (STAMP), or in another signature guaranty program recognized by the Trustee.

Section 8. The City hereby expressly pledges and appropriates all of the revenues derived by the City from the 1% sales and use tax levied by the City pursuant to Title 26, Chapter 75, Subchapter 2 of the Arkansas Code of 1987 Annotated and Ordinance No. 131 adopted on August 24, 1999, as amended, to the payment of the principal of and interest on the bonds when due at maturity or at redemption prior to maturity and to the payment of the Trustee's and administrative fees and expenses, amounts due with respect to the Insurance Policy or any other insurance policy issued for bonds other than the 2022 Bonds ("Parity Bond Policy") and any arbitrage rebate due the United States Treasury under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). The City covenants that the Tax shall never be repealed or reduced while any of the bonds are outstanding or amounts are due with respect to the Insurance Policy or Parity Bond Policy. 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 9. (a) The City hereby designates Regions Bank, Little Rock, Arkansas as the bank which shall receive collections of the Tax ("Pledged Revenues") from the State Treasurer and the City covenants to file a written designation thereof with the State Treasurer prior to the issuance of the 2022 Bonds. The Trustee shall deposit all collections of the Tax as and when received into a special fund of the City in the Trustee which is hereby created and designated "Sales and Use Tax Revenue Fund" (the "Revenue Fund"). There is created in the Revenue Fund the following accounts: Bond Account and Surplus Revenues Account. The Pledged Revenues shall be disbursed monthly as follows: (1) the amount necessary to make the transfers set forth in (b)(1) through (4) below shall be deposited into the Bond Account, and (2) the balance shall be deposited into the Surplus Revenues Account.

(b) Moneys in the Bond Account in the Revenue Fund shall, within five (5) days of receipt, be transferred to the following accounts each month in the following order of priority:

(1) the Trustee's fees and expenses and other administrative charges next due, any amounts due with respect to the Insurance Policy or Parity Bond Policy and any arbitrage rebate due the United States Treasury under Section 148(f) of the Code - Expense Account in the Bond Fund; and

(2) 1/6 of the interest on the bonds next due - Debt Service Account in the Bond Fund; and

(3) 1/12 of the principal of the bonds next due at maturity or upon mandatory sinking fund redemption - Debt Service 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) any remaining amounts shall be used to cover any deficiency in the monthly transfers required by (1) through (4) above for any previous month or deposited into the Surplus Revenues Account in the Revenue Fund.

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 on moneys in the Debt Service Account and (2) transfers from the Debt Service Reserve Account.

(c) Moneys in the Surplus Revenues Account in the Revenue Fund shall cease to be a part of the Pledged Revenues and shall be paid to the City and used for any lawful purpose for which Tax collections may be used. Such payments shall be made to the City within five (5) days after moneys are deposited into the Surplus Revenues Account.

Section 10. (a) There is hereby created a special fund of the City in the Trustee 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 bonds as they become due at maturity or at redemption prior to maturity, the Trustee's fees and expenses and other administrative charges, any amounts due with respect to the Insurance Policy or Parity Bond Policy and any arbitrage rebate. There shall be established in the Bond Fund the following accounts into which moneys from the Revenue Fund shall be deposited monthly: Debt Service Account and Expense Account. Moneys in the Bond Fund shall be used on each interest payment date. Moneys in the Bond Fund shall be used on each interest payment date (or in the case of a payment with respect to the Insurance Policy or Parity Bond Policy, on any date due) in the following order of priority as and when necessary:

(1) to pay the Trustee's fees and expenses and other administrative charges then due and any amounts due with respect to the Insurance Policy or Parity Bond Policy - Expense Account; and

(2) to pay the interest on the bonds then due - Debt Service Account; and

(3) to pay the principal of the bonds then due at maturity or upon mandatory sinking fund redemption - Debt Service Account.

In addition, moneys in the Expense Account in the Bond Fund shall be used to pay any arbitrage rebate due under Section 148(f) of the Code.

(b) There shall be established and maintained in the Bond Fund a Debt Service Reserve Account which shall be maintained in an amount equal to one-half of the maximum annual debt service requirement on the bonds (based on a year ending February 1) (the "required level"). The Debt Service Reserve Account will initially be funded with proceeds of the 2022 Bonds. The Debt Service Reserve Account will be increased in the event that Additional Parity Bonds are issued. Moneys in the Debt Service Reserve Account shall be used to make the payments

described in clauses (2) and (3) of subsection (a) above if moneys in the Debt Service Account 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 Debt Service Account in the Bond Fund.

The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Debt Service Reserve Account, if any. Notwithstanding anything to the contrary set forth in this Ordinance, amounts on deposit in the Debt Service Reserve Account shall be applied solely to the payment of debt service due on the bonds.

(c) When the moneys in the Bond Fund shall be and remain sufficient to pay (1) the principal of all the bonds then outstanding, (2) interest on the bonds until the next interest payment date, (3) the Trustee's fees and expenses and other administrative charges and (4) any arbitrage rebate due 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 bonds have been paid may be used by the City for any lawful purpose for which Tax collections may be used.

(d) All moneys in the Bond Fund shall be used solely for the purpose of paying the principal of and interest on the bonds, Trustee's fees and expenses and other administrative charges, any amounts due with respect to the Insurance Policy or Parity Bond Policy and any arbitrage rebate, as the same become due.

(e) The Trustee is authorized and directed to withdraw moneys from the Bond Fund from time to time as necessary for paying principal of and interest on the bonds when due at maturity or at redemption prior to maturity and for making other authorized Bond Fund expenditures.

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

Section 11. Any bond shall be deemed to be paid within the meaning of this Ordinance when payment of the principal of and interest on such bond (whether at maturity or upon redemption as provided herein, or otherwise), either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment (1) cash fully insured by the Federal Deposit Insurance Corporation ("FDIC") and/or collateralized with direct obligations of the United State of America ("Defeasance Securities") sufficient to make such payment and/or (2) Defeasance Securities (provided that such deposit will not cause any bonds issued as tax-exempt bonds to be classified as "arbitrage bonds" 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 payments, and all necessary and proper fees, compensation and expenses of the Trustee with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee

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

When all the bonds shall have been paid within the meaning of this Ordinance, if the Trustee has been paid its fees and expense, if there are no amounts due with respect to the Insurance Policy or Parity Bond Policy and if any arbitrage rebate under Section 148(f) of the Code has been paid or provided for to the satisfaction of the Trustee, the Trustee shall take all appropriate action to cause (i) the pledge and lien of this Ordinance to be discharged and cancelled, and (ii) all moneys held by it pursuant to this Ordinance and which are not required for the payment of such bonds to be paid over or delivered to or at the direction of the City.

To accomplish defeasance of all or any portion of the 2022 Bonds (the "Defeased Bonds"), the City shall cause to be delivered to the Insurer, unless waived by the Insurer, (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Insurer verifying the sufficiency of the escrow established to pay the Defeased Bonds in full on the maturity or redemption date ("Verification"), (ii) an escrow deposit agreement (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Defeased Bonds are no longer outstanding under this Ordinance, and (iv) a certificate of discharge of the Trustee with respect to the Defeased Bonds. Each defeasance opinion shall be acceptable in form and substance, and addressed, to the City, the Trustee and the Insurer. Each Verification shall be acceptable in form and substance to the City, the Trustee and the Insurer and shall be addressed to the City and the Trustee. In addition, unless waived by the Insurer, each Verification shall either be addressed to the Insurer or shall include a statement to the effect that such Verification may be relied upon by the Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow.

2022 Bonds shall be deemed to be outstanding under this Ordinance unless and until they are in fact paid and retired or the above criteria are met or, in the case of clauses (i) through (iv) above, waived by the Insurer.

Section 12. The City covenants that it will not issue any bonds, or incur any obligation, secured by a lien on or pledge of the Pledged Revenues, except as authorized in this Section. The City may issue bonds or incur obligations on a parity of security with the 2022 Bonds ("Additional Parity Bonds") so long as the City has received collections of the Tax for a twelve-month period that ends not less than 30 and not more than 90 days prior to the date that the Additional Parity Bonds are authorized by the City Council to be issued, in an amount equal to or in excess of 125% of the maximum annual debt service requirement for the 2022 Bonds, any outstanding Additional Parity Bonds and the Additional Parity Bonds proposed to be issued.

Notwithstanding the above, additional bonds may not be issued (i) if an event of default (or any event which, once all notice or grace periods have passed, would constitute an event of default) exists under this Ordinance unless such default shall be cured upon such issuance and (ii) unless the Debt Service Reserve Account is fully funded at the required amount upon the issuance of such additional bonds, in either case unless otherwise permitted by the Insurer.

The City may also issue additional bonds or incur obligations secured by a lien on and pledge of the Pledged Revenues subordinate to the lien and pledge in favor of the 2022 Bonds.

Section 13. The 2022 Bonds 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 7 of this Ordinance. The City hereby covenants to use proceeds of the 2022 Bonds not necessary for the purposes intended to redeem 2022 Bonds on the first available interest payment date.

Upon the redemption of a series of the 2022 Bonds from proceeds of such bonds not needed for the intended purposes, the selection of such bonds to be redeemed shall be subject to the approval of the Insurer.

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

Section 15. The Trustee 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, the Purchaser, the Insurer and the owner of any of the bonds at reasonable times and under reasonable circumstances. The Trustee shall furnish a report to the City on a monthly basis of all receipts and disbursements of the Pledged Revenues received by the Trustee, which monthly report shall commence one month following the first month in which the Pledged Revenues are received by the Trustee.

Section 16. (a) Subject to the provisions of (g) below, if there be any default in the payment of the principal of and interest on any of the bonds, or if the City defaults in the performance of any covenant contained in this Ordinance, the Trustee may, and shall, upon the written request of (1) the Insurer or (2) with the consent of the Insurer, the owners of not less than 10% in principal amount of the bonds then outstanding, by proper suit compel the performance of the duties of the officials of the City under the Constitution and laws of the State and under this Ordinance, and to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

(b) No owner of any bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or in law for the protection or enforcement of any right under this Ordinance or under the Constitution and laws of the State unless (1) such owner or the Trustee shall have given written notice of such default to the Insurer and (2) such owner previously shall have given to the Trustee written notice of the default on account of which such suit, action or proceeding is to be taken, and unless the owners of not less than 10% in principal amount of the bonds then outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted by the Constitution and laws of the State, or to institute such action, suit or proceeding in its name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the cost, expense and liabilities to be incurred therein or thereby and the Trustee shall have

refused or neglected to comply with such request within a reasonable time, and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trust of this Ordinance or to any other remedy hereunder. It is understood and intended that no one or more owners of the bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Ordinance, or to enforce any right hereunder except in the manner herein provided, that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all owners of the outstanding bonds, and that any individual rights of action or other right given to one or more of such owners by law are restricted by this Ordinance to the rights and remedies herein provided.

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

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

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

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

(g) Notwithstanding the above, the Insurer shall be deemed to be the sole holder of the 2022 Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the owners of the 2022 Bonds are entitled to take pursuant to this Section and Section 19 of this Ordinance. In furtherance thereof and as a term of this Ordinance and each 2022 Bond, the Trustee and each holder of a 2022 Bond appoint the Insurer as their agent and attorney-in-fact and agree that the Insurer may at any time during the continuation of any proceeding by or against the City under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating



to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each holder of a 2022 Bond delegate and assign to the Insurer, to the fullest extent permitted by law, their rights in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. Remedies granted to the holders of the 2022 Bonds shall include mandamus.

(h) After payment of reasonable expenses of the Trustee, the funds realized upon default shall be applied to the payment of expenses of the City only after payment of past due and current debt service on the bonds and amounts, if any, required to restore the Debt Service Reserve Account to the required level.

**Section 17.** (a) When the Series 2022A Bonds have been executed and sealed as herein provided, they shall be delivered to the Trustee, which shall authenticate them and deliver them to or at the direction of the Purchaser upon payment of the 2022A Purchase Price a portion of which shall be paid directly to the Insurer in payment of a portion of the premium due the Insurer for the Insurance Policy and the rating fee. The amount necessary to fund a portion of the Debt Service Reserve Account in the Bond Fund, as set forth in the delivery instructions to the Trustee signed by the Mayor and City Clerk-Treasurer (the "Delivery Instructions"), shall be deposited therein. The expenses of issuing the Series 2022A Bonds, as set forth in the Delivery Instructions, shall be paid from the 2022A Purchase Price.

The balance of the 2022A Purchase Price shall be deposited into a fund of the City established with the Trustee and designated "2022A Fire Construction Fund" (the "2022A Construction Fund"). The amounts credited to the 2022A Construction Fund shall be disbursed in payment of costs of the Fire Improvements, necessary expenses incidental thereto and expenses of issuing the Series 2022A Bonds. Disbursements shall be made from the 2022A 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; and the purpose by general classification of the payment. Each requisition must be signed by the Mayor and the City Clerk-Treasurer. The Trustee shall keep records as to all payments made by requisition from the 2022A Construction Fund.

When the Fire Improvements have been completed and all required expenses have been paid and expenditures made from the 2022A Construction Fund for and in connection with the accomplishment of the Fire Improvements and the financing thereof, this fact shall, if moneys remain in the 2022A Construction Fund, be evidenced by a certificate signed by the Mayor, which certificate shall state, among other things, the date of the completion and that all obligations payable from the 2022A Construction Fund have been discharged. A copy of the certificate shall be filed with the Trustee, and upon receipt thereof, the Trustee shall transfer any remaining balance into the Bond Fund.

(b) When the Series 2022B Bonds have been executed and sealed as herein provided, they shall be delivered to the Trustee, which shall authenticate them and deliver them to or at the direction of the Purchaser upon payment of the 2022B Purchase Price, a portion of which

shall be paid directly to the Insurer in payment of a portion of the premium due the Insurer for the Insurance Policy and the rating fee. The amount necessary to fund a portion of the Debt Service Reserve Account in the Bond Fund, as set forth in the Delivery Instructions, shall be deposited therein. The expenses of issuing the Series 2022B Bonds, as set forth in the Delivery Instructions, shall be paid from the Purchase Price. The amount necessary to accomplish the Refunding shall be deposited with the trustee for the owners of the Bonds Refunded.

The balance of the 2022B Purchase Price shall be deposited into two special Construction Funds of the City established with the Trustee (each a "2022B Construction Fund" and collectively, the "2022B Construction Fund"). The money to be deposited into the 2022B Construction Fund shall be allocated among the 2022B Improvements in proportion to the principal amount of Series 2022B Bonds allocated for each purpose. Each 2022B Construction Fund shall be designated to reflect the purpose, e.g., "2022B Water Construction Fund." The amounts credited to each 2022B Construction Fund shall be expended to accomplish the purpose for which such fund was created. Issuance costs and other expenses not specific to any one purpose shall be joint obligations to be paid from each 2022B Construction Fund in proportion to the initial moneys credited thereto. Disbursements shall be made from the 2022B 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 payment and that the payment is a proper charge on the respective 2022B Construction Fund. Each requisition must be signed by the Mayor and the City Clerk-Treasurer. The Trustee shall keep records as to all payments made from the 2022B Construction Fund.

When the 2022B Improvements of a particular type (e.g., Water Improvements) have been completed and all required expenses have been paid and expenditures made from the 2022B Construction Fund established to accomplish such 2022B Improvements and the financing thereof, this fact shall, if moneys remain in such 2022B Construction Fund, be evidenced by a certificate signed by the Mayor, which certificate shall state, among other things, the date of the completion and that all obligations payable from such 2022B Construction Fund have been discharged. A copy of the certificate shall be filed with the Trustee, and upon receipt thereof the Trustee shall deposit any remaining balance into the Bond Fund.

(c) Unless the Insurer otherwise directs, upon the occurrence of an event of default or an event which with notice or lapse of time would constitute an event of default, amounts on deposit in the 2022A Construction Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the Series 2022A Bonds. Unless the Insurer otherwise directs, upon the occurrence of an event of default or an event which with notice or lapse of time would constitute an event of default, amounts on deposit in the 2022B Construction Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the Series 2022B Bonds.

Section 18. (a) Moneys held for the credit of the 2022A Construction Fund and the 2022B Construction Fund shall be invested and reinvested at the direction of the City, and in the Trustee's discretion in the absence of any direct instruction from the City, in Permitted Investments (hereinafter defined) or other investments from time to time permitted by State law, which shall mature, or which shall be subject to redemption by the holder thereof, at the option of

such holder, not later than the date or dates when such money will be required for the purposes intended.

(b) Moneys held for the credit of the Debt Service Reserve Account in the Bond Fund shall be invested and reinvested at the direction of the City, and in the Trustee's discretion in the absence of any direct instruction from the City, in Permitted Investments, all of which shall mature, or which shall be subject to redemption by the holder thereof, at the option of such holder, not later than seven (7) years after the date of investment or the final maturity date of the outstanding bonds, whichever is earlier.

(c) Moneys held for the credit of the Revenue Fund and the Bond Fund (other than the Debt Service Reserve Account therein) shall be invested and reinvested at the direction of the City, and in the Trustee's discretion in the absence of any direct instruction from the City, in Permitted Investments, which shall mature, or which shall be subject to redemption by the holder thereof, at the option of such holder, not later than the date or dates when the moneys will be required for payment of the principal of and interest on the bonds when due.

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

(e) "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 demand deposits of banks, including the Trustee, which are insured by the FDIC or, if in excess of insurance coverage, collateralized by Government Securities or other securities authorized by State law to secure public funds or (iv) money market funds invested exclusively in Government Securities and the obligations described in (ii) above.

(f) All investments and deposits shall have a par value (or market value when less than par), exclusive of accrued interest at all times at least equal to the amount of money credited to such funds and shall be made in such a manner that the money required to be expended from any fund will be available at the proper time or times.

(g) Investments of moneys in all funds shall be valued in terms of current market value as of the last day of each year, except that direct obligations of the United States (State and Local Government Series) in book-entry form shall be continuously valued at par or face principal amount.

Section 19. Regions Bank, Little Rock, Arkansas is hereby appointed to act as Trustee and Paying Agent pursuant to this Ordinance. The Trustee shall be responsible for the exercise of good faith and reasonable prudence in the execution of its trusts. The recitals in this Ordinance and in the bonds are the recitals of the City and not of the Trustee. The Trustee shall

not be required to take any action as Trustee unless it shall have been requested to do so in writing by the Insurer or the owners of not less than 10% in principal amount of bonds then outstanding and shall have been offered reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby. The Trustee may resign by giving 60 days' notice in writing to the City Clerk-Treasurer, the Insurer and the owners of the bonds. The Insurer, the majority in principal amount of the owners of the outstanding bonds or the City, so long as the City is not in default under this Ordinance, in each case with the consent of the Insurer, at any time, with or without cause, may remove the Trustee. In the event of a vacancy in the office of Trustee, either by resignation or removal, the City shall forthwith designate a new Trustee by a written instrument filed in the office of the City Clerk-Treasurer and with the Insurer. The new Trustee shall be a bank or a trust company duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$5,000,000. The Trustee and any successor Trustee shall file a written acceptance and agreement to execute the trusts imposed upon it by this Ordinance, but only upon the terms and conditions set forth in this Ordinance and subject to the provisions of this Ordinance, to all of which the respective owners of the bonds agree. Such written acceptance shall be filed with the City Clerk-Treasurer and with the Insurer, and a copy thereof shall be placed in the bond transcript. Any successor Trustee shall have all the powers herein granted to the original Trustee.

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

(b) The Trustee, with the prior written consent of the Insurer, may consent to any change without consent of 75% of the owners of aggregate principal amount of bonds outstanding (i) that the Trustee determines is not to the material prejudice of the owners of the bonds or (ii) in order to cure any ambiguity or formal defect or omission in this Ordinance or any amendment thereto.

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

(d) Neither the consent of the Insurer nor the consent of the owners of bonds outstanding is necessary for the consent by the Trustee of any supplemental ordinance in connection with the issuance of Additional Parity Bonds.

Section 21. (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 2022B Bonds 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 2022B Bonds and the Pledged Revenues will not be used directly or indirectly in such manner as to cause the Series 2022B Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code.

(b) The City represents that it has not used or permitted the use of, and covenants that it will not use or permit the use of the 2022B Improvements, the water improvements refunded by the Bonds Refunded (the "Prior Improvements") or the proceeds of the Series 2022B Bonds, in such manner as to cause the Series 2022B Bonds to be "private activity bonds" within the meaning of Section 141 of the Code. In this regard, the City covenants that (i) it will not use (directly or indirectly) the proceeds of the Series 2022B Bonds to make or finance loans to any person, and (ii) that while the Series 2022B Bonds are outstanding the 2022B Improvements will only be used by state or local governmental units or by persons on a basis as members of the general public.

(c) The City covenants that it will not reimburse itself from Series 2022B Bond proceeds for any costs paid prior to the date the Series 2022B Bonds are issued except in compliance with United States Treasury Regulation § 1.150-2 (the "Regulation"). This Ordinance shall constitute an "official intent" within the meaning of the Regulation.

(d) The City will retain all documents and records pertaining to the Series 2022B Bonds, the Improvements and the Prior Improvements for the life of the Series 2022B Bonds plus an additional three years.

(e) The City shall pay any arbitrage rebate due the United States Treasury under Section 148 of the Code from moneys in the Bond Fund. The costs of calculating the arbitrage rebate due and the arbitrage rebate amount shall be considered administrative costs payable from moneys in the Bond Fund.

Section 22. The City covenants that it will take no action which would cause the Series 2022B Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code. The City further covenants that it will submit to the Secretary of the Treasury of the United States, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the bonds are issued, a statement concerning the Series 2022B Bonds which contains the information required by Section 149(e) of the Code.

Section 23. All moneys in the bond fund, including the debt service reserve account therein, being maintained in connection with the Bonds Refunded are hereby appropriated and shall either (a) be used to accomplish the Refunding or (b) be deposited into the Bond Fund and become a part of the Pledged Revenues hereunder.

Section 24. Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of this Ordinance and the 2022 Bonds relating to such payments shall remain outstanding and continue to be due and owing until paid by the City in accordance with this Ordinance. This Ordinance shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

Section 25. The City agrees to take such action (including, if applicable, filing UCC financing statements and continuations thereof) as is necessary from time to time to perfect or to otherwise preserve the priority of the pledge of the Pledged Revenues under applicable law.

Section 26. If, on the third business day prior to the related scheduled interest payment date or principal payment date ("Payment Date"), there is not on deposit with the Trustee, after making all transfers and deposits required under this Ordinance, moneys sufficient to pay the principal of and interest on the 2022 Bonds due on such Payment Date, the Trustee shall give notice to the Insurer and to its designated agent (if any) ("Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such business day. If, on the second business day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the 2022 Bonds due on such Payment Date, the Trustee shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the 2022 Bonds and the amount required to pay principal of the 2022 Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent (if any) by 12:00 noon, New York City time, on such second business day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Trustee shall designate any portion of payment of principal on 2022 Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of 2022 Bonds registered to the then current holder of a 2022 Bond, whether DTC or its nominee or otherwise, and shall issue a replacement 2022 Bond to the Insurer, registered in the name of the Insurer, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement 2022 Bond shall have no effect on the amount of principal or interest payable by the City on any 2022 Bond or the subrogation rights of the Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (hereinafter defined) and the allocation of such funds to payment of interest on and principal paid in respect of any 2022 Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon payment of a claim under the Insurance Policy the Trustee shall establish a separate special purpose trust account for the benefit of holders of 2022 Bonds referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Insurance Policy in trust on behalf of holders of 2022 Bonds and shall deposit any such amount in the Policy Payments

Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to holders of 2022 Bonds in the same manner as principal and interest payments are to be made with respect to the 2022 Bonds under the sections hereof regarding payment of 2022 Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments.

Notwithstanding anything herein to the contrary, the City agrees to pay to the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy and (ii) to the extent permitted by law, interest on 2022 Bond principal (but not 2022 Bond interest) from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the stated interest rate for each such 2022 Bond (collectively, the "Insurer Reimbursement Amounts"). The City hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Pledged Revenues and payable from such Pledged Revenues on a parity with debt service due on the bonds.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following a Payment Date shall promptly be remitted to the Insurer.

Section 27. The Insurer shall, to the extent it makes any payment of principal of or interest on the 2022 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the City to the Insurer shall survive the discharge or termination of this Ordinance.

Section 28. The City shall pay or reimburse the Insurer any and all charges, fees, cost and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in this Ordinance, (ii) the pursuit of any remedies under this Ordinance or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, this Ordinance or (iv) any litigation or other dispute in connection with this Ordinance or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Ordinance.

Section 29. The Insurer shall be entitled to pay principal or interest on the 2022 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the City (as such terms are defined in the Insurance Policy), whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.

Section 30. The notice address of the Insurer is: Assured Guaranty Municipal Corp., 1633 Broadway, New York, New York 10019, Attention: Managing Director--Surveillance; Re: Policy No. \_\_\_\_\_, Telephone: (212) 974-0100; Telecopier: (212) 339-

3556. In each case in which notice or other communication refers to an event of default, then a copy of such notice or other communication shall also be sent to the attention of Deputy General Counsel - Public Finance and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

Section 31. The Insurer shall be provided with the following information by the City or the Trustee, as the case may be:

(a) To the extent not otherwise filed with the Municipal Securities Rulemaking Boards' EMMA system, annual audited financial statements of the City within 180 days after the end of the City's fiscal year or, to the extent such audited financial statements are not available by such date, within 30 days after receipt by the City (together with a certification of the City that it is not aware of any default under this Ordinance) and the annual budget for the City within 30 days after the approval thereof, together with such other information, data or reports as the Insurer shall reasonably request from time to time;

(b) Notice of any draw upon the Debt Service Reserve Account within two business days after knowledge thereof other than (1) withdrawals of amounts in excess of the required level and (2) withdrawals in connection with a refunding of 2022 Bonds.

(c) Notice of any default known to the Trustee or the City within five business days after knowledge thereof;

(d) Prior notice of the advance refunding or redemption of any of the 2022 Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(e) Notice of the resignation or removal of the Trustee and the appointment of, and acceptance of duties by, any successor thereto;

(f) Notice of the commencement of any Insolvency Proceeding by or against the City;

(g) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal or interest on the 2022 Bonds;

(h) A full original transcript of all proceedings relating to the execution of any amendment, supplement or waiver to this Ordinance;

(i) All reports, notices and correspondence to be delivered by or on behalf of the City under the terms of this Ordinance;

(j) All information furnished pursuant to the Disclosure Agreement (simultaneously with the furnishing of such information thereunder); and

(k) Any other additional information that the Insurer may reasonably request.



Section 32. The City will permit the Insurer to discuss the affairs, finances and accounts of the City or any information the Insurer may reasonably request regarding the security for the 2022 Bonds with appropriate officers of the City, and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the City on any business day upon reasonable prior notice.

Section 33. The Trustee shall notify the Insurer of any failure of the City to provide notices, certificates and other information under this Ordinance.

Section 34. In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under this Ordinance would adversely affect the security for the 2022 Bonds or the rights of the 2022 Bondholders, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.

Section 35. No grace period for a covenant default shall exceed 30 days or be extended for more than 60 days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.

Section 36. Any amendment, supplement, modification to, or waiver of, this Ordinance that requires the consent of 2022 Bondowners or adversely affects the rights and interest of the Insurer shall be subject to the prior written consent of the Insurer.

Section 37. The rights granted to the Insurer under this Ordinance to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf of, the registered owners of the 2022 Bonds and such action does not evidence any position of the Insurer, affirmative or negative, as to whether consent of the registered owners of the 2022 Bonds is required in addition to consent of the Insurer.

Section 38. No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the 2022 Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

Section 39. The Mayor is hereby authorized and directed to work with Friday, Eldredge & Clark, LLP, as bond counsel, to review and revise, as needed, its written procedures to monitor compliance with federal tax requirements with respect to tax-exempt obligations of the City.

Section 40. 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 41. All ordinances and resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 42. It is hereby ascertained and declared that the Improvements are immediately needed for the preservation of the public peace, health and safety and to remove existing hazards thereto. The Improvements cannot be accomplished without the issuance of the 2022 Bonds, which cannot be sold at the interest rates specified herein unless this Ordinance is immediately effective. Therefore, it is declared that an emergency exists and this Ordinance being necessary for the preservation of the public peace, health and safety shall be in force and take effect immediately upon and after its passage.

PASSED: December 14, 2021.

APPROVED:

ATTEST:

\_\_\_\_\_  
City Clerk-Treasurer

\_\_\_\_\_  
Mayor

(SEAL)

# CERTIFICATE

The undersigned, City Clerk-Treasurer of the City of Tontitown, Arkansas (the "City"), hereby certifies that the foregoing pages are a true and correct copy of Ordinance No. \_\_\_\_\_, passed at a special session of the City Council of the City, held at the regular meeting place of the City Council at 6:00 o'clock p.m. on the 14th day of December, 2021, and that the Ordinance is of record in Ordinance Record Book No. \_\_\_\_\_ at page \_\_\_\_\_, now in my possession.

GIVEN under my hand and seal this 14th day of December, 2021.

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City Clerk-Treasurer

(SEAL)