

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

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2025 FOR THE PURPOSE OF FINANCING VARIOUS CAPITAL IMPROVEMENTS; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the City Council of the City of Jonesboro, Arkansas (the "City") has determined that the City is in need of various capital improvements, including particularly, without limitation, street improvements, park trail connection improvements and the E911 Dispatch and Safety Center (collectively, the "Improvements"); and

WHEREAS, the City can finance all or a portion of the costs of the Improvements by the issuance of Capital Improvement Revenue Bonds, Series 2025 in the aggregate principal amount of ~~\$17,595,000~~ (the "bonds"); and

Deleted: \$ \_\_\_\_\_

WHEREAS, the City Council, pursuant to Resolution No. 24:114, adopted September 17, 2024 (the "Resolution"), authorized the offering of the bonds; and

WHEREAS, a public hearing on the issuance of the bonds was held before the City Council on May 20, 2025, following publication of notice of such hearing in *The Jonesboro Sun* on May 9, 2025; and

WHEREAS, with the assistance of Crews & Associates, Inc., as financial advisor, the City has made arrangements for the sale of the bonds to Stephens Inc. (the "Purchaser") at a price of ~~\$17,652,040.70~~ (principal amount ~~plus \$169,648.70~~ of original issue ~~premium~~ and less ~~\$112,608~~ of underwriter's discount) (the "Purchase Price") pursuant to a Bond Purchase Agreement (the "Purchase Agreement") which has been presented to and is before this meeting; and

Deleted: \$ \_\_\_\_\_

Deleted: \_\_\_\_\_ \$ \_\_\_\_\_

Deleted: net

Deleted: \_\_\_\_\_

Deleted: \$ \_\_\_\_\_

WHEREAS, the Preliminary Official Statement, dated June 10, 2025, offering the 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 First Security Bank, Searcy, Arkansas (the "Disclosure Agreement"), providing for the ongoing disclosure obligations of the City with respect to the bonds, has been presented to and is before this meeting; and

WHEREAS, Assured Guaranty Inc., a Maryland corporation (together with any successor thereto or assignee thereof, the "Insurer") will issue a municipal bond insurance policy (the "Insurance Policy") guaranteeing the scheduled payment of principal of and interest on the bonds when due; and

WHEREAS, the Insurer will also issue a municipal bond debt service reserve insurance policy (the "Reserve Policy") in order to provide a debt service reserve for the bonds; and

WHEREAS, the Insurance Agreement between the City and the Insurer with respect to the Reserve Policy (the "Insurance Agreement") has been presented to and is before this meeting;

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

Section 1. The Improvements shall be accomplished. The Mayor and City Clerk are hereby authorized to take, or cause to be taken, all action necessary to accomplish the Improvements and to execute all required contracts.

Section 2. The offer of the Purchaser for the purchase of the bonds from the City at the Purchase Price is hereby accepted, and the Purchase Agreement, in substantially the form submitted to this meeting, is approved and the 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 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 bonds as set forth in the Purchase Agreement.

Section 4. Under the authority of the Constitution and laws of the State of Arkansas (the "State"), including particularly Title 14, Chapter 164, Subchapter 4 of the Arkansas Code of 1987 Annotated, City of Jonesboro, Arkansas Capital Improvement Revenue Bonds, Series 2025 are hereby authorized and ordered issued in the aggregate principal amount of ~~\$17,595,000~~ for the purpose of financing all or a portion of the costs of the Improvements, providing a debt service reserve and paying necessary expenses of issuing and insuring the bonds. The bonds shall mature on August 1 in the years and in the amounts and shall bear interest as follows:

Deleted: \$ \_\_\_\_\_

<u>Year</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
<u>2026</u>	<u>\$ 245,000</u>	<u>6.000%</u>
<u>2027</u>	<u>280,000</u>	<u>6.000</u>
<u>2028</u>	<u>295,000</u>	<u>6.000</u>
<u>2029</u>	<u>315,000</u>	<u>6.000</u>
<u>2030</u>	<u>335,000</u>	<u>6.000</u>
<u>2031</u>	<u>355,000</u>	<u>5.000</u>
<u>2032</u>	<u>370,000</u>	<u>5.000</u>
<u>2035</u>	<u>1,220,000</u>	<u>4.000</u>
<u>2039</u>	<u>1,880,000</u>	<u>4.375</u>
<u>2042</u>	<u>1,635,000</u>	<u>4.750</u>
<u>2047</u>	<u>3,315,000</u>	<u>5.000</u>
<u>2051</u>	<u>3,305,000</u>	<u>5.125</u>
<u>2055</u>	<u>4,045,000</u>	<u>5.200</u>

The bonds shall be dated as of their date of delivery and 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 bonds shall be numbered from 1 upward in order of issuance. Each bond shall have a CUSIP number.

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

If any securities depository determines not to continue to act as a securities depository for the bonds for use in a book-entry system, the City may establish a securities depository/book-entry system relationship with another securities depository. If the City does not or is unable to do so, or upon request of the beneficial owners of all outstanding bonds, the City and the Trustee (hereinafter defined), after the Trustee has made provision for notification of the beneficial owners by the then securities depository, shall permit withdrawal of the bonds from the securities depository, and authenticate and deliver bond certificates in fully registered form (in denominations of \$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 bonds, the City shall have executed and delivered to DTC a written agreement (the "Representation Letter") setting forth (or incorporating therein by reference) certain undertakings and responsibilities of the City with respect to the bonds so long as the bonds or a portion thereof are registered in the name of Cede & Co. (or a substitute nominee) and held by DTC. Notwithstanding such execution and delivery of the Representation Letter, the terms thereof shall not in any way limit the provisions of this Section or in any other way impose upon the City any obligation whatsoever with respect to persons having interests in the bonds other than the registered owners, as shown on the registration books kept by the Trustee. The Trustee shall take all action necessary for all representations of the City in the Representation Letter with respect to the Trustee to at all times be complied with.

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

Interest on the bonds shall be payable on February 1, 2026, 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 bond is registered on the registration books of the City maintained by First Security Bank, Searcy, 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 bond subsequent to such Record Date and prior to such interest payment date.

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

Only such bonds as shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in Exhibit A (the "Certificate") duly executed by the Trustee shall be entitled to any right or benefit under this Ordinance. No bond shall be valid and obligatory for any purpose unless and until the Certificate shall have been duly executed by the Trustee, and the Certificate upon any such bond shall be conclusive evidence that such bond has been authenticated and delivered under this Ordinance. The Certificate on any bond shall be deemed to

have been executed if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the Certificate on all of the bonds.

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

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

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. The City shall not 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 of 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 (and premium, if any) need not be made on such date but may be made on the next succeeding business day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after the date of maturity or date fixed for redemption.

Section 5. The bonds shall be executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk and shall have impressed or imprinted thereon the seal of the City. The bonds, together with interest thereon, are secured solely by the Pledged Revenues. The Pledged Revenues are hereby pledged and mortgaged for the equal and ratable payment of the bonds. This pledge in favor of the bonds is hereby irrevocably made according to the terms of this Ordinance, and the City and its officers and employees shall execute, perform and carry out the terms thereof in strict conformity with the provisions of this Ordinance.

The "Pledged Revenues" are a special revenue source and are defined to mean all revenues received by the City from the franchise fees charged to public utilities. The Pledged Revenues shall not be deemed to be general revenues of the City and shall be deposited into a special fund hereinafter created. The bonds and interest thereon shall not constitute an indebtedness of the City within any constitutional or statutory limitation. The bonds shall never give rise to a charge against the City's general credit or taxing power and no funds derived from the City's taxes are pledged to pay the bonds. Nothing herein shall require the City to pay the principal of and interest on the bonds from sources other than the Pledged Revenues, but nothing herein shall prohibit the City from doing so.

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

Section 6. The bonds shall be in substantially the form attached as Exhibit A and the Mayor and City Clerk are hereby expressly authorized and directed to make all recitals contained therein.

Section 7. (a) The City agrees to continuously charge franchise fees to all public utilities occupying the streets, highways, rights-of-way and other public places while the bonds are outstanding.

(b) The franchise fees currently charged to public utilities are hereby ratified, confirmed and continued and such fees shall never be reduced while the bonds are outstanding unless the City receives an opinion of a certified public accountant not in the regular employ of the City ("Accountant") to the effect that Pledged Revenues for the preceding fiscal year (based on the cash basis of accounting), assuming such reduction had been in effect for the entire year, would have equaled not less than 125% of the maximum annual debt service on all obligations of the City to which Pledged Revenues are pledged.

(c) The franchise fees currently collected from the public utilities are sufficient to pay the principal of and interest on the bonds when due and the City agrees that the percentage rate of each franchise fee currently collected by the City from public utilities will not be increased solely for the purpose of providing funds to pay the principal of and interest on the bonds when due.

Section 8. The City Treasurer shall be the custodian of all Pledged Revenues. All Pledged Revenues shall at all times be accounted for separately and distinctly from other moneys of the City and shall be used and applied only as provided herein. Upon receipt by the City, the Pledged Revenues shall not be deposited into the General Fund but shall be deposited into a special fund of the City hereby created and designated as the "Franchise Fee Fund" (the "Franchise Fee Fund") in such depository or depositories for the City as may be lawfully designated by the City from time to time, provided that such depository or depositories shall hold membership in the Federal Deposit Insurance Corporation or any successor entity ("FDIC").

Section 9. There shall be transferred from the Franchise Fee Fund into a special fund hereby created with the Trustee and designated "2025 Capital Improvement Revenue Bond Fund" (the "Bond Fund"), the sums in the amounts and at the times described below for the purpose of providing funds for the payment of the principal of and interest on the bonds, with Trustee's fees and expenses and any arbitrage rebate.

There shall be paid into the Bond Fund, on or before the last business day of each month, commencing in August 2025, a sum equal to one-sixth (1/6) of the next installment of interest plus one-twelfth (1/12) of the next installment of principal on all outstanding bonds due at maturity or upon mandatory sinking fund redemption. The City shall also pay into the Bond Fund such additional sums as necessary to provide for the Trustee's fees and expenses and any arbitrage rebate due to be paid to the United States Treasury under Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code").

There is created, as a part of the Bond Fund, a Debt Service Reserve. The Reserve Policy, which shall be in an amount equal to one-half of the maximum annual principal and interest requirements on the bonds (based on a bond year ending August 1), shall be deposited into the Debt Service Reserve. There shall be no cash requirement for the Debt Service Reserve. The Debt Service Reserve shall only secure the bonds.

The City shall realize a credit against monthly deposits into the Bond Fund to the extent of interest earnings on moneys in the Bond Fund.

If for any reason there shall be a deficiency in the payments made into the Bond Fund so that there are unavailable sufficient moneys therein to pay the principal of and interest on the bonds as the same become due, the Debt Service Reserve shall be used to the extent necessary to pay such principal and interest.

If Pledged Revenues are insufficient to make the required payment by the last business day of the month into the Bond Fund, the amount of any such deficiency in the payment made shall be added to the amount otherwise required to be paid into the Bond Fund by the last business day of the next month.

When the moneys held in the Bond Fund shall be and remain sufficient to pay the principal of and interest on the bonds then outstanding, there shall be no further obligation to make further payments into the Bond Fund. 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 arbitrage rebate, except as hereinafter set forth.

The Trustee shall 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.

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

Section 10. Any surplus in the Franchise Fee Fund, after making the monthly deposit into the Bond Fund, may be withdrawn from the Franchise Fee Fund and used, at the option of the City, for other lawful municipal purposes; provided, however, that if the City receives Pledged Revenues only on a quarterly or annual basis, there shall always remain in the Franchise Fee Fund an amount sufficient to make the required payments into the Bond Fund until the next Pledged Revenues are to be received.

Section 11. So long as any of the bonds are outstanding, the City shall not issue or attempt to issue any bonds or obligations claimed to be entitled to a priority of lien on the Pledged Revenues over the lien securing the bonds. The City reserves the right to issue additional bonds to finance or pay the cost of constructing any additional capital improvements or to refund bonds issued for such purpose, but the City shall not authorize or issue any such additional bonds ranking on a parity with the outstanding bonds unless and until there have been procured and filed with the City Clerk and the Trustee a certificate signed by the Mayor and Finance Director (or City Treasurer if the position of Finance Director does not exist) stating that the Pledged Revenues for the fiscal year immediately preceding the fiscal year in which it is proposed to issue such additional bonds (based on the cash basis of accounting) were equal to not less than 125% of the maximum annual principal and interest requirements on all the then outstanding obligations secured by Pledged Revenues and the additional bonds then proposed to be issued. In making the computation, the City may treat any increase in franchise fees enacted subsequent to the first day of such preceding year as having been in effect throughout that year and may include in Pledged Revenues for such year the amount that would have been received had the increase been in effect throughout such year.

The additional bonds, the issuance of which is restricted and conditioned by this Section, shall be understood to mean bonds secured by Pledged Revenues ranking on a parity of security with the bonds and not bonds secured by Pledged Revenues subordinate in security to the bonds and such bonds may be issued without complying with the terms and conditions hereof.

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 is fully funded at the required amount upon the issuance of such additional bonds, in either case unless otherwise permitted by the Insurer.

Section 12. The bonds shall be subject to redemption prior to maturity in accordance with the terms set out in the bond form in Exhibit A. The City covenants and agrees to cause to be paid into the Bond Fund sufficient funds to redeem bonds subject to mandatory sinking fund redemption in the amounts and on the dates set forth in the bonds. Therefore, in calculating the monthly payments to be deposited into the Bond Fund, the term "next installment of principal" shall include the principal of the bonds maturing on the next principal payment date and the principal of the bonds which will be redeemed in accordance with the mandatory sinking fund redemption provisions of the bonds on the next interest payment date scheduled for such redemption.

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

Section 13. The City shall cause proper books of accounts and records to be kept (separate from all other records and accounts) 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 Trustee and/or any bondholder at reasonable times and under reasonable circumstances. The City agrees to have its financial statements audited by the Joint Legislative Auditing Committee, Division of Legislative Audit of the State of Arkansas, or, at the option of the City, an Accountant, and a copy of the audit shall be delivered to the Trustee and any bondholder requesting the same in writing within 30 days after it is received by the City.

Section 14. 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 FDIC and/or fully collateralized with direct obligations of the United States of America ("Investment Securities") sufficient to make such payment and/or (2) Investment Securities (provided that such deposit will not affect the tax exempt status of the interest on any of the bonds or cause any of the 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 payment, and all necessary and proper fees, compensation and expenses of the Trustee pertaining to the bonds 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 Investment Securities.

When all the bonds shall have been paid within the meaning of this Ordinance, if any arbitrage rebate due the United States Treasury under Section 148(f) of the Code has been paid or provided for to the satisfaction of the Trustee, if the Trustee has been paid its fees and expenses and if all amounts due the Insurer have been paid, the Trustee shall take all appropriate action to cause (i) the pledge and lien of this Ordinance to be discharged and canceled, 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. In determining the sufficiency of the deposit of Investment Securities there shall be considered the principal amount of such Investment Securities and interest to be earned thereon until the maturity of such Investment Securities.

To accomplish defeasance of all or any portion of the bonds (the "Defeased Bonds"), the City shall cause to be delivered to the Insurer, unless waived by the Insurer, (i) other than with respect to a current refunding that is gross funded, a report of either a nationally-recognized verification agent or a firm of independent, nationally-recognized certified public accountants 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 or other irrevocable written instructions (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 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.

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 15. (a) Subject to the provisions of (h) below, if there be any default in the payment of the principal of or interest on any of the bonds, or if the City defaults in any Bond Fund requirement or in the performance of any of the other covenants contained in this Ordinance, the Trustee may, and upon the written request of (1) the Insurer or (2) with the consent of the Insurer, the registered owners of not less than 10% in principal amount of the then outstanding bonds, shall, by proper suit, compel the performance of the duties of the officials of the City under the laws of the State.

(b) No registered owner of any of the outstanding bonds shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law for the protection or enforcement of any power or right unless such (1) 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 registered 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 power 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 granted to the Trustee, 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 costs, expenses 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. Such notification, request and offer of indemnity are, at the option of the Trustee, conditions precedent to the execution of any remedy. No one or more registered 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 described. All proceedings at law or in equity shall be instituted, had and maintained in the manner herein described and for the benefit of all registered owners of the outstanding bonds.

(c) No remedy conferred upon or reserved to the Trustee, to the Insurer or to the registered owners of the bonds is intended to be exclusive of any other remedy or remedies, and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Ordinance or by law.

(d) 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 registered owners of not less than 50% 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.

(e) 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 for the benefit of all the registered owners of such bonds, subject to the provisions of this Ordinance.

(f) No delay or omission of the Trustee, the Insurer or any registered 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 registered owners of the bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

(g) In any proceeding to enforce the provisions of this Ordinance any plaintiff bondholder shall be entitled to recover from the City all costs of such proceeding, including reasonable attorneys' fees.

(h) Notwithstanding the above, the Insurer shall be deemed to be the sole owner of the 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 bonds are entitled to take pursuant to this Section 15 and Section 20 of this Ordinance. In furtherance thereof and as a term of this

Ordinance and each bond, each owner of the bonds appoints the Insurer as its agent and attorney-in-fact with respect to the bonds and agrees 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, each owner of the bonds delegates and assigns to the Insurer, to the fullest extent permitted by law, the rights of each owner of the bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. The Trustee acknowledges such appointment, delegation and assignment by each owner of the bonds for the Insurer's benefit, and agrees to cooperate with the Insurer in taking any action reasonably necessary or appropriate in connection with such appointment, delegation and assignment. Remedies granted to the owners of the bonds shall include mandamus.

Section 16. (a) The terms of this Ordinance shall constitute a contract between the City and the registered 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 variation or change in this Ordinance that the Trustee determines is not to the material prejudice of the owners of the bonds or to cure any ambiguity, formal defect or omission in this Ordinance or any amendment hereto without the consent of the owners of the outstanding bonds.

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

Section 17. When the bonds have been executed, they shall be authenticated by the Trustee and the Trustee shall deliver the bonds to or at the direction of the Purchaser upon payment of the Purchase Price, a portion of which shall be paid directly to the Insurer in payment of the rating agency fee and the premiums due the Insurer for the Insurance Policy and the Reserve Policy. The amount necessary to pay the expenses of issuing the bonds shall be paid. The

remainder of the Purchase Price shall be deposited into a special account in the name of the City established with the Trustee and designated "2025 Improvement Fund" (the "Improvement Fund"). The moneys in the Improvement Fund shall be disbursed solely in payment of the costs of accomplishing the Improvements, paying necessary expenses incidental thereto and paying expenses of issuing the bonds. Disbursements shall be on the basis of requisitions which shall contain at least the following information: the person to whom payment is being 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 Finance Director. The Trustee shall keep accurate records of all payments made on the basis of requisitions.

When the Improvements have been completed and all required expenses paid and expenditures made from the Improvement Fund for and in connection with the accomplishment of the Improvements and the financing thereof, this fact shall, if moneys remain in the Improvement 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 Improvement Fund have been discharged. A copy of the certificate shall be filed with the Trustee, and upon receipt thereof the Trustee shall transfer any remaining balance to the Bond Fund for the purpose of redeeming the 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 Improvement Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the bonds.

Section 18. (a) Moneys held for the credit of the Bond Fund shall be continuously invested and reinvested by the Trustee, at the direction of the City or in the discretion of the Trustee in the absence of such direction, in Permitted Investments (as hereinafter defined), 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 the payment date for interest or principal and interest.

(b) Moneys held for the credit of the Franchise Fee Fund may be continuously invested and reinvested in Permitted Investments or other investments as may, from time to time, be permitted by 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 the moneys will be required for the purposes intended.

(c) Moneys held for the credit of the Improvement Fund shall be continuously invested and reinvested by the Trustee, at the direction of the City or in the discretion of the Trustee in the absence of such direction, in Permitted Investments or other investments as may, from time to time, be permitted by 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 the moneys will be required for the purposes intended.

(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.

Section 19. (a) The City covenants that it shall not take any action or suffer or permit any action to be taken or conditions to exist which causes or may cause the interest payable on the bonds to be included in gross income for federal income tax purposes. Without limiting the generality of the foregoing, the City covenants that the proceeds of the sale of the bonds and the Pledged Revenues will not be used directly or indirectly in such manner as to cause the bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code.

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

(c) The City covenants that it will take no action which would cause the bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code. Nothing in this Section shall prohibit investments in bonds issued by the United States Treasury.

(d) The City 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 required by Section 149(e) of the Code.

(e) The City covenants that it will not reimburse itself from proceeds of the bonds for costs paid prior to the date the bonds are issued except in compliance with United States Treasury Regulation §1.150-2 (the "Regulation"). The Resolution shall be considered an "official intent" for the purpose of the Regulation.

(f) The City covenants that all documents and records related to the bonds and the Improvements will be retained for the life of the bonds plus an additional three (3) years.

(g) The City covenants that it will, in compliance with the requirements of Section 148(f) of the Code, pay to the United States Government in accordance with the requirements of Section 148(f) of the Code, from time to time, an amount equal to the sum of (1)

the excess of (A) the amount earned on all Non-purpose Investments (as therein defined) attributable to the bonds, other than investments attributable to such excess over (B) the amount which would have been earned if such Non-purpose Investments attributable to the bonds were invested at a rate equal to the Yield (as defined in the Code) on the bonds, plus (2) any income attributable to the excess described in (1), subject to the exceptions set forth in Section 148 of the Code. The City further covenants that in order to assure compliance with its covenants herein, it will employ a qualified consultant to advise the City in making the determination required to comply with this subsection.

Section 20. (a) The Trustee shall only be responsible for the exercise of good faith and reasonable prudence in the execution of its trust. The recitals in this Ordinance and in the face of 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 by the registered owners of not less than 10% in principal amount of the 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 at any time by giving 60 days' notice in writing to the City Clerk, to the Insurer and to the registered owners of the bonds. The Insurer, the majority in value of the registered owners of the outstanding bonds, or the City, so long as it is not in default hereunder, 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 by removal, the City shall forthwith designate a new Trustee by a written instrument filed in the office of the City Clerk and with the Insurer. The original Trustee and any successor Trustee shall file a written acceptance and agreement to execute the trust imposed upon it or them 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 registered owners of the bonds agree. Such written acceptance shall be filed with the City Clerk 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.

(b) Every successor Trustee appointed pursuant to this Section shall be a trust company or bank in good standing, duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$10,000,000.

(c) Any resignation by the Trustee shall not be effective until the appointment of a successor Trustee under this Section.

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

(a) The Trustee shall ascertain the necessity for a claim under the Reserve Policy in accordance with subsection (b) below and provide notice to the Insurer in accordance with the terms of the Reserve Policy at least five (5) business days prior to each date upon which principal or interest is due on the bonds. The Trustee shall also give notice to the Insurer of a failure of the City to make a timely payment into the Bond Fund within two business days of the date such payment was due.

(b) The City shall repay any draws under the Reserve Policy and shall pay interest thereon from the date of payment by the Insurer at the Late Payment Rate. For purposes of this Section 21, "Late Payment Rate" means the lesser of (x) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the bonds and (y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, the Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the Insurer shall specify. If the interest provision of this subsection (b) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by the City and the Insurer, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by the Insurer, with the same force and effect as if the City had specifically designated such extra sums to be so applied and the Insurer had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

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

Amounts in respect of Policy Costs paid to the Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy. The obligations of the City to pay Policy Costs shall be secured by a valid lien on the Pledged Revenues and other collateral pledged as security for the bonds and any additional parity bonds issued under Section 11 hereof (excluding from such collateral any debt service reserves for the additional parity bonds issued under Section 11 hereof and excluding any collateral specific to each issue of additional parity bonds issued under Section 11 hereof), which payment obligations are subordinate in priority of payment to the payment of debt service due on the bonds and any additional parity bonds issued under Section 11 hereof.

All cash and investments in the Debt Service Reserve, if any, shall be transferred to the Bond Fund for payment of debt service on the bonds before any drawing may be made on the Reserve Policy or any other credit facility credited to the Debt Service Reserve in lieu of cash ("Credit Facility"). Payment of any Policy Costs shall be made prior to replenishment of any such



cash amounts. Draws on all Credit Facilities (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying any available cash and investments in the Debt Service Reserve. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Debt Service Reserve. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

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

(d) Notwithstanding any provision of this Ordinance to the contrary, this Ordinance shall not be discharged until all Policy Costs owing to the Insurer shall have been paid in full. The City's obligation to pay such amounts shall expressly survive payment in full of the bonds.

(e) The City shall include any Policy Costs then due and owing the Insurer in the calculations set forth in Section 7(b) and Section 11 hereof.

Section 22. Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of this Ordinance and the 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 23. 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 24. 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 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 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 bonds and the amount required to pay principal of the 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 bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of bonds registered to the then current owners of the bonds, whether DTC or its nominee or otherwise, and shall issue a replacement 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 bond shall have no effect on the amount of principal or interest payable by the City on any 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 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 owners of 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 owners of the 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 owners of the bonds in the same manner as principal and interest payments are to be made with respect to the bonds under the sections hereof regarding payment of the 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, solely from the Pledged Revenues, (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 bond principal (but not 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 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. The Trustee shall notify the Insurer of any funds remaining in the Policy Payments Account after the Trustee has made the payments for which a claim was made to the owners of the bonds and shall, at the written direction of the Insurer, promptly remit such funds remaining to the Insurer.

Section 25. The Insurer shall, to the extent it makes any payment of principal of or interest on the 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 26. The City shall pay or reimburse the Insurer, solely from the Pledged Revenues, 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, proceeding (including any Insolvency Proceeding) or other dispute in connection with this Ordinance or the transactions contemplated hereby, 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 27. The Insurer shall be entitled to pay principal or interest on the bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the City (as such terms are defined in the Insurance Policy), 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 28. The notice address of the Insurer is: Assured Guaranty Inc., 1633 Broadway, New York, New York 10019, Attention: Managing Director-Municipal Surveillance; Re: Policy Nos. \_\_\_\_\_-N (Insurance Policy) and \_\_\_\_\_-R (Reserve Policy), Telephone: (212) 974-0100; Email: [munidisclosure@agltd.com](mailto:munidisclosure@agltd.com). In each case in which notice or other communication refers to a claim on the Insurance Policy, the Reserve Policy or an event of default, then a copy of such notice or other communication shall be marked "URGENT MATERIAL ENCLOSED" and a copy shall also be sent to the attention of the General Counsel at the above address and at [generalcounsel@agltd.com](mailto:generalcounsel@agltd.com).

Section 29. 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 Board's EMMA system ("EMMA"), annual audited financial statements of the City within the filing deadline specified in the Disclosure Agreement (together with a certification of the City that it is not aware of any default under this Ordinance) and, upon request, 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 Reserve Policy within two business days after knowledge thereof.

(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 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 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) To the extent not otherwise filed on EMMA, all information furnished pursuant to the Disclosure Agreement; and

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

Section 30. 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 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 31. The Trustee shall notify the Insurer of any failure of the City to provide notices, certificates and other information under this Ordinance that are required to be delivered to owners of the bonds.

Section 32. 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 bonds or the rights of the owners of the bonds, the effect of any such amendment, consent, waiver, action or inaction shall be considered as if there were no Insurance Policy.

Section 33. The City covenants that it will not enter into any interest rate exchange agreement or any other interest rate maintenance agreement secured by and payable from Pledged Revenues, without the prior written consent of the Insurer.

Section 34. 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 bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

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 owners of the bonds or adversely affects the rights and interest of the Insurer shall be subject to the prior written consent of the Insurer.

Section 37. After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the Issuer or rebate only after the payment of past due and current debt service on the bonds.

Section 38. 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 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 bonds is required in addition to consent of the Insurer.

Section 39. 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 on behalf of the City. The Mayor is authorized and directed to take all action required on the part of the City to fulfill its obligations under the Disclosure Agreement.

Section 40. The Insurance Agreement, in substantially the form submitted to this meeting, is hereby approved, and the Mayor and the City Clerk are hereby authorized and directed to execute and deliver the Insurance Agreement on behalf of the City, and the Mayor and other officers of the City are authorized to execute and deliver such undertakings as may be appropriate to secure the Reserve Policy.

Section 41. The Mayor is hereby authorized and directed to work with Friday, Eldredge & Clark, LLP, as bond counsel, to develop, adopt and implement written procedures to monitor compliance with federal tax requirements with respect to tax-exempt obligations of the City. The Mayor is further authorized to appoint a Responsible Person who will have primary responsibility for monitoring post-issuance tax compliance.

Section 42. Notwithstanding any provision of any ordinance of the City authorizing a franchise fee that is part of the Pledged Revenues, the franchise fees are deemed to be "fees" and not "taxes."

Section 43. The provisions of this Ordinance are hereby declared to be separable and if any provision shall for any reason be held illegal or invalid, such holding shall not affect the validity of the remainder of this Ordinance.

Section 44. All ordinances and resolutions or parts thereof, in conflict herewith are hereby repealed to the extent of such conflict.

Section 45. It is hereby ascertained and declared that the Improvements are immediately needed for the preservation of the public peace, health and safety and to remove existing hazards thereto. The Improvements cannot be accomplished without the issuance of the bonds, which cannot be sold at the interest rates specified herein unless this Ordinance is immediately effective. Therefore, it is declared that an emergency exists and this Ordinance being necessary for the preservation of the public peace, health and safety shall be in force and take effect immediately upon and after its passage.

PASSED: \_\_\_\_\_, 2025.

APPROVED:

ATTEST:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

(SEAL)

EXHIBIT A  
(Form of Bond)

REGISTERED

REGISTERED

No. R-\_\_\_\_\_

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

UNITED STATES OF AMERICA  
STATE OF ARKANSAS  
COUNTY OF CRAIGHEAD  
CITY OF JONESBORO  
CAPITAL IMPROVEMENT REVENUE BOND  
SERIES 2025

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

Maturity Date: August 1, \_\_\_\_\_

Dated Date: July 22, 2025

Deleted: \_\_\_\_\_

Registered Owner: Cede & Co.

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

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

KNOW ALL MEN BY THESE PRESENTS:

That the City of Jonesboro, County of Craighead, State of Arkansas (the "City"), for value received, hereby promises to pay, but solely from the source as hereinafter provided and not otherwise, to the Registered Owner shown above upon the presentation and surrender hereof at the principal corporate trust office of First Security Bank, Searcy, Arkansas, or its successor or successors, as Trustee and Paying Agent (the "Trustee"), on the Maturity Date shown above, the Principal Amount shown above, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts and to pay by check or draft interest thereon, but solely from the source as hereinafter provided and not otherwise, in like coin or currency from the interest commencement date specified below at the Interest Rate per annum shown above, payable February 1, 2026 and semiannually thereafter on the first days of February and August of each year, until payment of such principal sum 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.

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 prior to the first interest payment date, in which event it shall bear interest from the Dated Date shown above, 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 hereof interest is in default hereon, in which event it shall bear interest from the date to which interest has been paid.

Unless this certificate 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 requested 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 is one of an issue of City of Jonesboro, Arkansas Capital Improvement Revenue Bonds, Series 2025, aggregating Seventeen Million Five Hundred Ninety-Five Thousand Dollars (\$17,595,000) in principal amount (the "bonds"), and is issued for the purpose of financing all or a portion of the costs of various improvements, providing a debt service reserve and paying necessary expenses of issuing and insuring the bonds.

The bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas (the "State"), including particularly Title 14, Chapter 164, Subchapter 4 of the Arkansas Code of 1987 Annotated, and pursuant to Ordinance No. \_\_\_\_\_ of the City, duly adopted on \_\_\_\_\_, 2025 (the "Authorizing Ordinance"), and do not constitute an indebtedness of the City within any constitutional or statutory limitation. The bonds are not general obligations of the City, but are special obligations secured solely by a pledge of revenues received by the City that are derived from the payment of franchise fees by public utilities (the "Pledged Revenues"). The Pledged Revenues shall be deemed to be a special source for the payment of the bonds. The bonds shall never give rise to a charge against the City's general credit or taxing power and no funds derived from the City's taxes are pledged to pay the bonds. An amount of Pledged Revenues sufficient to pay the principal of and interest on the bonds has been duly pledged and set aside into the 2025 Capital Improvement Revenue Bond Fund identified in the Authorizing Ordinance. Reference is hereby made to the Authorizing Ordinance for a detailed statement of the terms and conditions upon which the bonds are issued, of the nature and extent of the security for the bonds, and the rights and obligations of the City, the Trustee and the registered owners of the bonds. Nothing herein or in the Authorizing Ordinance shall require the City to pay the principal of and interest on this bond except from the Pledged Revenues, but nothing herein or in the Authorizing Ordinance shall prevent the City from doing so.

The bonds shall be subject to optional, extraordinary and mandatory sinking fund redemption as follows:

1. The bonds are subject to redemption at the option of the City, from funds from any source, in whole or in part at any time on and after February 1, 2031, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date. If fewer than all of the bonds shall be called for redemption, the particular maturities of the bonds

Deleted:	_____
Deleted:	_____
Deleted:	_____
Deleted: (\$	_____ )



to be redeemed shall be selected by the City in its discretion. If fewer than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portion thereof to be redeemed from such maturity shall be selected by lot by the Trustee.

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

3. To the extent not previously redeemed, the bonds maturing on August 1 in the years 2035, 2039, 2042, 2047, 2051 and 2055 are subject to mandatory sinking fund redemption by lot in such manner as the Trustee shall determine, on August 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:

Bonds Maturing August 1, 2035

Year (August 1)	Principal Amount
<u>2033</u>	<u>\$390,000</u>
<u>2034</u>	<u>405,000</u>
<u>2035 (maturity)</u>	<u>425,000</u>

Bonds Maturing August 1, 2039

Year (August 1)	Principal Amount
<u>2036</u>	<u>\$440,000</u>
<u>2037</u>	<u>460,000</u>
<u>2038</u>	<u>480,000</u>
<u>2039 (maturity)</u>	<u>500,000</u>

Bonds Maturing August 1, 2042

Year (August 1)	Principal Amount
<u>2040</u>	<u>\$520,000</u>
<u>2041</u>	<u>545,000</u>
<u>2042 (maturity)</u>	<u>570,000</u>

Deleted: \_\_\_\_\_

Deleted: \_\_\_\_\_

Deleted: \_\_\_\_\_

Deleted: \_\_\_\_\_

Bonds Maturing August 1, 2047

Deleted: \_\_\_\_\_

<u>Year</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>
<u>2043</u>	<u>\$600,000</u>
<u>2044</u>	<u>630,000</u>
<u>2045</u>	<u>660,000</u>
<u>2046</u>	<u>695,000</u>
<u>2047 (maturity)</u>	<u>730,000</u>

Bonds Maturing August 1, 2051

<u>Year</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>
<u>2048</u>	<u>\$765,000</u>
<u>2049</u>	<u>805,000</u>
<u>2050</u>	<u>845,000</u>
<u>2051 (maturity)</u>	<u>890,000</u>

Bonds Maturing August 1, 2055

<u>Year</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>
<u>2052</u>	<u>\$ 935,000</u>
<u>2053</u>	<u>985,000</u>
<u>2054</u>	<u>1,035,000</u>
<u>2055 (maturity)</u>	<u>1,090,000</u>

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

Notice of redemption identifying the bonds or portions thereof (which shall be \$5,000 or a multiple thereof) to be redeemed shall be given by the Trustee, not less than 30 nor more than 60 days prior to the date fixed for redemption, by mailing a copy of the redemption notice by first class mail, postage prepaid, or sending a copy of the redemption notice via other standard means, including electronic or facsimile communication, to all registered owners of bonds to be redeemed. Failure to mail or send an appropriate notice or any such notice to one or more registered owners of bonds to be redeemed shall not affect the validity of the proceedings for redemption of other bonds as to which notice of redemption is duly given in proper and timely fashion. All such bonds or portions thereof thus called for redemption and for the retirement of which funds are duly provided in accordance with the Authorizing Ordinance prior to the date fixed for redemption will cease to bear interest on such redemption date.

This bond is transferable by the registered owner hereof in person or by his attorney-in-fact duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the

Authorizing Ordinance, and upon surrender and cancellation of this bond. Upon such transfer a new fully registered bond or bonds of the same maturity, of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor. This bond is issued with the intent that the laws of the State shall govern its construction.

The City and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and premium, if any, hereon and interest due hereon and for all other purposes, and neither the City nor the Trustee shall be affected by any notice to the contrary.

The bonds are issuable only as fully registered bonds in the denomination of \$5,000, and any integral multiple thereof. Subject to the limitations and upon payment of the charges provided in the Authorizing Ordinance, fully registered bonds may be exchanged for a like aggregate principal amount of fully registered bonds of the same maturity of other authorized denominations.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the bonds do exist, have happened and have been performed in due time, form and manner as required by law; that the indebtedness represented by the bonds, together with all obligations of the City, does not exceed any constitutional or statutory limitation; and that the above referred to revenues pledged to the payment of the principal of and premium, if any, and interest on the bonds as the same become due and payable will be sufficient in amount for that purpose.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Authorizing Ordinance until the Certificate of Authentication hereon shall have been signed by the Trustee.

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

CITY OF JONESBORO, ARKANSAS

ATTEST:

By \_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

(SEAL)

[A Statement of Insurance provided by the Insurer  
shall be placed on the bonds]

(Form of Trustee's Certificate)

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

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

FIRST SECURITY BANK  
Searcy, 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.

CERTIFICATE

The undersigned, City Clerk of the City of Jonesboro, Arkansas (the "City"), hereby certifies that the foregoing pages are a true and correct copy of Ordinance No. \_\_\_\_\_, adopted at a regular session of the City Council of the City, held at the regular meeting place of the City Council at 5:30 p.m., on the \_\_\_\_\_ day of \_\_\_\_\_, 2025, and that said Ordinance is of record in Ordinance Record Book No. \_\_\_\_\_ of the City, now in my possession.

GIVEN under my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
City Clerk

(SEAL)