

**CITY OF FAYETTEVILLE, ARKANSAS
ADVERTISING AND PROMOTION COMMISSION**

A RESOLUTION RECOMMENDING TO THE CITY THE ISSUANCE AND SALE OF (1) APPROXIMATELY \$1,500,000 OF HOTEL AND RESTAURANT GROSS RECEIPTS TAX REFUNDING BONDS FOR THE PURPOSE OF REFUNDING THE CITY'S OUTSTANDING HOTEL AND RESTAURANT GROSS RECEIPTS TAX REFUNDING BONDS, SERIES 2003, (2) APPROXIMATELY \$6,900,000 OF HOTEL AND RESTAURANT GROSS RECEIPTS TAX AND TOURISM REVENUE CAPITAL IMPROVEMENT BONDS FOR THE PURPOSE OF FINANCING CERTAIN CAPITAL IMPROVEMENTS IN CONNECTION WITH THE PROPOSED WALTON ARTS CENTER EXPANSION AND RENOVATION, AND (3) APPROXIMATELY \$3,500,000 OF HOTEL AND RESTAURANT GROSS RECEIPTS TAX AND TOURISM REVENUE CAPITAL IMPROVEMENT BONDS FOR THE PURPOSE OF FINANCING CERTAIN CAPITAL IMPROVEMENTS IN CONNECTION WITH A PROPOSED REGIONAL PARK; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, the Advertising and Promotion Commission (the "Commission") of the City of Fayetteville, Arkansas (the "City") was established under the provisions of the Advertising and Promotion Commission Act, Arkansas Code Annotated (2008 Repl.) §§2675601 *et seq.* (as from time to time amended, the "Act"); and

WHEREAS, pursuant to the Act and following the recommendation of the Commission, the City has previously issued its City of Fayetteville, Arkansas Hotel and Restaurant Gross Receipts Tax Refunding Bonds, Series 2003, dated July 1, 2003 (the "Series 2003 Bonds"), for the purpose of refinancing a portion of the costs of constructing the Fayetteville Town Center; and

WHEREAS, the Series 2003 Bonds were originally issued in the aggregate principal amount of \$6,335,000, of which \$1,885,000 presently remains outstanding; and

WHEREAS, the Commission finds that the Walton Arts Center is a cultural arts and entertainment facility and its expansion and renovation will constitute a "tourism project" within the meaning of Arkansas Code Annotated (1998 Repl.) §14-170-205 which will secure and develop tourism and thereby stimulate and enhance the economic growth and well-being of the City and its people; and

WHEREAS, the Commission recommends that the City assist in the completion of the proposed Walton Arts Center expansion and renovation (the "Walton Arts Center

Improvements”) through the issuance of its capital improvement bonds under the authority of the Act and Arkansas Code Annotated (1998 Repl.) §14170201 *et seq.*; and

WHEREAS, the Commission finds that the City’s proposed regional park will constitute a “public recreation facility” and “city park” within the meaning of Arkansas Code Annotated (2008 Repl.) §2675606 and a “tourism project” within the meaning of Arkansas Code Annotated (1998 Repl.) §14-170-205 which will secure and develop tourism and thereby stimulate and enhance the economic growth and well-being of the City and its people; and

WHEREAS, the Commission recommends that the City assist in the financing of the acquisition, construction and equipping of a regional park (the “Park Improvements”) through the issuance of its capital improvement bonds under the authority of the Act and Arkansas Code Annotated (1998 Repl.) §14170201 *et seq.*; and

WHEREAS, in order to accomplish the financing of the Walton Arts Center Improvements and/or the Parks Improvements, it is desirable to restructure the City’s existing debt service obligations with respect to the Series 2003 Bonds by refunding such bonds; and

NOW, THEREFORE, BE IT RESOLVED by the Advertising and Promotion Commission of the City of Fayetteville, Arkansas that:

Section 1. The issuance and sale of Hotel and Restaurant Gross Receipts Tax Refunding Bonds (the “Refunding Bonds”) in the approximate principal amount of \$1,500,000 is hereby recommended to the City in order to provide a portion of the funds needed to redeem the Series 2003 Bonds, to establish a debt service reserve, and to pay the costs of issuing the Refunding Bonds, including the procurement of bond insurance if deemed economically feasible.

Section 2. The issuance and sale of Hotel and Restaurant Gross Receipts Tax and Tourism Revenue Capital Improvement Bonds (the “Walton Arts Center Bonds”) in the approximate principal amount of \$6,900,000 is hereby recommended to the City in order to provide a portion of the funds needed to finance the Walton Arts Center Improvements, to establish a debt service reserve, and to pay the costs of issuing the Walton Arts Center Bonds, including the procurement of bond insurance if deemed economically feasible.

Section 3. The issuance and sale of Hotel and Restaurant Gross Receipts Tax and Tourism Revenue Capital Improvement Bonds (the “Parks Bonds”) in the approximate principal amount of \$3,500,000 is hereby recommended to the City in order to provide a portion of the funds needed to finance the Parks Improvements, to establish a debt service reserve, and to pay the costs of issuing the Parks Bonds, including the procurement of bond insurance if deemed economically feasible.

Section 4. The Chairman is hereby authorized and directed to do any and all things necessary to effect the issuance, sale, execution and delivery of the Refunding Bonds, the Walton

Arts Center Bonds and the Parks Bonds and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Resolution.

Section 5. The provisions of this Resolution are hereby declared to be severable, and if any section, phrase or provision shall for any reason be declared to be illegal or invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

Section 6. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

ADOPTED AND APPROVED THIS _____ DAY OF _____, 2013.

Chairman