

1 dated February 28, 2013 (as amended, the “Existing Lease”) with a stated expiration date of December 31,
2 2052, subject to renewals and termination as set forth therein;

3 **WHEREAS**, the Seller has determined to sell its leasehold interest in the Hotel to the Borrower
4 (defined below);

5 **WHEREAS**, the City has determined that the operation of the Convention Center and the Hotel serves
6 a public purpose of promoting economic development and welfare and diversifying the economy by (a)
7 attracting business meetings and conventions to the City held at the Convention Center and the surrounding
8 area, (b) attracting businesses to the City, (c) increasing the City’s tax base, resulting in increased receipts
9 from City taxes, (d) enhancing and increasing revenues to the City to defray expenses, pay the City’s debt,
10 and maintain the availability of other City funds to pay for other governmental services provided to the
11 citizens of the City, (e) increasing tourism and providing economic development and additional jobs for the
12 residents of the City, (f) promoting further economic development, (g) promoting the economic welfare of
13 the City’s citizens, resulting in a higher standard of living, higher employment, economic activity and
14 stability for the citizens of the City, and (h) securing and maintaining private commercial and industrial
15 enterprises in the City, all of which the City finds to be a burden of its local government (collectively, the
16 “Government Burdens”);

17 **WHEREAS**, the City has determined that the operation of the Hotel adjacent to the Convention Center
18 is required for the success of the Convention Center and the accomplishment of the City’s goals and
19 objectives with respect to the Convention Center;

20 **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY**
21 **OF LITTLE ROCK:**

22 **Section 1. Findings.**

- 23 (a) The City acknowledges that, as a function of economic development and other public benefits
24 which arise therefrom, each of the Hotel and Convention Center is a legitimate governmental
25 purpose, function and burden, which can be undertaken by the City on its own under applicable
26 laws, rules, regulations, statutes, codes, ordinances and resolutions;
- 27 (b) Community Finance Corporation (the “Corporation”), an Arizona nonprofit corporation and an
28 entity exempt from federal income tax under Section 501(a) of the Internal Revenue Code
29 (“Code”) as a nonprofit organization under Section 501(c)(3) of the Code, desires to assist the
30 City in lessening its Government Burdens by agreeing to own, finance and operate the Hotel
31 for the benefit of the City;
- 32 (c) The Articles of Incorporation of the Corporation provide that the Corporation is organized
33 exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Code, and
34 the general nature of the business to be transacted by the Corporation includes to lessen the

- 1 burdens of government and nonprofits organizations and to erect, finance the erection of, or
2 maintain public buildings, monuments or works;
- 3 (d) The City has been advised that the Corporation has formed and is the sole member of CFC—
4 LR, LLC (the “Borrower”), an Arizona limited liability company;
- 5 (e) The Operating Agreement of the Borrower provides that the Borrower is organized solely for
6 the purpose of lessening certain governmental burdens of the City by assisting the City through
7 the Borrower acquiring and owning a leasehold interest in, financing, operating, and
8 maintaining the existing full-service convention center hotel (together with the related
9 amenities) owned by the City at 3 Statehouse Plaza, Little Rock, Arkansas, adjacent to the
10 Convention Center;
- 11 (f) The Borrower desires to acquire, through the assignment of the Existing Lease by the Seller to
12 the Borrower, operate and maintain the Hotel;
- 13 (g) The Borrower has requested the assistance of the Public Finance Authority (the “Issuer”), a
14 governmental entity established under Section 66.0304 of the Wisconsin State Statutes, to issue
15 its Hotel Revenue Bonds in one or more series (the “Bonds”), the proceeds of which will be
16 used to make a loan to the Borrower to finance (a) the costs of acquiring the Seller’s leasehold
17 interest in the Hotel, which may also include certain capital improvements to be made with
18 respect to the Hotel, (b) capitalized interest on the Bonds, debt service and operating reserves,
19 initial operating costs and other required amounts in connection therewith, and (c) costs of
20 issuance of the Bonds (collectively, the “Project”);
- 21 (h) The Hotel is located within the boundaries of the City and the ownership and operation of the
22 Hotel is undertaken by the Borrower for the benefit of the City for the purpose of lessening the
23 Government Burdens of the City;
- 24 (i) The Borrower will hold the leasehold interest in the Hotel pursuant to the Existing Lease, and
25 the Hotel will continue to be operated by Davidson Hotel Company LLC, the existing manager
26 of the Hotel, or an affiliate thereof, as the Hotel operator (the “Manager”) engaged by the
27 Borrower under the “Marriott” flag pursuant to a franchise agreement between the Borrower
28 and Marriott;”
- 29 (j) After the repayment of the Bonds, the Existing Lease will terminate and the Hotel will be
30 owned by the City unencumbered, and all residual revenues from the Hotel shall belong to and
31 be transferred to the City;
- 32 (k) In connection with the acquisition of the leasehold interest in the Hotel by the Borrower, the
33 Seller will assign the Existing Lease to the Borrower, and the Borrower will agree to assume
34 the Seller’s rights and obligations thereunder;

- 1 (l) The Commission has previously consented to the assignment of the Existing Lease by the Seller
2 to the Borrower, subject to certain conditions, including the amendment of the Existing Lease
3 in a manner mutually agreed upon by the Commission, the City, the Seller and the Borrower,
4 and the City desires to also consent to such assignment;
- 5 (m) The Agreement of Lessor to which the City is a party relating to the assignment of the Existing
6 Lease has been presented to the Board of Directors in substantially final form (the “City
7 Agreement”):
- 8 (n) The rights and obligations of the Seller set forth in the following agreements in connection with
9 the Hotel are to be assigned by the Seller to the Borrower upon its purchase of the leasehold
10 interest in the Hotel (the “Assigned Agreements”):
- 11 (i) the Existing Lease;
- 12 (ii) Parking Lot Lease Agreement; and
- 13 (iii) Ashley Street Parking Franchise;
- 14 (o) There are other agreements relating to the Hotel financing which are not substantially final as
15 of the date of approval of this Resolution, to which neither the City nor the Commission is a
16 party, but which will contain provisions that pertain to the financing and operation of the Hotel
17 that are important to the City and the Commission, particularly considering that the Hotel is
18 located adjacent to the City's Convention Center and that the City will own the Hotel upon
19 repayment of the Bonds (and all bonds issued to refund the Bonds), which include the following
20 (the “Related Agreements”):
- 21 (i) *The Purchase and Sale Agreement* (relating to the sale and purchase of the Seller’s
22 leasehold interest in the Hotel) between the Seller and the Borrower;
- 23 (ii) *the Hotel Management Agreement* between the Borrower and the Manager (the
24 “Hotel Management Agreement”);
- 25 (iii) *the Owner Support & Asset Management Services Agreement* (relating to assisting
26 the Borrower in its rights and responsibilities as the owner of the Hotel) between
27 Fairwood Capital, LLC and the Borrower;
- 28 (iv) *the Indenture of Trust* (relating to the issuance of the Bonds) between the Issuer
29 and Computershare Trust Company, N.A., as the Trustee (the “Trustee”)
30 thereunder (the “Indenture”);
- 31 (v) *the Loan Agreement* (relating to the Issuer loaning the proceeds of the Bonds to
32 the Borrower) between the Issuer and the Borrower;
- 33 (vi) *the Franchise Agreement* between the Borrower and the Franchisor; and

(vii) the *Subordination, Non-Disturbance and Attornment Agreement* between the Trustee and the Manager.

(p) The financing of the Project and the issuance of the Bonds by the Issuer requires approval, following a public hearing, by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located;

(q) The Borrower has requested that the Board of Directors authorize a public hearing to be conducted in a manner that provides a reasonable opportunity to be heard for persons with differing views on both the issuance of the Bonds and the location and the nature of the Project, in order to satisfy the public approval requirement of Section 147(f) of the Internal Revenue Code of 1986 (the "Code") and the requirements of the Issuer;

(r) The Mayor is one of the applicable elected representatives eligible to approve the Bonds and the financing of the Project under Section 147(f) of the Code and the requirements of the Issuer;

(s) Following such public hearing, the Borrower has requested that the Mayor approve the Bonds and the financing of the Project in order to satisfy the requirements of Section 147(f) of the Code and the requirements of the Issuer;

(t) The Board of Directors now desires to (i) approve the execution and delivery of the City Agreement, (ii) consent to the assignment of the Assigned Agreements, and (iii) authorize other matters related to the purpose of this Resolution;

Section 2. *Approval of City Agreement.* The City Agreement described in the recitals hereto is hereby approved in substantially the form presented at this meeting. The Mayor, the City Manager and the Chief Financial Officer of the City (each being referred to herein as an "Authorized City Official") are each authorized to approve any and all changes to the City Agreement from the form presented and approved at this meeting, and such approval shall be evidenced by the signature of an Authorized City Official thereon. Each Authorized City Official is authorized to execute the City Agreement on behalf of the City, the City Clerk of the City is authorized to attest such Authorized City Official's signature thereon if so required, and the City Attorney is authorized to deliver the executed City Agreement concurrent with the initial delivery of the Bonds. The foregoing notwithstanding, in recognition of the fact that the Related Agreements are not in substantially final form as of the date hereof, the authorization set forth above for an Authorized City Official to execute the City Agreement and the City Attorney to deliver the executed City Agreement is contingent upon the City Attorney's review of the final draft of all Related Agreements and his determination that the terms set forth therein relating to the City's interests discussed and expressed during negotiations relating to the Hotel financing have been incorporated and are satisfactory and acceptable. Such determination shall be evidenced by the City Attorney's delivery of the executed City Agreement as authorized in this Section.

1 **Section 3. *Consent to Assignment of the Assigned Agreement.*** The City hereby consents to the Seller
2 assigning its right and obligations under the Assigned Agreements to the Borrower, to be effective upon
3 the delivery of the Bonds, subject to:

- 4 (i) Prior revision of the Existing Lease as mutually agreed upon by the City, the Commission,
5 the Borrower, and the Seller; and,
- 6 (ii) The Commission having received and reasonably approved all documents associated with
7 the sale and the Bonds; and,
- 8 (iii) The Commission having received, reviewed and reasonably approved the Borrower's
9 structure and organizational documents.

10 **Section 4.** Authorization of Public Hearing for Purposes of Section 147(f) of *the Internal Revenue*
11 *Code and the Issuer Requirements.* In order to satisfy the requirements of Section 147(f) of the Code and
12 the requirements of the Issuer, the Board of Directors hereby authorizes the City Attorney to conduct a
13 public hearing following the publication of a notice of the public hearing related to the issuance of the
14 Bonds. Following the public hearing, the Mayor is hereby authorized to approve the issuance of the Bonds
15 by the Issuer for the purpose of financing the Project in satisfaction of the public approval requirements of
16 Section 147(f) of the Code and in satisfaction of the requirements of the Issuer.

17 **Section 5. *Authorization of Other Necessary Documents and Actions.*** The Authorized City Officials,
18 the City Clerk, and any other officer, employee, agent and official of the City designated by the Mayor are
19 hereby expressly authorized, empowered and directed from time to time and at any time to do and perform
20 and to take any and all action necessary to (i) comply with the terms of the City Agreement and any other
21 related documents in order to facilitate the sale, purchase, and financing of the Hotel and the issuance, sale
22 and delivery of the Bonds by the Issuer, including the execution of certificates, opinions, and the other
23 documents necessary in connection therewith, and (ii) comply with the terms and provisions of the Existing
24 Lease to consent to and permit the transfer and sale of the leasehold interest of the Seller with respect to the
25 Hotel to the Borrower. The Authorized City Officials, the City Clerk of the City, and any other officer,
26 employee, agent and official of the City designated by the Mayor are hereby further authorized to execute,
27 acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all such
28 instruments, documents and agreements, whether or not herein mentioned, as may be necessary or desirable
29 in order to carry out the terms, provisions and purposes of this Resolution and the City Agreement. In
30 addition, prior to the initial delivery of the Bonds, each Authorized City Official and the City Clerk of the
31 City are hereby authorized and directed to approve any technical changes or corrections to this Resolution
32 deemed necessary to correct any ambiguity or mistake, or properly or more completely document the
33 transactions contemplated and approved by this Resolution.

1 **Section 6. *No Obligation or Liability of City.*** Nothing in this Resolution shall be construed to create
2 any obligation or liability of the City in any respect whatsoever pertaining to the Bonds. No statement,
3 representation or recital herein shall be deemed to constitute a legal conclusion or determination that any
4 particular action or proposed action is required, authorized, or permitted under the laws of the State of
5 Arkansas or the United States. The Bonds are not issued by the City or on behalf of the City but are issued
6 by the Issuer pursuant to the laws of the State of Wisconsin for the benefit of the Borrower. The Bonds
7 will not constitute an indebtedness or pledge of the City within the meaning of any constitutional or
8 statutory provision, and the owners of the Bonds will not be paid in whole or in part out of any funds raised
9 or to be raised by taxation or any other revenues of the City.

10 **Section 7. *Severability.*** The various parts, sections and clauses of this ordinance are hereby declared
11 to be severable. If any part, sentence, paragraph, section or clause is adjudged unconstitutional or invalid
12 by court of competent jurisdiction, the remainder of this ordinance shall not be affected thereby.

13 **Section 8. *Repealer.*** All laws, ordinances, resolutions, or parts thereof in conflict with the provision
14 of this ordinance are hereby repealed to the extent of such conflict.

15 **ADOPTED: January 20, 2026**

16 **ATTEST:**

APPROVED:

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19 _____
Allison Segars, City Clerk

_____ **Frank Scott, Jr., Mayor**

20 **APPROVED AS TO LEGAL FORM:**

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24 **Thomas M. Carpenter, City Attorney**

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**EXHBIT A. RESOLUTION OF LITTLE ROCK ADVERTISING & PROMOTION
COMMISSION IN FAVOR OF MOVING FORWARD IN THIS MATTER DATED
JANUARY 20, 2026.**

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