

Mayor – Sandy Sanders

Acting City Administrator – Jeff Dingman

City Clerk – Sherri Gard

Board of Directors

Ward 1 – Keith Lau

Ward 2 – Andre’ Good

Ward 3 – Mike Lorenz

Ward 4 – George Catsavis

At Large Position 5 – Tracy Pennartz

At Large Position 6 – Kevin Settle

At Large Position 7 – Don Hutchings

AGENDA

Fort Smith Board of Directors

REGULAR MEETING

April 5, 2016 ~ 6:00 p.m.

**Fort Smith Public Schools Service Center
3205 Jenny Lind Road**

THIS MEETING IS BEING TELECAST LIVE ON THE GOVERNMENT ACCESS CHANNEL 214 AND ONLINE AT <http://www.ustream.tv/channel/city-of-fort-smith-board-of-directors-meetings>

INVOCATION & PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENTATION BY MEMBERS OF THE BOARD OF DIRECTORS OF ANY ITEMS OF BUSINESS NOT ALREADY ON THE AGENDA FOR THIS MEETING

(Section 2-37 of Ordinance No. 24-10)

APPROVE MINUTES OF THE MARCH 15, 2016 REGULAR MEETING

ITEMS OF BUSINESS:

1. Public hearing and ordinance authorizing the issuance of Industrial Development Revenue Bonds to finance certain industrial facilities; authorizing the leasing of such facilities to Glatfelter Advanced Materials N.A., LLC; authorizing a trust indenture securing the bonds; authorizing the sale of the bonds; authorizing and prescribing other matters pertaining thereto; and declaring an emergency ♦
2. Ordinance ordering the owners of a certain dilapidated and substandard structure to demolish same, authorizing the City Administrator to cause the demolition of such structure to occur, and for other purposes (*1916 North “J” Street & rear structure*) ♦
3. Resolution authorizing Amendment No. 1 to the agreement with MAHG Architecture, Inc. for architectural services for renovation of the Library Annex Building for use as office space (*\$9,956.79 / Utility Department / Not Budgeted – 2014 Sales and Use Tax Bonds*) ♦ ●

4. Consent Agenda (*Any member of the Board may offer a motion, without necessity of a second or vote, to remove an item from the consent agenda for separate consideration*)
- A. Resolution authorizing the offering of Water and Sewer Revenue Bonds to refund all or a portion of the City's outstanding Water and Sewer Revenue Bonds, Series 2007, and Water and Sewer Refunding and Construction Revenue Bonds, Series 2008; and prescribing other matters relating thereto
 - B. Resolution declaring an exceptional situation, waiving the requirement of competitive bidding and authorizing the Mayor to execute an agreement with the Fort Smith Housing Authority for certain services for inhabitants of the city of Fort Smith (\$33,000.00 / *Planning Department / Budgeted – Personnel & Operating Accounts*) ♦
 - C. Resolution accepting the bid of and authorizing the Mayor to execute a contract with T-N-T Inc. for the Lake Fort Smith Water Transmission Line – Phase I, Retail Meter Relocations (\$816,940.50 / *Utility Department / Budgeted – 2012 and 2014 Sales and Use Tax*) ♦
 - D. Ordinance declaring an exceptional situation requiring the waiving of the solicitation and review of written proposals for internet services and authorizing execution of service contracts between the City of Fort Smith, Arkansas, and AT&T Corporation (\$83,532.48 / *Police Department / Budgeted: Administration and Support Services*)
 - E. Resolution authorizing execution of a contract with Zero Mountain, Inc. for firefighting assistance on an annual basis
 - F. Resolution authorizing execution of a contract with Rheem for firefighting assistance on an annual basis
 - G. Resolution authorizing execution of a contract with Harry G. Barr Company for firefighting assistance on an annual basis
 - H. Resolution authorizing execution of a contract with Weatherford International, LLC for firefighting assistance on an annual basis
 - I. Resolution authorizing execution of a contract with Hogback Exploration, Inc. for firefighting assistance on an annual basis
 - J. Resolution authorizing execution of a contract with Wal-Mart Stores, Inc. for firefighting assistance on an annual basis

- K. Resolution authorizing execution of a memorandum of understanding of the City of Fort Smith, Arkansas, with the Federal Bureau of Investigation; Arkansas State Police Bomb Squad; Little Rock Fire Department Bomb Squad; Little Rock Police Department; North Little Rock Police Department; Conway Fire Department Bomb Squad; El Dorado Police Department Bomb Squad; Bentonville Police Department Bomb Squad; and, the University of Arkansas Police Department regarding a multi-jurisdictional response to improvised explosive devices

OFFICIALS FORUM ~ presentation of information requiring no official action

(Section 2-36 of Ordinance No. 24-10)

- Mayor
- Directors
- City Administrator

ADJOURN

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS TO FINANCE CERTAIN INDUSTRIAL FACILITIES; AUTHORIZING THE LEASING OF SUCH FACILITIES TO GLATFELTER ADVANCED MATERIALS N.A., LLC; AUTHORIZING A TRUST INDENTURE SECURING THE BONDS; AUTHORIZING THE SALE OF THE BONDS; AUTHORIZING AND PRESCRIBING OTHER MATTERS PERTAINING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Fort Smith, Arkansas (the "City"), is authorized and empowered under the provisions of Title 14, Chapter 164, Subchapter 2 of the Arkansas Code of 1987 Annotated (the "Act"), to issue revenue bonds and to expend the proceeds thereof to finance land, buildings or facilities which can be used in securing or developing industry; and

WHEREAS, the Board of Directors of the City has heretofore adopted Resolution No. R-27-16 stating the City's intention to furnish permanent financing of an industrial project located in the City (the "Project") by the issuance of revenue bonds under the Act on behalf of Glatfelter Advanced Materials N.A., Inc., a Delaware corporation (Glatfelter Advanced Materials N.A., LLC, a Delaware limited liability company, successor) (the "Company"); and

WHEREAS, the Project consists of the acquisition and renovation of an existing facility located at 8201 Chad Colley Blvd., Fort Smith, Arkansas 72902, together with the acquisition and installation of various machinery, equipment and other personal property, to be used for the manufacture of paper products; and

WHEREAS, pursuant to and in accordance with applicable provisions of Arkansas law, a public hearing was held on the date hereof before the Board of Directors on the question of the issuance of such revenue bonds under the Act; and

WHEREAS, after due consideration the City has determined to proceed with financing the Project and to issue and sell its revenue bonds under the provisions of the Act in the aggregate principal amount of not to exceed \$75,000,000 (the "Bonds"), and in connection therewith to enter into a Trust Indenture (the "Indenture"), between the City and Regions Bank, Little Rock, Arkansas, as Trustee (the "Trustee"), to secure the Bonds; and

WHEREAS, the Project will be owned by the City and leased to the Company pursuant to the provisions of a Lease Agreement (the "Lease Agreement") between the City and the Company; and

WHEREAS, the Company will enter into an Agreement for Payments in Lieu of Taxes (the "PILOT Agreement") with the City as hereinafter provided; and

WHEREAS, forms of the Indenture, the Lease Agreement, and the PILOT Agreement have been presented to and are before this meeting;

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the City of Fort Smith, Arkansas:

Section 1. The Board of Directors hereby finds that the accomplishment of the Project, and the issuance of the Bonds to finance the same, will provide substantial employment and payrolls and will thereby secure and develop industry within and near the City.

Section 2. The issuance of the Bonds in the aggregate principal amount of \$75,000,000, or such lesser amount as shall be requested by the Company, is hereby authorized. The Bonds shall be designated "City of Fort Smith, Arkansas Taxable Industrial Development Revenue Bonds (Glatfelter Advanced Materials N.A., LLC Project), Series 2016." The Bonds shall bear interest at the rate of 5% per annum, payable as set forth in the Indenture, and shall mature in the year 2031, which terms are recommended by the Company. The Bonds shall be in the forms and denominations, shall be numbered, shall be dated, and shall be subject to redemption prior to maturity all upon the terms and conditions recommended by the Company and set forth in the Indenture.

Section 3. The Bonds shall be sold to the Company or its designee for the purchase price of 100% of par, which price is recommended by the Company.

Section 4. To prescribe the terms and conditions upon which the Bonds are to be executed, authenticated, issued, accepted, held and secured, the Mayor and City Clerk are hereby authorized and directed to execute and acknowledge the Indenture for and on behalf of the City. The Indenture is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Trustee and others in order to complete the Indenture in substantially the form submitted to this meeting with such changes as shall be approved by him, his execution to constitute conclusive evidence of such approval.

Section 5. There is hereby authorized the execution and delivery of the Lease Agreement, and the Mayor and City Clerk are hereby authorized to execute, acknowledge and deliver the Lease Agreement for and on behalf of the City. The Lease Agreement is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Company and others in order to complete the Lease Agreement in substantially the form submitted to this meeting with such changes as shall be approved by him, his execution to constitute conclusive evidence of such approval.

Section 6. There is hereby authorized the execution and delivery of the PILOT Agreement, and the Mayor is hereby authorized to execute and deliver the PILOT Agreement for and on behalf of the City. The PILOT Agreement is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Company and others in order to complete the PILOT Agreement in substantially the form submitted to this meeting with such changes as shall be approved by him, his execution to constitute conclusive evidence of such approval.

Section 7. The acquisition and construction of the Project, and the issuance and sale of the Bonds, are exceptional situations in which the City has no responsibility for payment of the costs and expenses thereof, all of which are payable by the Company, and the Company's recommendations with respect thereto are acceptable to the City. Therefore, pursuant to applicable laws of the State of Arkansas, including the Act, competitive bidding is hereby waived.

Section 8. The Mayor and City Clerk, for and on behalf of the City, are hereby authorized and directed to do any and all things necessary to effect the execution and delivery of the documents herein authorized and the performance of all obligations of the City thereunder, the issuance, execution, sale and delivery of the Bonds, and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance. The Mayor and City Clerk are hereby further authorized and directed, for and on behalf of the City, to execute all papers, documents, certificates and other instruments that may be required for the carrying out of such authority or to evidence the exercise thereof.

Section 9. The City Clerk is hereby authorized and directed to file in the office of the City Clerk, as a part of the minutes of the meeting at which this Ordinance is adopted, for inspection by any interested person copies of the Indenture, the Lease Agreement, and the PILOT Agreement, and such documents shall be on file for inspection by any interested person.

Section 10. The provisions of this Ordinance are hereby declared to be separable, and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

Section 11. All ordinances, resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 12. There is hereby found and declared to be an immediate need for the securing and developing of industry in order to provide substantial employment and payrolls, thereby alleviating unemployment and otherwise benefitting the public health, safety and welfare of the City and the inhabitants thereof, and the issuance of the Bonds authorized hereby and the taking of the other action authorized hereby are immediately necessary for the accomplishing of these public benefits and purposes. It is, therefore, 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 effect immediately upon and after its passage.

PASSED: April 5, 2016.

APPROVED:

ATTEST:

Mayor

City Clerk

(SEAL)

CERTIFICATE

The undersigned, City Clerk of the City of Fort Smith, Arkansas, hereby certifies that the foregoing pages are a true and perfect copy of Ordinance No. _____, adopted at a regular session of the Board of Directors of the City of Fort Smith, Arkansas, held at the regular meeting place of the City at 6:00 o'clock p.m., on the 5th day of April, 2016, and that the Ordinance is of record in Ordinance Record Book No. _____, at page _____, now in my possession.

GIVEN under my hand and seal on this _____ day of April, 2016.

City Clerk

(SEAL)

Memo



To: Honorable Mayor & Members of the Board of Directors
From: Jeff Dingman, Acting City Administrator
Date: 3/31/2016
Re: Glatfelter Advanced Materials N.A., LLC Industrial Revenue Bonds, 2016

Included on the agenda for your April 5, 2016 regular meeting is an ordinance authorizing the issuance of up to \$75,000,000 in Industrial Development Revenue Bonds on behalf of Glatfelter Advanced Materials N.A., LLC and its project to acquire property, renovate an existing structure and install manufacturing equipment at 8201 Chad Colley Boulevard, located within the boundaries of the City of Fort Smith.

Along with the capital investment, Glatfelter Advanced Materials N.A., LLC has indicated that 83 new full-time jobs with an average annual wage of \$25 per hour will be created within three years.

The primary advantage of industrial revenue bonds is reduced property taxes on the project. Pursuant to the Payment in Lieu of Taxes Agreement (also authorized by the proposed ordinance), the company will pay the equivalent of 35% of the normal property taxes for a period of fifteen years. Approvals of the necessary Trust Indenture (between the city and the Trustee) and Lease Agreement (between the City and the Company) are also included in the language of the proposed ordinance. The following documents are attached to this agenda item in draft - but substantially complete - form:

1. IRB Ordinance
2. Lease Agreement
3. Trust Indenture
4. PILOT Agreement

Glatfelter Advanced Materials N.A., LLC will be solely responsible for the debt service payments of the bonds. The city has no obligation to make the bond payments.

Staff recommends approval of the attached ordinance. This \$75 million investment supports the board's stated priorities and the Economic Development objectives of the city's Comprehensive Plan related to fostering economic development and job creation in Fort Smith.

Glatfelter's bond counsel facilitating this process intends to be present at the meeting if you have specific questions regarding the mechanics of this proposal. In the meantime, please contact me if you have general questions regarding this agenda item.

DRAFT
Friday, Eldredge & Clark

CITY OF FORT SMITH, ARKANSAS
and
GLATFELTER ADVANCED MATERIALS N.A., LLC

LEASE AGREEMENT

Dated as of May 1, 2016

LEASE AND AGREEMENT

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LEASE AGREEMENT

This LEASE AGREEMENT, dated as of May 1, 2016, by and between CITY OF FORT SMITH, ARKANSAS, a municipality organized and existing under the laws of the State of Arkansas (the "Issuer"), and GLATFELTER ADVANCED MATERIALS N.A., LLC, a limited liability company organized and existing under and by virtue of the laws of the State of Delaware (the "Company").

WITNESSETH:

WHEREAS, the Issuer is authorized and empowered under the laws of the State of Arkansas, including particularly Title 14, Chapter 164, Subchapter 2 of the Arkansas Code of 1987 Annotated (the "Act"), to issue revenue bonds and expend the proceeds thereof to finance the cost of acquiring, constructing and equipping facilities for securing or developing industry; and

WHEREAS, certain industrial facilities (described in Article I hereof and collectively referred to herein as the "Project") have been, and are being acquired, constructed and equipped by or on behalf of the Company located within the boundaries of the Issuer; and

WHEREAS, at the request of the Company and in furtherance of the purposes of the Act, the Issuer proposes to issue its revenue bonds under the Act in the aggregate principal amount of not to exceed \$75,000,000 (identified in Article I hereof and referred to herein as the "Bonds"), for the purpose of financing the cost of acquiring, constructing and equipping the Project, and to lease the Project to the Company upon the terms and conditions set forth herein; and

WHEREAS, the Company is entering into this Lease Agreement for the purpose of achieving ad valorem tax savings with respect to the Project, the accomplishment of which the Issuer has determined will furnish substantial employment and payrolls and will thereby promote the economic welfare of the inhabitants of the Issuer and adjacent areas in furtherance of the public purpose of the Act;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants herein made, and subject to the conditions herein set forth, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. In addition to the words and terms elsewhere defined in this Lease Agreement or in the Indenture, the following words and terms as used in this Lease Agreement shall have the following meanings unless the context or use indicates another or different meaning:

"Act" -- Title 14, Chapter 164, Subchapter 2 of the Arkansas Code of 1987 Annotated, as enacted and amended from time to time.

"Additional Bonds" -- Bonds which are issued under the provisions of Section 215 of the Indenture.

"Bonds" -- The Series 2016 Bonds and any series of Additional Bonds issued under and secured by this Indenture.

"Bond Fund" -- The fund by that name created and established in Section 501 of the Indenture.

"City Clerk" -- The person holding the office and performing the duties of City Clerk of the Issuer.

"Company" -- Glatfelter Advanced Materials N.A., LLC, a limited liability company organized and existing under the laws of the State of Delaware, and its permitted successors and assigns hereunder.

"Company Representative" -- The person or persons at the time designated to act on behalf of the Company as evidenced by a written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Company by its President, any Vice President, or its Treasurer. Such certificate may designate an alternate or alternates.

"Completion Date" -- The date of completion of the acquisition, construction and equipping of the Project, as that date shall be determined by the Company and certified as provided in Section 3.4 hereof.

"Construction Fund" -- The fund by that name created and established in Section 501 of the Indenture.

"Environmental Laws" -- Any federal, state or local law, statute, ordinance or regulation pertaining to health, industrial hygiene or the environmental conditions on, under or about the Project, now or hereafter enacted or interpreted, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), as amended, 42 U.S.C. Sections 9601 et seq., and the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. Section 6901 et seq.

"Event of Default" -- Any event of default specified in Section 8.1 hereof.

"Excess Bond Fund Moneys" -- As of any payment date under Section 5.3 hereof, moneys in the Bond Fund on such date in excess of the amount required for payment of the principal of the Bonds which have matured on a maturity date or on a redemption date prior to such payment date, and past due interest, in all cases where Bonds have not been presented for payment.

"Hazardous Substances" -- Any one or more of the following substances, materials and wastes:

(a) Those substances included within the definitions of "hazardous substances", "hazardous materials", "toxic substances" or "solid waste" in CERCLA, RCRA and the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801 et seq. and in the regulations promulgated pursuant to said laws;

(b) Those substances defined as "hazardous wastes" or "PCB" in the applicable statutes of the State of Arkansas, as amended from time to time, and in the regulations promulgated thereunder;

(c) Those substances listed in the United States Department of Transportation Table (49 CFT 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and amendments thereto);

(d) Such other substances, materials and wastes which are or become regulated under applicable local, state or federal law, which are classified as hazardous, corrosive, ignitable, or toxic under federal, state or local laws or regulations; and

(e) Any material, waste or substance which is (i) petroleum; (ii) asbestos; (iii) polychlorinated biphenyls; (iv) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Sections 1251 et seq. (33 U.S.C. 1321) or listed pursuant to Section 3078 of the Clean Water Act (33 U.S.C. 1317); (v) flammable explosives; or (vi) radioactive materials.

"Indenture" -- The Trust Indenture dated as of May 1, 2016, by and between Issuer and Trustee, securing the Bonds, and any amendments and supplements thereto.

"Issuer" -- City of Fort Smith, Arkansas, a political subdivision of the State of Arkansas, and its successors and assigns.

"Lease Agreement" -- This Lease Agreement and any amendments and supplements hereto.

"Lease Payments" -- All amounts required to be paid by the Company to the Issuer (and the Trustee as the assignee of the Issuer) pursuant to Section 5.3 of this Lease Agreement.

"Mayor" -- The person holding the office and performing the duties of the Mayor of the Issuer.

"Outstanding" -- When used with reference to the Bonds, as of any particular date, the aggregate of all Bonds authenticated and delivered under the Indenture, except:

- (a) Bonds canceled at or prior to such date or delivered to or acquired by the Trustee prior to such date for cancellation;
 - (b) Bonds deemed to be paid in accordance with Article IX of the Indenture;
- and
- (c) Bonds in lieu of or in exchange or substitution for which other Bonds shall have been authenticated and delivered pursuant to the Indenture.

"Permitted Encumbrances" -- (i) This Lease Agreement and the Indenture; (ii) liens for taxes, assessments, and other governmental charges not then delinquent or being contested in good faith and by appropriate proceedings; (iii) any mechanic's, laborer's, materialmen's, worker's, repairmen's, employee's, supplier's, or vendor's lien (or other like lien) arising in the ordinary course of business or in connection with the construction of the Project and which are not yet due and payable or which are being contested in good faith and by appropriate proceedings; (iv) utility, access and other easements and rights of way, restrictions, reversions and exceptions that will not interfere with or impair the operations being conducted on the Premises or that are granted pursuant to the terms hereof; (v) such minor defects, irregularities, encumbrances, easements, rights of way, and clouds on title as normally exist with respect to properties similar in character to the Project and as do not materially impair the value or utility of the Project; (vi) any leasehold mortgage; (vii) any other encumbrance shown on a title policy commitment obtained by the Company as of the date of issuance of the Bonds; and (viii) any other defect, irregularity, encumbrance, easement, right of way or cloud on title which is waived or permitted in writing by the Company.

"Premises" -- The land, buildings, improvements, machinery, equipment and facilities leased by this Lease Agreement and described in Section 5.1 hereof.

"Project" -- The land, the buildings, structures and other improvements, and those items of machinery, equipment and other tangible personal property acquired, constructed and equipped, in whole or in part, with the proceeds of the Bonds (including any changes in, additions to, substitutions for or deletions of facilities or portions thereof made under Section 3.3 hereof). As presently contemplated by the existing plans and specifications prepared by or on behalf of the Company, the Project is generally described in Exhibit A hereto.

"Project Costs" -- All costs and expenses incurred with respect to the development, design, engineering, acquisition, equipping, construction, assembly, inspection, testing, completion and start-up of the Project, including, without limitation:

- (a) obligations of the Issuer or the Company incurred for labor and materials (including obligations payable to the Company) in connection with the acquisition, construction or equipping of the Project, including reimbursement to the

Company or its affiliates for all advances and payments (including interest) made prior to or after delivery of the Bonds;

(b) the cost of performance or other bonds and any and all types of insurance that may be necessary or appropriate to have in effect during the course of construction of the Project;

(c) all costs of engineering and architectural services, including the costs of the Issuer or the Company for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction, as well as for the performance of all other duties required by or consequent to the proper construction of the Project;

(d) all expenses incurred in connection with the issuance of the Bonds, including, without limitation, compensation and expenses of the Trustee, compensation to any financial consultants or underwriters, legal fees and expenses, costs of printing, and recording and filing fees;

(e) all fees for examination of title or title insurance, and for recording this Lease Agreement and the Indenture or filing any financing statements;

(f) any sums required to reimburse the Issuer or the Company for advances (including interest) made by either of them or any of the Company's affiliates for any of the above items or for any other costs incurred and for work done by either of them or any of the Company's affiliates which are properly chargeable to the Project;

(g) all costs which the Issuer or the Company shall be required to pay, under the terms of any contract or contracts, for the acquisition, construction, installation or equipping of the Project; and

(h) interest on the Bonds prior to the Completion Date.

"Purchaser" -- Glatfelter Advanced Materials N.A., LLC, a Delaware limited liability company, and its successors and assigns. The Purchaser is the original purchaser of the Bonds.

"Series 2016 Bonds" -- City of Fort Smith, Arkansas Taxable Industrial Development Revenue Bonds (Glatfelter Advanced Materials N.A., LLC Project), Series 2016, in the aggregate principal amount of not to exceed \$75,000,000, issued under and secured by the Indenture.

"Trustee" -- The bank or trust company designated as Trustee in the Indenture, and its successor or successors as such Trustee under the provisions of the Indenture or by operation of law. The original Trustee is Regions Bank, Little Rock, Arkansas.

Section 1.2. Use of Words and Phrases. "Herein", "hereby", "hereunder", "hereof", "hereinabove", "hereinafter", and other equivalent words and phrases refer to this Lease Agreement and

not solely to the particular portion thereof in which any such word is used. The definitions set forth in Section 1.1 hereof include both singular and plural. Whenever used herein, any pronoun shall be deemed to include both singular and plural and to cover all genders. The term "including" shall mean "including without limitation."

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations and Warranties of the Issuer. The Issuer makes the following representations and warranties as the basis for the undertakings herein contained:

(a) The Issuer is a municipality duly organized and existing under the laws of the State of Arkansas.

(b) The Issuer has the power to enter into the transactions contemplated by this Lease Agreement and to carry out its obligations hereunder. By proper action the Issuer has been duly authorized to execute and deliver this Lease Agreement.

(c) The Issuer has not and will not except as otherwise required by mandatory provisions of law, assign its interest in this Lease Agreement other than to secure the Bonds.

(d) The acquiring, constructing and equipping of the Project will promote the securing and developing of industry and will thereby further the public purposes of the Act.

Section 2.2. Representations and Warranties of the Company. The Company makes the following representations and warranties as the basis for the undertakings herein contained:

(a) The Company is a limited liability company duly organized under the laws of the State of Delaware and is in good standing under the laws of such state, is duly authorized to do business in the State of Arkansas and is in good standing under the laws of such state, has the power under its Articles of Organization and Operating Agreement to enter into this Lease Agreement, and has duly authorized the execution and delivery of this Lease Agreement by proper corporate action.

(b) To the best of the Company's knowledge, the Project is of the type authorized and permitted by the Act, and the Company intends to operate the Project to the expiration or earlier termination of this Lease Agreement for industrial purposes.

(c) To the best of the Company's knowledge, estimated Project Costs have been determined in accordance with sound engineering and accounting principles, and the Company estimates that all of the proceeds of the Bonds will be expended to pay such Project Costs.

(d) To the best of the Company's knowledge, neither the execution and delivery of this Lease Agreement, the consummation of the transactions contemplated hereby, nor the compliance with the terms and conditions of this Lease Agreement conflicts with or results in a breach of the terms, conditions or provisions of any agreement or instrument to which Company is now a party or by which Company is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever (other than Permitted Encumbrances) upon any of the property or assets of Company.

(e) All representations and warranties of the Company contained in any certificate required to be given in connection with the issuance of the Bonds will be true and correct as of the date of such certificate.

ARTICLE III

THE PROJECT

Section 3.1. Acquisition, Construction and Equipping of the Project. The Company has and shall continue to cause the Project to be acquired, constructed and equipped with all reasonable dispatch in order to effectuate the purposes of the Act. The Company shall have the sole responsibility under this Lease Agreement for the acquisition, construction and equipping of the Project and may perform the same itself or through its agents, and may make or issue such contracts, orders, receipts and instructions, and in general do or cause to be done all such other things as it may in its sole discretion consider requisite or advisable for the acquisition, construction and equipping of the Project and for fulfilling its obligations under this Article III. The Company shall have full authority and the sole right under this Lease Agreement to supervise and control, directly or indirectly, all aspects of the acquiring, constructing and equipping of the Project. Title to the Project shall be placed in the Issuer.

Section 3.2. Company Required to Pay in Event Proceeds of Bonds Insufficient. In the event the proceeds of the issuance and sale of the Bonds available for payment of Project Costs should not be sufficient to pay the Project Costs in full, the Company agrees to complete the Project and to pay that portion of the Project Costs in excess of the moneys available therefor from the proceeds of the Bonds. The Issuer does not make any warranty, either expressed or implied, that the proceeds of the issuance and sale of the Bonds available for payment of Project Costs will be sufficient to pay all of the Project Costs. The Company agrees that if after exhaustion of Bond proceeds the Company should pay any portion of the Project Costs pursuant to the provisions of this Section, the Company shall not be entitled to reimbursement therefor from the Issuer or from the Trustee or from the holders of any of the Bonds, nor shall the Company be entitled to any diminution of the amounts payable under Section 5.3 hereof.

Section 3.3. Revision of Scope, Plans and Specifications. The Company may revise the scope, plans and specifications for the Project at any time and from time to time in any respect, including, without limitation, any changes therein, additions thereto, substitutions therefor and deletions therefrom; provided, however, that no such revision shall materially impair the effective use of the Project contemplated by this Lease Agreement or shall render inaccurate any of the representations contained in Section 2.2 hereof.

Section 3.4. Certification of Completion Date. Promptly after the Completion Date, the Company shall submit to the Issuer and the Trustee a certificate, executed by a Company Representative, which shall specify the Completion Date and shall state that acquisition, construction and equipment of the Project has been completed and the Project Costs have been paid or set aside for payment, except for any Project Costs which have been incurred but are not then due and payable, or the liability for the payment of which is being contested or disputed by the Company. Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights against third parties which exist at the date thereof or which may subsequently come into being.

Section 3.5. Termination of Construction or Operation. Anything in this Lease Agreement to the contrary notwithstanding, the Company shall have the right at any time to terminate the acquisition, construction, equipment or operation of the Project or change the scope of the Project or any

part thereof, if the Company shall have determined that the continued acquisition, construction and equipment or operation of the Project is impracticable, uneconomical or undesirable for any reason. Promptly after such termination, the Company shall submit to the Issuer and the Trustee a certificate, executed by a Company Representative, which shall state that the Project Costs, to the extent of the acquisition, construction, equipment and operation of the Project as of the date of such termination, have been paid, except for any Project Costs which have been incurred but are not then due and payable, or the liability for the payment of which is being contested or disputed by the Company. Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights against third parties which exist at the date thereof or which may subsequently come into being. After such termination, title to the Project shall promptly, and in no event later than ten (10) days following such termination, be transferred to the Company in the same manner as provided in Section 10.3 hereof.

ARTICLE IV

ISSUANCE OF THE SERIES 2016 BONDS

Section 4.1. Issuance of the Series 2016 Bonds. The Issuer shall issue the Bonds under and in accordance with the Indenture. The Company hereby approves the issuance of the Bonds and all terms and conditions thereof.

Section 4.2. Disposition of Bond Proceeds. The proceeds from the issuance and sale of the Bonds shall be disbursed to the Company from time to time for payment of Project Costs or reimbursement of Project Costs paid or to be paid by the Company or its affiliates incidental to the acquiring, constructing and equipping of the Project, in accordance with and pursuant to requisitions as provided in Section 602 of the Indenture.

ARTICLE V

RENTAL PROVISIONS

Section 5.1. Lease of Premises. The Issuer hereby demises and leases to the Company, subject to Permitted Encumbrances, and the Company hereby leases from the Issuer, subject to Permitted Encumbrances, for and during the term of this Lease Agreement, the following (the "Premises"):

- (a) The land described in Exhibit B attached hereto;
- (b) The buildings, structures and other improvements now or at any time hereafter erected and installed on such land;
- (c) All accretions, easements, rights of way and appurtenances belonging or in any way appertaining to such land and/or the improvements described in (a) and (b) above;
- (d) All machinery, equipment and other tangible personal property acquired by or on behalf of the Issuer and paid for, in whole or in part, with the proceeds of the Bonds and placed on or in the land and/or the improvements described in (a) and (b) above, or elsewhere, including, without limitation, all replacements and substitutions which become the property of the Issuer pursuant to the provisions of this Lease Agreement. All such machinery, equipment and other tangible personal property shall be identified in a ledger which shall be maintained by the Company on the Premises; provided, however, the failure to so identify such property in such ledger shall not prevent any item of machinery, equipment or other tangible personal property from becoming part of the Project and leased under this Lease Agreement if, pursuant to the provisions hereof, it should be part thereof, and shall not affect the rights of the Company to such property hereunder; and
- (e) Any and all other rights and interest of whatever nature from time to time hereafter conveyed or transferred by the Company or by anyone in its behalf or with its written consent to the Issuer subject to the terms hereof;

TO HAVE AND TO HOLD the Premises unto the Company for the term of this Lease Agreement as hereafter set forth.

Section 5.2. Term. The term of this Lease Agreement shall commence on May 1, 2016, and shall continue until May 1, 2031, and as long thereafter as any of the Bonds remain outstanding under the Indenture, unless sooner terminated or extended as provided herein.

Section 5.3. Lease Payments and Payment of Other Amounts Payable. (a) On or before any date that principal of or interest on the Bonds is due as set forth in the Indenture and the date of final payment of the principal of and interest on the Bonds or any date fixed for the redemption of any or all

of the Bonds pursuant to the Indenture, the Company covenants and agrees to pay or to cause to be paid in lawful money of the United States of America to the Trustee, as Lease Payments, a sum equal to the amount payable on such payment date as principal (whether at maturity, upon redemption or otherwise) of and interest on the Bonds as provided in the Indenture. Except as may be otherwise provided in any home office payment agreement entered into pursuant to the provisions of Section 214 of the Indenture, each payment made pursuant to this Section shall be made in immediately available funds at the principal corporate trust office of the Trustee during normal banking hours.

In the event that the payment of the principal of and accrued interest on the Bonds is accelerated under Section 1002 of the Indenture, the Company covenants and agrees to pay, or cause to be paid, to the Trustee as provided above a sum equal to all the principal of and interest on the Bonds then outstanding.

Each payment pursuant to this Section shall at all times be sufficient to pay the amount of principal (whether at maturity, upon redemption or otherwise) of and interest payable on the Bonds on the date that such payment is due; provided that Excess Bond Fund Moneys held by the Trustee in the Bond Fund on such date shall be credited against the payment due on such date. Subject to the provisions of the next succeeding sentence, if at any time the amount held by Trustee in the Bond Fund should be sufficient (and remain sufficient) to pay at the times required the principal of and interest on the Bonds then remaining unpaid, the Company shall not be obligated to make any further payments under the provisions of this Section. Notwithstanding the provisions of the preceding sentence, if on any date Excess Bond Fund Moneys held by Trustee in the Bond Fund are insufficient to make the then required payments of principal (whether at maturity, upon redemption or otherwise) of and interest on the Bonds on such date, the Company shall forthwith pay such deficiency as a payment hereunder.

(b) The Company agrees to pay the fees, charges and reasonable and necessary expenses, including reasonable attorneys' fees, of the Trustee and any paying agent.

(c) The Company agrees to pay or cause to be paid, promptly upon receipt of an invoice therefor (with reasonable supporting documentation) from the Issuer, as additional rent, the reasonable and necessary expenses incurred by the Issuer with respect to this Lease Agreement, the Indenture, and any transaction or event contemplated by this Lease Agreement or the Indenture, which are not otherwise required to be paid by the Company under the terms of this Lease Agreement.

(d) In the event the Company should fail to make, or cause to be made, any of the payments required in this Section, the item or installment so in default shall continue as an obligation of the Company until the amount in default shall have been fully paid.

Section 5.4. No Defense or Set-off -- Unconditional Obligation. The obligations of the Company to make the payments required in Section 5.3 hereof and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, irrespective of any defense or any right of set-off, recoupment or counterclaim it might otherwise have against the Issuer or the Trustee, and the Company shall pay absolutely net during the term of this Lease Agreement the payments to be made as prescribed in Section 5.3 and all other payments required hereunder free of any deductions and without abatement, diminution or set-off; and until such time as the principal of and

interest on the Bonds shall have been fully paid, or provision for the payment thereof shall have been made in accordance with the Indenture, the Company: (i) will not suspend or discontinue any payments provided for in Section 5.3 hereof; (ii) will perform and observe all of its other agreements contained in this Lease Agreement; and (iii) except as provided in Article VIII hereof or Section 3.5 hereof, will not terminate this Lease Agreement for any cause, including, without limiting the generality of the foregoing, failure to complete the Project, the occurrence of any act or circumstances that may constitute failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax laws of the United States of America or the State of Arkansas or any political subdivision of such state, or any failure of the Issuer or the Trustee to perform or observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Lease Agreement or the Indenture. Notwithstanding anything herein to the contrary, any home office payment agreement entered into pursuant to the provisions of Section 214 of the Indenture may provide for set-off any obligation of the Company to the owner of any Bond who is a party to such agreement against the obligations of the Company to make the payments required in Section 5.3 hereof with respect to such Bond.

Section 5.5. Quiet Enjoyment. The Issuer covenants that the Company, upon paying the rentals and performing all covenants, obligations and agreements on the part of Company to be performed under this Lease Agreement, shall and may peaceably and quietly have, hold and enjoy the Premises for the term of this Lease Agreement and shall be entitled to all revenues generated therefrom subject to all of the provisions of this Lease Agreement pertaining thereto.

ARTICLE VI

SPECIAL COVENANTS AND AGREEMENTS

Section 6.1. Maintenance of Corporate Existence. The Company agrees that it will do all things necessary to preserve and keep in full force and effect and in good standing its existence, material rights and material franchises under the laws of the state of its organization and will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into any other entity or permit one or more other entities to consolidate with or merge into it, except the Company may, without violating the foregoing, consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it, or transfer (other than by way of an assignment as security for obligations of the Company) all or substantially all of its assets to another entity (thereafter dissolving or not dissolving as it may elect), if either (a) such consolidation, merger, or transfer is approved in writing by the Purchaser (so long as the Purchaser is owner of not less than 100% in aggregate principal amount of the Bonds), or (b) the entity surviving such merger or resulting from such consolidation, or the entity to which all or substantially all of the assets of the Company are transferred, as the case may be: (i) shall qualify to do business in the State of Arkansas under the laws thereof, and (ii) shall assume in writing all of the obligations of the Company hereunder. Upon and after such consolidation, merger or transfer meeting the foregoing conditions, the Company shall be relieved from liability for its obligations hereunder.

Section 6.2. Release and Indemnification Covenants. (a) The Company shall and hereby agrees to indemnify and save the Issuer and the Trustee harmless against and from all claims by or on behalf of any person, firm, corporation or other legal entity arising from the conduct or management of, or from any work or thing done on, the Premises during the term of this Lease Agreement from (i) any condition of the Premises, (ii) any breach or default on the part of the Company in the performance of any of its obligations under this Lease Agreement, (iii) any act or negligence of the Company or any of its agents, contractors, servants, employees or licensees or (iv) any act or negligence of any assignee or sublessee of the Company, or of any agents, contractors, servants, employees or licensees of any assignee or sublessee of the Company. The Company shall indemnify and save the Issuer and the Trustee harmless from any such claim arising as aforesaid from (i), (ii), (iii) or (iv) above, or in connection with any action or proceeding brought thereon, and upon notice from the Issuer or the Trustee, the Company shall defend them or any of them in any such action or proceeding. Notwithstanding the foregoing, neither the Issuer nor the Trustee shall be entitled to indemnification for any claim arising out of its own gross negligence or willful misconduct.

(b) Notwithstanding the fact that it is the intention of the parties that the Issuer shall not incur pecuniary liability by reason of the terms of this Lease Agreement, or the undertakings required of the Issuer hereunder by reason of the issuance of the Bonds, the execution of the Indenture, the performance of any act required of the Issuer by this Lease Agreement, or the performance of any act requested of the Issuer by the Company, including all claims, liabilities or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing; nevertheless, if the Issuer should incur any such pecuniary liability, then in such event the Company shall indemnify and hold the Issuer harmless against all claims by or on behalf of any person, firm or corporation or other legal entity arising out of the same, and all reasonable costs and expenses incurred in connection with any such

claim or in connection with any action or proceeding brought thereon, and upon written notice from the Issuer, the Company shall defend the Issuer in any such action or proceeding, except to the extent such claim, cost or expense arises from the gross negligence or willful misconduct of the Issuer.

Section 6.3. Qualification of Company in Arkansas. The Company agrees that throughout the term of this Lease Agreement it will be qualified to do business in the State of Arkansas.

Section 6.4. Permits or Licenses. In the event that it may be necessary for the proper performance of this Lease Agreement on the part of the Company or the Issuer that any application or applications for any permit or license to do or to perform certain things be made to any governmental or other agency by the Company or the Issuer, the Company and the Issuer each shall, upon the request of either, execute such application or applications.

Section 6.5. Access to Premises. The Issuer shall have the right, upon reasonable advance notice to the Company, to have reasonable access to the Premises and the books and records of the Company with respect to the Project during normal business hours for the purpose of ascertaining the Company's compliance with the terms and conditions hereof. In making such inspections, the Issuer will observe the Company's prevailing security and safety arrangements. Nothing contained in this Section 6.5 or in any other provision of this Lease Agreement shall be construed to entitle the Issuer to any information or inspection involving the confidential know-how or other proprietary information of the Company, and prior to any such inspection the Company may require the Issuer to enter into a confidentiality agreement in form and substance satisfactory to the Company and as permitted by the Arkansas Freedom of Information Act with respect to any information involving the confidential know-how or other proprietary information of the Company.

Section 6.6. Maintenance and Insuring of Premises. (a) The Company shall at all times maintain, preserve and keep the Premises, and every material element and unit thereof, in good repair, working order and condition (subject to scheduled and unscheduled outages), and from time to time make all necessary repairs and renewals thereto, all as the Company, in its sole discretion, may deem to be desirable for its uses and purposes. The Company may discontinue the operation of the Project, or any element or unit thereof, if, in the sole discretion of the Company, it is no longer advisable to operate the same, or if the Company intends to sell and dispose of the same. After the Completion Date, the Company may at its own expense remodel the Project or make such substitutions, modifications and improvements to the Project from time to time as it, in its sole discretion, may deem to be desirable for its uses and purposes, which remodeling, substitutions, modifications and improvements shall be included under the terms of this Lease Agreement as part of the Premises.

(b) The Company shall not be under any obligation to renew, repair or replace any inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary machinery, equipment or other tangible personal property which is part of the Premises hereunder. In any instance where the Company in its sound discretion determines that any such items of leased machinery, equipment or other tangible personal property have become inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary, the Company may remove such items from the Premises and (on behalf of the Issuer) sell, trade-in, exchange or otherwise dispose of them (as a whole or in part) without any responsibility or accountability to the Issuer therefor, provided that the Company may substitute (either by direct

payment of the costs thereof or by advancing to the Issuer the funds necessary therefor) and install anywhere on or in the Premises other machinery, equipment or other tangible personal property having equal or greater utility (but not necessarily having the same function) in the operation of the Project as a modern industrial facility (provided such removal and substitution shall not impair the operating unity of the remaining property), all of which substituted property shall be free of all liens and encumbrances (other than Permitted Encumbrances) but shall become a part of the Premises hereunder. The removal from the Premises of any portion of the leased machinery, equipment or other tangible personal property shall not entitle the Company to any abatement or diminution of the rents payable under Section 5.3 hereof.

(c) The Company shall keep the Premises insured against fire and other risks as are customarily insured against by the Company in its other businesses of like size and type, by reputable insurance companies or, at the Company's election, partially or wholly by means of an adequate self-insurance program or in conjunction with other companies through an insurance fund, trust or other agreement. Each policy of insurance shall name the Issuer and the Company as insureds as their respective interests may appear. All proceeds of such insurance shall be for the account of the Company or its designee.

Section 6.7. Recordation and Filing. The Company covenants that it will cause the Indenture and this Lease Agreement, such security agreements, financing statements and all supplements thereto and other instruments as may be required from time to time to be kept, to be recorded and filed in such manner and in such places as may be required by law in order to fully preserve and protect the security of the holders and owners of the Bonds and the rights of Trustee under such instruments, and to perfect the security interest created by the Indenture.

Section 6.8. Hazardous Substances; Compliance with Environmental Laws. (a) Except in material compliance with all Environmental Laws, the Company shall not acquire, use, generate, manufacture, produce, store, release, discharge, dispose of, or arrange for the disposal of on, under or about the Premises or transport to or from the Premises any Hazardous Substance or allow any other person or entity to do so.

(b) The Company shall keep and maintain the Premises in material compliance with, and shall not cause or permit the Premises to be in material violation of, any Environmental Law.

(c) The Company shall give prompt written notice to the Issuer of:

(i) Any proceeding by any government authority with respect to the presence, use or disposal of any Hazardous Substance on the Premises or the migration thereof from or to other property;

(ii) All claims made in writing by any third party against the Company or the Premises relating to loss or injury from any Hazardous Substance;

(iii) The Company's discovery of any occurrence or condition on the Premises or adjoining real property or in the vicinity of the Premises that could

reasonably be expected to cause the Premises or part thereof to be subject to any restrictions on the ownership, occupancy, transferability or use of the Premises under any Environmental Law or to be subject to response or cleanup costs.

Section 6.9. Taxes and Other Impositions. (a) The Company shall pay, promptly as the same become due and payable, every lawful tax or other governmental imposition of every kind and nature, foreseen or unforeseen, for the payment of which the Company is or shall become liable by reason of its estate or interest in the Project or any portion thereof, by reason of any right or interest of the Company in or under this Lease Agreement, or by reason of or in any manner connected with or arising out of the possession, operation, maintenance, alteration, repair, rebuilding, use or occupancy of the Project or any portion thereof, including, without limitation, all taxes, assessments, whether general or special, and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Project or any machinery, equipment or other tangible personal property installed or brought by the Company therein or thereon (including, without limiting the generality of the foregoing, any taxes levied upon or with respect to the receipts, income or profits of the Issuer from the Project and all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project); provided, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Company shall be obligated to pay only such installments as they become due; and provided further, that the Company may contest in good faith any such taxes, assessments and other charges and, in such event, may permit the taxes, assessments or other charges so contested to remain unpaid during any period, including appeals, when the Company is in good faith contesting the same, so long as (a) reserves have been established in an amount reasonably sufficient to pay any such taxes, assessments or other charges, accrued interest thereon and potential penalties or other costs relating thereto, or other reasonably adequate provision for the payment thereof shall have been made, (b) enforcement of the contested tax, assessment or other charge is effectively stayed for the entire duration of such contest, and (c) any tax, assessment or other charge determined to be due, together with any interest or penalties thereon, is promptly paid after resolution of such contest.

(b) The parties hereto recite knowledge of the decision of the Supreme Court of the State of Arkansas in Wayland v. Snapp, 232 Ark. 57, 334 S.W. 2d 633 (1960), concerning the exemption of properties owned by municipalities and used for securing and developing industry under and pursuant to the provisions of the Act. The Issuer has represented to the Company and the Issuer and the Company acknowledge that under their and other interpretations of present law, no part of the Project will be subject to ad valorem taxation by the State of Arkansas or by any political or taxing subdivision thereof, and these factors, among others, materially induced the Company to enter into this Lease Agreement. However, the Company will pay all impositions, if any, in connection with the Project which may be lawfully levied or assessed upon the Project when the same shall become due; provided, however, that the Company may contest any such impositions and need not pay during the pendency of such contest except the Company shall in all events, pay to prevent the Project becoming subject to loss or forfeiture. The Issuer hereby agrees that it will cooperate with the Company in resisting any such impositions if and to whatever extent the Company may request.

Section 6.10. Issuer to Grant Easements. The Issuer agrees that, when requested by the Company, it will take the necessary steps to grant sewer, utility, road and other easements and rights

of way over, along, across and under the Premises. Instruments granting such easements and rights of way may be executed by the Mayor and City Clerk of the Issuer, who shall be entitled to rely upon and act in accordance with the written request of the Company signed by its Company Representative.

Section 6.11. Condemnation. (a) If all or any part of the Premises is taken or condemned as the result of the exercise of the power of eminent domain, this Lease Agreement shall not terminate and the rentals hereunder shall not abate. The net amount awarded as damages or paid as a result of such taking (being the gross award less attorney's fees and other expenses and costs incurred in the condemnation proceedings) shall be paid to the Company.

(b) The Company shall have the right, proceeding in the name of the Issuer, to handle defense or prosecution of any condemnation proceeding and to negotiate any settlement or compensation for a taking pertaining to or affecting the Premises. The Issuer agrees that it will cooperate with the Company in such manner as it requests with the end in view of obtaining the maximum possible amount justifiable as damages for the taking, and will not settle any condemnation proceeding without the prior written consent of the Company.

(c) Notwithstanding the fact that all or any part of the Premises shall be taken by right of eminent domain, the Company shall have the right to exercise any option granted to it by the provisions of Article X hereof.

Section 6.12. Damage or Destruction. If all or any part of the Premises is damaged or destroyed by fire or other casualty, this Lease Agreement shall not terminate and the rentals hereunder shall not abate. In repairing any damage to the Premises resulting from any casualty, the Company may make such repairs in such manner and to such extent as it deems appropriate for its purposes, and shall not be liable for the restoration of the Premises to the condition existing prior to such casualty.

ARTICLE VII

ASSIGNMENT, LEASING AND SELLING

Section 7.1. Conditions. The Company's interest in this Lease Agreement may be assigned in whole or in part, and the Premises may be subleased as a whole or in part (whether a specific element or unit or an undivided interest), by the Company, subject, however, to the condition that no assignment or sublease shall relieve the Company from liability for its obligations hereunder, other than (a) those obligations relating to the utilization of the Premises which obligations, to the extent of the interest assigned, leased or sold, shall be deemed to be satisfied and discharged, and (b) as described in Section 6.1 hereof.

Section 7.2. Instrument Furnished to Trustee. The Company shall, within fifteen (15) days after the delivery thereof, furnish to the Issuer and the Trustee a true and complete copy of the agreements or other documents effectuating any such assignment, lease or sale.

Section 7.3. Limitation. This Lease Agreement shall not be assigned nor shall the Premises be leased or sold, in whole or in part, except as provided in this Article VII or in Section 5.4 or 6.1 hereof.

Section 7.4. Assignment of Issuer's Rights. As security for the payment of the Bonds, the Issuer will assign to the Trustee the Issuer's rights under this Lease Agreement (except for the Issuer's rights under Sections 5.3(c), 6.2, 6.5 and 8.5 hereof and any rights of the Issuer to receive notices, certificates, or other communications hereunder), including the right to receive payments hereunder and the proceeds thereof, and hereby directs the Company to make said payments, or to cause said payments to be made, directly to the Trustee. The Company herewith consents to such assignment and will make payments, or cause payments to be made, directly to the Trustee without defense or set-off by reason of any dispute between the Company and the Issuer or the Trustee.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.1. Events of Default. Each of the following events shall constitute and is referred to in this Lease Agreement as an "Event of Default":

(a) Failure by the Company to pay when due any payment required to be made under Section 5.3(a) hereof.

(b) Failure by the Company to observe and perform any material covenant, condition or agreement on its part to be observed or performed, other than as referred to in Section 8.1(a), which failure shall continue for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, is given to the Company by the Issuer or the Trustee, provided that if the Company is proceeding with reasonable diligence to remedy the same, then such sixty-day period shall be extended to such date as may be reasonably necessary to remedy such default. The Company shall not be deemed in breach or default of this Lease Agreement during such initial sixty-day cure period, nor (as long as the Company is proceeding with reasonable diligence as set forth above) during such extended cure period.

(c) The dissolution or liquidation of the Company or the filing by the Company of a voluntary petition in bankruptcy, or failure by the Company promptly to lift any execution, garnishment or attachment of such consequence as will impair its ability to carry out its obligations under this Lease Agreement, or filing of any involuntary bankruptcy proceedings against the Company which is not timely contested by the Company, or a general assignment by the Company for the benefit of its creditors, or the entry by the Company into an agreement of composition with its creditors of such consequence as will impair its ability to carry out its obligations under this Lease Agreement, or the approval by a court of competent jurisdiction of a petition applicable to the Company in any proceeding for its reorganization instituted under the provisions of any bankruptcy act, or under any similar act which may hereafter be enacted. The term "dissolution or liquidation of the Company", as used in this subsection, shall not be construed to include the cessation of the corporate existence of the Company resulting either from a merger or consolidation of the Company into or with another entity or a dissolution or liquidation of the Company following a transfer of all or substantially all of its assets as an entirety, under the conditions permitting such actions contained in Section 6.1 hereof.

Section 8.2. Force Majeure. The provisions of Section 8.1 hereof are subject to the following limitation: if by reason of acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or other acts of any kind of the Government of the United States or of the State of Arkansas, or any other sovereign entity or body politic, or any department, agency, political subdivision, court or official of any of them, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes, volcanoes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions, breakage or accident to machinery; partial or entire failure of utilities; or any cause or event not reasonably within the control of the Company, the Company is unable in whole or in part to carry out any one or more of its agreements or obligations contained herein, other than its obligations under Sections 5.3(a), 6.1 and

6.2 hereof, the Company shall not be deemed in default by reason of not carrying out said agreement or agreements or performing said obligation or obligations during the continuance of such inability. The Company agrees, however, to use all reasonable efforts to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its agreements; provided, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Company, and the Company shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the sole discretion of the Company unfavorable to the Company.

Section 8.3. Remedies on Default. Whenever any Event of Default hereunder shall have happened and be continuing, any one or more of the following remedial steps may be taken:

(a) The Issuer with the prior consent of the Trustee, or the Trustee, may at its option, and shall, if acceleration occurs or is declared pursuant to Section 1002 of the Indenture, declare all unpaid amounts payable under this Lease Agreement, together with interest, then due thereon, to be immediately due and payable, whereupon the same shall become due and payable.

(b) The Issuer with the prior consent of the Trustee, or the Trustee, may take any action at law or in equity to collect the payments then due and thereafter to come due hereunder, or to enforce performance and observance of any obligation, agreement or covenant of the Company under this Lease Agreement.

Any amounts collected pursuant to action taken under this Section shall be applied in accordance with the Indenture.

In case any proceeding taken by the Issuer or the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Issuer or the Trustee, then and in every case the Issuer, the Company and the Trustee shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Issuer, the Company and the Trustee shall continue as though no such proceeding has been taken.

Section 8.4. No Remedy Exclusive. No remedy conferred upon or reserved to the Issuer or the Trustee by this Lease Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice other than such notice as may be required in this Article. Nothing in this Lease Agreement contained shall affect or impair the right of the Purchaser (so long as the Purchaser is owner of not less than 100% in aggregate principal amount of the Bonds) to institute in its own name any suit, action or proceeding in equity or at law for the enforcement of this Lease Agreement for any other remedy hereunder.

Section 8.5. Company to Pay Attorneys' Fees and Expenses. In the event the Company should default under any of the provisions of this Lease Agreement and the Issuer or the Trustee should employ attorneys or incur other expenses for the collection of payments due hereunder or for the enforcement of performance or observance of any obligation or agreement on the part of the Company contained herein, the Company agrees that it will on demand therefor pay to the Issuer or the Trustee, as the case may be, the reasonable fees of such attorneys and such other expenses so incurred.

Section 8.6. Waiver of Breach. In the event that any agreement contained herein shall be breached by either the Company or the Issuer and such breach shall thereafter be waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. In view of the assignment of the Issuer's rights in and under this Lease Agreement to the Trustee under the Indenture, the Issuer shall have no power to waive any default hereunder by the Company without the consent of the Trustee, and the Trustee may exercise any of the rights of the Issuer hereunder (other than the rights retained by the Issuer as set forth in Section 7.4).

ARTICLE IX

REDEMPTION OF BONDS

Section 9.1. Optional Redemption of Bonds. The Company shall have and is hereby granted the option to prepay installments payable hereunder for the purpose of redeeming prior to maturity the Bonds, in whole or in part, pursuant to Section 301 of the Indenture.

Section 9.2. Amounts Payable by Company. (a) In the case of a prepayment for the redemption of the Bonds in whole pursuant to Section 9.1 hereof, the amount to be prepaid by the Company hereunder (which shall fully discharge the obligation of the Company to make Lease Payments hereunder) will be a sum sufficient, together with other funds deposited with Trustee and available for such purpose, to pay (1) the principal of all Bonds then outstanding, plus interest accrued and to accrue to the date upon which the Bonds will be redeemed, pursuant to the Indenture, (2) all reasonable and necessary fees and expenses of the Trustee and any paying agent accrued and to accrue through final payment of the Bonds, and (3) all other liabilities of the Company accrued and to accrue under this Lease Agreement.

(b) In case of a prepayment for the redemption of the Bonds in part pursuant to Section 9.1 hereof, the amount to be prepaid by the Company hereunder will be a sum sufficient, together with other funds deposited with Trustee and available for such purpose, to pay (1) the principal of all Bonds then being redeemed, plus interest accrued and to accrue to the date upon which the Bonds will be redeemed, pursuant to the Indenture, (2) all reasonable and necessary fees and expenses of the Trustee and any paying agent accrued and to accrue in connection with said redemption, and (3) all other liabilities of the Company accrued and to accrue under this Lease Agreement in connection with said redemption.

(c) The Company agrees to and shall pay to the Trustee any amount required to be paid by it under this Section 9.2, and the Trustee shall be directed to use the moneys so paid to it to redeem the Bonds pursuant to the provisions of the Indenture. Any amount required to be paid under this Section 9.2, shall not be deemed to be paid until immediately available funds are received by the Trustee.

Section 9.3. Procedure for Exercise of Option. To exercise the option granted in this Article IX, the Company shall give written notice to the Issuer and the Trustee which shall specify therein the date upon which redemption of the Bonds will be made. Such date shall not be less than forty-five (45) days from the date the notice is given. Upon receipt of such notice, the Issuer shall forthwith take all steps (other than the payment of the money required for such redemption) necessary under the applicable provisions of the Indenture to effect redemption of all or part, as the case may be, of the Bonds on the earliest practicable date thereafter on which such redemption may be made under the applicable provisions of the Indenture.

ARTICLE X

PURCHASE OF PREMISES

Section 10.1. Purchase of Premises. In the event the Company pays or prepays Lease Payments and other amounts owing to the Issuer and the Trustee under this Lease Agreement and the Indenture in such a manner so as to permit this Lease Agreement to be released from the lien of the Indenture in accordance with the terms thereof, then, irrespective of any default hereunder, the Premises shall be transferred by the Issuer to the Company, such payment or prepayment of the Lease Payments and other amounts owing to the Issuer and the Trustee to constitute the purchase price of the Premises.

Section 10.2. Premises to Vest in Company Upon Expiration. Upon expiration of the term of this Lease Agreement and the satisfaction of all obligations of the Company contained herein, title to the Premises shall automatically and ipso facto vest in the Company. If requested, the Issuer shall execute, acknowledge where appropriate, and deliver such instrument or instruments as the Company may reasonably request to confirm the vesting of title to the Premises in the Company.

Section 10.3. Method of Transfer. Transfer of title to the Premises or any portion thereof shall be by special warranty deeds, bills of sale, and other appropriate conveyance instruments executed and acknowledged by the Issuer transferring good and merchantable title to the Company (or its designee) free and clear of all liens and encumbrances except those to which title was subject when leased hereunder, Permitted Encumbrances under this Lease Agreement, or resulting from any failure of the Company to perform any of its obligations under this Lease Agreement. At either party's option, closing shall occur through an escrow established with a title company mutually acceptable to the parties.

Section 10.4. Release Option. The Company shall have and is hereby granted the option from time to time to have released from this Lease Agreement any portion of the land described in Exhibit B hereto as shall not at such time be improved with a building or buildings or other structure or structures or be necessary for adequate ingress and egress to and from the buildings and structures comprising the Premises, plus such additional land adjacent to such buildings and structures as may be reasonably necessary for the proper and efficient use of such buildings and structures. The consideration to be paid by the Company to the Issuer upon conveyance of the land being released shall be One Dollar (\$1.00) per acre. The foregoing option to release may be exercised by giving written notice to the Issuer, with a copy to the Trustee (so long as any of the Bonds are outstanding), specifying the time and place of closing. The conveyance of land under this Section 10.4 shall not result in the relieving of the Company of its obligations to make the payments required in Section 5.3 hereof and to perform and observe the other agreements on its part contained herein, or result in any diminution thereof.

ARTICLE XI

MISCELLANEOUS

Section 11.1. Notices. Except as otherwise provided in this Lease Agreement, all notices, certificates or other communications shall be sufficiently given and shall be deemed given when delivered by hand delivery or when the same has been mailed by registered or certified mail, postage prepaid, to the Issuer, the Company, or the Trustee. Copies of each notice, certificate or other communication given hereunder by or to the Company shall be mailed by registered or certified mail, postage prepaid, to the Trustee; provided, however, that the effectiveness of any such notice shall not be affected by the failure to send any such copies. Notices, certificates or other communications shall be sent to the following addresses:

Issuer: City of Fort Smith, Arkansas
City Offices
623 Garrison Avenue
Fort Smith, Arkansas 72901
Attention: City Administrator

Company: Glatfelter Advanced Materials N.A., LLC
96 S. George Street, Suite 400
York, Pennsylvania 17401
Attn: Amy Wannemacher

Trustee: Regions Bank
400 West Capitol Ave., 7th Floor
Little Rock, Arkansas 72201
Attention: Corporate Trust Department

Any of the foregoing may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 11.2. Severability. If any provision of this Lease Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative, or unenforceable to any extent whatever.

Section 11.3. Execution of Counterparts. This Lease Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.4. Amounts Remaining in Bond Fund. It is agreed by the parties hereto that after payment in full of (i) the Bonds (or the provision for payment thereof having been made in accordance with the provisions of the Indenture), (ii) the fees, charges and expenses of the Trustee and paying agents (if any) in accordance with the Indenture, and (iii) all other amounts required to be paid under this Lease

Agreement and the Indenture, any amounts remaining in the Bond Fund shall belong to and be paid by the Trustee to the Company.

Section 11.5. Amendments, Changes and Modifications. Except as otherwise provided in this Lease Agreement or the Indenture, subsequent to the initial issuance of Bonds and prior to payment in full of the Bonds (or the provision for payment thereof having been made in accordance with the provisions of the Indenture), this Lease Agreement may not be effectively amended, changed, modified, altered or terminated nor any provision waived, without the written consent of the Trustee.

Section 11.6. Governing Law. This Lease Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of Arkansas.

Section 11.7. Company Representatives. A Company Representative shall act on behalf of the Company whenever the approval of the Company is required or the Company requests the Issuer to take some action, and the Issuer and the Trustee shall be authorized to act on any such approval or request and neither party hereto shall have any complaint against the other or against the Trustee as a result of any such action taken.

Section 11.8. No Personal Liability. No covenant or agreement contained in this Lease Agreement shall be deemed to be the covenant or agreement of any official, officer, agent, or employee of the Issuer in his individual capacity, and no such person shall be subject to any personal liability or accountability by reason of the issuance thereof.

Section 11.9. Parties in Interest. This Lease Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Company and their respective successors and assigns, and no other person, firm or corporation shall have any right, remedy or claim under or by reason of this Lease Agreement; provided, however, that any obligation of the Issuer created by or arising out of this Lease Agreement shall be payable solely out of the revenues derived from this Lease Agreement or the sale of the Bonds or income earned on invested funds as provided in the Indenture and shall not constitute, and no breach of this Lease Agreement by the Issuer shall impose, a pecuniary liability upon the Issuer or a charge upon the Issuer's general credit.

IN WITNESS WHEREOF, the Issuer and the Company have caused this Lease Agreement to be executed in their respective names, and the Issuer has caused its seal to be hereunto affixed and attested by its duly authorized officer, all as of the date first above written.

CITY OF FORT SMITH, ARKANSAS
As Lessor

By: _____
Mayor

ATTEST:

City Clerk

(SEAL)

GLATFELTER ADVANCED MATERIALS
N.A., LLC
As Lessee

By: _____

Title

ACKNOWLEDGMENT

STATE OF ARKANSAS)
)
COUNTY OF SEBASTIAN)

On this the ____ day of May, 2016, before me, _____ the undersigned officer, personally appeared Sandy Sanders and Sherri Gard, who acknowledged themselves to be the Mayor and the City Clerk, respectively, of the City of Fort Smith, Arkansas, a municipality, and that they, as such Mayor and City Clerk, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the municipality by themselves as Mayor and City Clerk.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this ____ day of May, 2016.

Notary Public

My Commission expires:

(SEAL)

ACKNOWLEDGMENT

STATE OF _____)

)

COUNTY OF _____)

On this the ____ day of May, 2016, before me, _____ the undersigned officer, personally appeared _____, who acknowledged himself/herself to be the _____ of Glatfelter Advanced Materials N.A., LLC, a Delaware limited liability company, and that he/she, as such _____, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the company by himself/herself as _____.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this ____ day of May, 2016.

Notary Public

My Commission expires:

(SEAL)

EXHIBIT A

Description of Project

The Project to be financed with the proceeds of the Bonds generally consists of the acquisition and renovation of an existing facility located at 8201 Chad Colley Blvd., Fort Smith, Arkansas 72902, together with the acquisition and installation of various machinery, equipment and other personal property, to be used for the manufacture of paper products.

EXHIBIT B

Description of Land

The following described land situated in Sebastian County, Arkansas, to-wit:

Part of the Southeast Quarter of the Northwest Quarter, part of the Southwest Quarter of the Northeast Quarter, part of the Northwest Quarter of the Southeast Quarter; part of the Northeast Quarter of the Southwest Quarter, part of the Northwest Quarter of the Southwest Quarter, and part of the Southwest Quarter of the Northwest Quarter, all in Section 8, Township 7 North, Range 31 West, Fort Smith, Sebastian County, Arkansas, being more particularly described as follows:

Commencing at the Northwest Corner of said Southeast Quarter of the Northwest Quarter; Thence S86°47'18"E, 213.99 feet along the North Line of said Southeast Quarter of the Northwest Quarter, Thence S03°12'42"W, 72.92 feet to the Point of Beginning; Thence S86°49'41"E, 308.90 feet to the southwest corner of Lot 1, Mars Petcare at Chaffee Crossing; Thence continuing S86°49'41"E, 1230.08 feet along the south line of said Lot 1 to the southeast corner of said Lot 1; Thence continuing S86°49'41"E, 97.22 feet; Thence S02°36'14"W, 188.11 feet; Thence S40°11'50"W, 1463.50 feet; Thence S49°48'10"E, 814.44 feet to a point on the westerly right of way of the relocated Highway 71; Thence S44°33'17"W, 337.13 feet along said westerly right of way; Thence S39°07'26"W, 533.84 feet along said right of way; Thence S88°06'21"W, 185.43 feet along said right of way; Thence N74°47'45"W, 455.62 feet along said right of way; Thence S30°50'16"W, 43.78 feet along said right of way to a point on the northerly right of way of Custer Boulevard; Thence 315.17 feet along the arc of a curve to the right in said northerly right of way, said curve having a radius of 1410.00 feet and being subtended by a chord having a bearing of N52°39'49"W and a distance of 314.52 feet; Thence N46°15'36"W, 779.44 feet along said right of way; Thence 206.94 feet along the arc of a curve to the left in said right of way, said curve having a radius of 1740.00 feet and being subtended by a chord having a bearing of N49°40'02"W and a distance of 206.81 feet; Thence 73.22 feet along the arc of a curve to the right in said right of way, said curve having a radius of 50.00 feet and being subtended by a chord having a bearing of N11°07'29"W and a distance of 66.85 feet to a point on the easterly right of way of Chad Colley Boulevard; Thence N30°49'29"E, 1365.98 feet along said easterly right of way; Thence 345.80 feet along the arc of a curve to the left in said right of way, said curve having a radius of 3080.00 feet and being subtended by a chord having a bearing of N27°36'30"E and a distance of 345.62 feet; Thence N24°23'31"E, 101.23 feet along said right of way to the Point of Beginning, containing 90.0 acres, more or less.

DRAFT
Friday, Eldredge & Clark

CITY OF FORT SMITH, ARKANSAS

to

REGIONS BANK
Little Rock, Arkansas
as Trustee

TRUST INDENTURE

Dated as of May 1, 2016

\$75,000,000 City of Fort Smith, Arkansas Taxable Industrial Development Revenue Bonds (Glatfelter Advanced Materials N.A., LLC Project), Series 2016

TRUST INDENTURE

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TRUST INDENTURE

This TRUST INDENTURE, dated as of May 1, 2016, by and between the CITY OF FORT SMITH, ARKANSAS, a municipality organized and existing under the laws of the State of Arkansas (the "Issuer"), and REGIONS BANK, a banking association organized under and existing by virtue of the laws of the State of Alabama, with a corporate trust office in Little Rock, Arkansas (the "Trustee").

WITNESSETH:

WHEREAS, the Issuer is authorized and empowered under the laws of the State of Arkansas, including particularly Title 14, Chapter 164, Subchapter 2 of the Arkansas Code of 1987 Annotated (the "Act"), to issue revenue bonds and expend the proceeds thereof to finance the cost of acquiring, constructing and equipping facilities for securing or developing industry; and

WHEREAS, pursuant to and in accordance with the provisions of the Act, the Issuer proposes to issue its revenue bonds under the Act in the aggregate principal amount of not to exceed \$75,000,000 (identified in Article I hereof and referred to herein as the "Bonds"), for the purpose of financing the cost of acquiring, constructing and equipping certain industrial facilities located within the boundaries of the Issuer (described in Article I hereof and collectively referred to herein as the "Project"), and to lease the Project to Glatfelter Advanced Materials N.A., LLC, a Delaware limited liability company (the "Company"), such lease to be upon the terms and conditions set forth in a Lease Agreement dated as of May 1, 2016 (the "Lease Agreement"), by and between the Issuer and the Company; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Trust Indenture provided, the valid, binding and legal obligations of the Issuer according to the import thereof, and to constitute this Trust Indenture a valid assignment and pledge of revenues to the payment of the principal of and interest on the Bonds, in accordance with the provisions hereof, have or will have been done and performed, and the creation, execution and delivery of this Trust Indenture and the creation, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized; and

WHEREAS, the Trustee has agreed to accept the trusts herein created upon the terms set forth herein;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS TRUST INDENTURE WITNESSETH:

GRANTING CLAUSES

That the Issuer in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the holders and owners thereof, and the sum of One Dollar (\$1.00), lawful money of the United States of America, to it duly paid by the Trustee, at or before the execution and delivery of these presents, and for other good and valuable considerations, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of and interest on the Bonds according to their tenor and effect and to secure the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, subject to all of the provisions hereof, does hereby grant, bargain, sell, convey, mortgage, assign and pledge

unto the Trustee, and unto its successor or successors in trust, and to them and their assigns forever, for the securing of the performance of the obligations of the Issuer hereinafter set forth:

1.

All the rights and interest of the Issuer in and to the Lease Agreement (except for the rights of the Issuer under Sections 5.3(c), 6.2, 6.5 and 8.5 thereof and any rights of the Issuer to receive notices, certificates, or other communications thereunder); and all Revenues (as hereinafter defined) and the proceeds of all thereof.

2.

All the rights and interest of the Issuer in and to the Construction Fund and the Bond Fund (as hereinafter defined), and all moneys and investments therein, but subject to the provisions of this Trust Indenture pertaining thereto.

3.

All moneys, securities and obligations from time to time held by the Trustee under the terms of this Trust Indenture (except for moneys, securities or obligations deposited with or paid to the Trustee for redemption or payment of Bonds which are deemed to have been paid in accordance with Article IX hereof and funds held pursuant to Section 505 hereof, which shall be held by the Trustee in accordance with the provisions of said Article IX or Section 505, as the case may be), and any and all real and personal property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder by the Issuer or by anyone in its behalf or with its written consent to the Trustee which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successors in said trusts and to them and their assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all owners of the said Bonds issued under and secured by this Trust Indenture without privilege, priority or distinction of any of said Bonds over any of the other of said Bonds; provided, however, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the Bonds and the interest due thereon, at the times and in the manner provided in the Bonds according to the true intent and meaning thereof, and shall make the payments into the Bond Fund as required hereunder or shall provide, as permitted hereby, for the payment thereof by depositing or causing to be deposited with the Trustee the amount specified herein, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Trust Indenture to be kept, performed and observed by it, and shall pay to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon

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such final payments this Indenture and the rights hereby granted shall cease, determine and be void; otherwise, this Trust Indenture to be and remain in full force and effect.

THIS TRUST INDENTURE FURTHER WITNESSETH that, and it is expressly declared, all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said revenues and income hereby pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective owners, from time to time of the said Bonds, as follows:

ARTICLE I

DEFINITIONS

Section 101. Definitions. In addition to the words and terms elsewhere defined in this Indenture, the following words and terms as used in this Indenture shall have the following meanings:

"Act" -- Title 14, Chapter 164, Subchapter 2 of the Arkansas Code of 1987 Annotated, as enacted and amended from time to time.

"Additional Bonds" -- Bonds which are issued under the provisions of Section 215 of this Indenture.

"Advance" -- The advancement from time to time of the proceeds of the Bonds to the Company pursuant to requisitions submitted in accordance with Section 602 hereof.

"Bonds" -- The Series 2016 Bonds and any series of Additional Bonds issued under and secured by this Indenture.

"Bond Counsel" -- Any firm of nationally recognized municipal bond counsel selected by the Company and acceptable to the Issuer and the Trustee.

"Bond Fund" -- The fund by that name created and established in Section 501 of this Indenture.

"Business Day" -- A day of the year on which banks located in the city in which the principal corporate trust office of the Trustee is located are not required or authorized to remain closed and on which The New York Stock Exchange is not closed.

"City Clerk" -- The person holding the office and performing the duties of City Clerk of the Issuer.

"Code" -- The Internal Revenue Code of 1986, as heretofore or hereafter amended.

"Company" -- Glatfelter Advanced Materials N.A., LLC, a limited liability company organized and existing under the laws of the State of Delaware, and its permitted successors and assigns hereunder.

"Company Representative" -- The person or persons at the time designated to act on behalf of the Company as evidenced by written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Company by its President, any Vice President, or Treasurer. Such certificate may designate an alternate or alternates.

"Completion Date" -- The date of completion of the acquisition, construction and equipment of the Project (or any phase of the Project financed with the proceeds of a series of Bonds), as that date shall be determined by the Company and certified as provided in Section 3.4 of the Lease Agreement.

"Construction Fund" -- The fund by that name created and established in Section 601 of this Indenture.

"Event of Default" -- Any event of default specified in Section 1001 hereof.

"Government Securities" -- Direct or fully guaranteed obligations of the United States of America (including any such securities issued or held in book-entry form on the books of the Department of Treasury of the United States of America).

"Guaranty Agreement" -- The Guaranty Agreement dated as of May 1, 2016, by and between the Company and the Trustee, pursuant to which the Company guarantees the payment of the principal of and interest on the Bonds, and any amendments and supplements thereto.

"Holder" or "bondholder" or "owner of the Bonds" -- The registered owner of any Bond.

"Indenture" -- This Trust Indenture and any amendments and supplements hereto.

"Interest Payment Date" -- Each May 1 and November 1 commencing November 1, 2016, or, if such day shall not be a Business Day, the next succeeding Business Day.

"Issuer" -- City of Fort Smith, Arkansas, a municipality organized and existing under the laws of the State of Arkansas, and its successors and assigns.

"Lease Agreement" -- The Lease Agreement dated as of May 1, 2016, by and between the Issuer and the Company, and any amendments and supplements thereto.

"Mayor" -- The person holding the office and performing the duties of the Mayor of the Issuer.

"Outstanding" -- When used with reference to the Bonds, as of any particular date, the aggregate of all Bonds authenticated and delivered under this Indenture except:

(a) Bonds canceled at or prior to such date or delivered to or acquired by the Trustee at or prior to such date for cancellation;

(b) Bonds deemed to be paid in accordance with Article IX of this Indenture; and

(c) Bonds in lieu of or in exchange or substitution for which other Bonds shall have been authenticated and delivered pursuant to this Indenture.

"Person" -- Includes natural persons, firms, associations, corporations and public bodies.

"Project" -- The land, the buildings, structures and other improvements, and those items of fixtures, machinery, equipment and other tangible personal property acquired, constructed and equipped,

in whole or in part, with the proceeds of the Bonds, more particularly identified in the Lease Agreement. For identification purposes only, the Project site is described in Exhibit C attached hereto.

"Project Costs" -- The sum total of all reasonable or necessary costs actually incurred in constructing the Project and any such costs incidental thereto.

"Purchaser" -- Glatfelter Advanced Materials N.A., LLC, a Delaware limited liability company, and its successors and assigns. The Purchaser is the original purchaser of the Bonds.

"Record Date" -- The fifteenth day of the calendar month next preceding an Interest Payment Date, whether or not a Business Day.

"Revenues" -- All amounts payable pursuant to Section 5.3(a) of the Lease Agreement.

"Series 2016 Bonds" -- City of Fort Smith, Arkansas Taxable Industrial Development Revenue Bonds (Glatfelter Advanced Materials N.A., LLC Project), Series 2016, in the aggregate principal amount of not to exceed \$75,000,000, issued under and secured by this Indenture.

"Trustee" -- The bank or trust company designated as Trustee in this Indenture, and its successor or successors as such Trustee under the provisions of the Indenture or by operation of law. The original Trustee is Regions Bank, Little Rock, Arkansas.

"Trust Estate" -- The property conveyed to the Trustee pursuant to the Granting Clauses hereof.

Section 102. Use of Words. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words "Bond", "owner", "holder" and "person" shall include the plural, as well as the singular, number.

ARTICLE II

THE BONDS

Section 201. Authorized Amount of Bonds. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article. The total principal amount of Bonds that may be issued is hereby expressly limited to \$75,000,000, except as provided in Sections 209 and 212 hereof.

Section 202. Details of Series 2016 Bonds. (a) The Series 2016 Bonds (i) shall be designated "City of Fort Smith, Arkansas Taxable Industrial Development Revenue Bonds (Glatfelter Advanced Materials N.A., LLC Project), Series 2016," (ii) shall be in the aggregate principal amount of not to exceed \$75,000,000, (iii) shall be dated the date of original issuance and delivery thereof to the Purchaser; (iv) shall bear interest at the rate of five percent (5%) per annum until paid, payable semiannually on each Interest Payment Date, and (v) shall mature, unless sooner redeemed in the manner in this Indenture set forth, on May 1, 2031. The Series 2016 Bonds shall be issued as registered bonds without coupons as is hereinafter provided.

The Series 2016 Bonds shall be issued in the denomination of \$100,000 each, or any integral multiple of \$5,000 in excess of \$100,000, numbered consecutively from R-1 upwards in order of issuance according to the records of the Trustee.

The Series 2016 Bonds shall be initially issued in the form of one fully registered bond in the principal amount of \$75,000,000 and may not be submitted in exchange for more than one fully registered bond until the Completion Date, at which time the Series 2016 Bond initially issued may, but shall not be required to, be submitted to the Trustee pursuant to the provisions of Section 210 hereof in exchange for more than one fully registered bond. The proceeds of the Series 2016 Bonds shall be advanced from time to time upon the submission of requisitions by the Company to the Trustee pursuant to the provisions of Section 602 hereof and Section 4.2 of the Lease Agreement. Upon receipt of each requisition by the Trustee, the Trustee shall telephonically notify the Purchaser of the principal amount of the Series 2016 Bonds which the Purchaser must purchase, which shall be the amount set forth in such requisition. Promptly upon receipt of such notice, the Purchaser shall pay to the Trustee the principal amount requisitioned by the Company, and the Trustee shall make a notation of such principal amount purchased on the Record of Advances and Principal Payments attached to the Bond. The amount shown on the Record of Advances and Principal Payments attached to the Bond shall be deemed to be conclusive evidence of the principal amount of the Series 2016 Bonds purchased by the Purchaser, absent manifest error. The principal amount of the Series 2016 Bonds so purchased shall be submitted by the Purchaser to the Trustee, and such amount shall be deposited by the Trustee into the Construction Fund. Any portion of the Series 2016 Bonds not sold to the Purchaser and any portion of the corresponding proceeds not delivered to the Company by the Completion Date shall not be issued or delivered thereafter. Notwithstanding anything herein to the contrary, until the Completion Date, upon the request of the Purchaser, the Trustee may maintain custody of the Bond as agent of the Purchaser.

The Series 2016 Bond initially issued shall bear interest from its date; provided, that the date of each Advance under such Bond shall be the interest commencement date from which the principal

amount of such Advance bears interest. Series 2016 Bonds issued on the Completion Date and prior to the next Interest Payment Date shall bear interest from the Completion Date, and Series 2016 Bonds issued thereafter shall bear interest from the Interest Payment Date next preceding the date of authentication and delivery thereof by the Trustee, unless such date of authentication and delivery shall be an Interest Payment Date, in which case they shall bear interest from such date of authentication and delivery, or unless such date of authentication and delivery shall be during the period from the Record Date to the next Interest Payment Date, in which case they shall bear interest from such Interest Payment Date; provided, however, that if, as shown by the records of the Trustee, interest on any Series 2016 Bonds surrendered for transfer or exchange shall be in default, the Series 2016 Bonds issued in exchange for Series 2016 Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the Series 2016 Bonds surrendered. Interest shall be computed on the basis of a year of three hundred sixty (360) days consisting of twelve 30-day months.

Section 203. Form. The Series 2016 Bond originally issued and delivered shall be substantially in the form set forth in Exhibit A attached hereto, with appropriate variations, omissions and insertions as permitted or required by this Indenture. The Series 2016 Bonds issued and delivered on and after the Completion Date shall be substantially in the form set forth in Exhibit B attached hereto, with such appropriate variations, omissions and insertions as are permitted or required by this Indenture.

Section 204. Payment. The principal of the Bonds shall be paid upon the presentation and surrender of said Bonds at the principal corporate trust office of the Trustee. The interest on the Bonds shall be payable by check or draft drawn upon the Trustee and mailed to or, at the option of the owners of Bonds in the aggregate principal amount of not less than \$1,000,000, transmitted by wire transfer to the registered owners as of the close of business on the Record Date next preceding the Interest Payment Date at their respective addresses as such appear as of the close of business on such Record Date on the bond registration books kept by the Trustee, or in connection with any wire transfer to the bank account number previously filed by the owner with the Trustee for such purpose, except that if and to the extent that there shall be a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the owners in whose name any such Bonds (or any Bond or Bonds issued upon transfer or exchange thereof) are registered at the close of business on the fifth Business Day next preceding the date of payment of such defaulted interest. All payments shall be made in lawful money of the United States of America.

Section 205. Execution. The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signatures of the Mayor and the City Clerk and shall have impressed or imprinted thereon the corporate seal of the Issuer. A facsimile signature shall have the same force and effect as if personally signed. In case any officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

Section 206. Limited Obligation. The Bonds, together with interest thereon, shall be payable from the Bond Fund, as hereinafter set forth, and shall be a valid claim of the holders thereof only against the Bond Fund and the Revenues pledged to the Bond Fund, which Revenues are hereby pledged

and mortgaged for the equal and ratable payment of the Bonds (principal and interest) and shall be used for no other purpose than to pay the principal of and interest on the Bonds, and the Trustee's fees, except as may be otherwise expressly authorized in this Indenture. The Bonds and interest thereon shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision and shall never constitute an obligation or charge against the general credit or taxing powers of the Issuer.

Section 207. Authentication. Only such Bonds as shall have endorsed thereon a certificate of authentication substantially in the form set forth in Exhibits A and B attached hereto duly executed by the Trustee shall be entitled to any right or benefit under this Indenture. No Bond shall be valid and obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed if signed by an authorized signatory of the Trustee, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Bonds issued hereunder.

Section 208. Delivery of the Bonds. The Issuer shall execute and deliver to the Trustee and the Trustee shall authenticate the Bonds and deliver said Bonds to the Purchaser or the representative thereof. Prior to the delivery or original issuance by the Trustee of any authenticated Bonds there shall be or have been delivered to the Trustee:

(a) Original executed counterparts of this Indenture, the Lease Agreement, and the Guaranty Agreement (or, in the case of Additional Bonds, supplements thereto).

(b) A written order to the Trustee by the Issuer to authenticate and deliver the Bonds to the Purchaser upon payment to the Trustee, but for the account of the Issuer, of a sum specified in such order plus or less accrued interest thereon, if any, as the case may be, to the date of delivery.

(c) A copy, duly certified by the City Clerk, of the proceedings of the Board of Directors of the Issuer authorizing the issuance of the Bonds.

(d) An opinion of Bond Counsel to the effect that the Bonds have been validly issued and are legally binding and enforceable under this Indenture.

Section 209. Mutilated, Destroyed or Lost Bonds. In case any Bond issued hereunder shall become mutilated or be destroyed or lost, the Issuer shall, if not then prohibited by law, cause to be executed and the Trustee or the Trustee, as appropriate, 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 holder's paying the reasonable expenses and charges of the Issuer and the Trustee or the Trustee in connection therewith, and, in the case of a Bond destroyed or lost, his filing with the Trustee or the Trustee evidence satisfactory to it that such Bonds were destroyed or lost, and of his ownership thereof, and furnishing the Issuer and Trustee or the Trustee with indemnity satisfactory to them. The Trustee is hereby authorized to authenticate any such new Bond. In the event any such Bonds shall have matured or shall

have been called for redemption prior to maturity, instead of issuing a new Bond, the Issuer may pay the same without the surrender thereof.

Section 210. Registration and Transfer of Bonds. The Issuer hereby constitutes and appoints the Trustee as Registrar of the Issuer, and as Registrar the Trustee shall keep books for the registration and for the transfer of the Bonds as provided in this Indenture at the principal corporate trust office of the Trustee. 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 of and interest on any such Bond shall be made only to or upon the order of the registered owner thereof, or his legal representative, and neither the Issuer, the Trustee, nor the Bond Registrar shall be affected by any notice to the contrary but such registration may be changed as herein 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.

Bonds may be transferred on the books of registration kept by the Registrar by the registered owner in person or by his duly authorized attorney, upon surrender thereof, together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney. Upon surrender for transfer of any Bond at the principal corporate trust office of the Trustee, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds in the same aggregate principal amount and of any authorized denomination or denominations.

Bonds issued and delivered on and after the Completion Date may be exchanged at the principal corporate trust office of the Trustee for an equal aggregate principal amount of Bonds of any other authorized denomination or denominations. The Issuer shall execute and the Trustee shall authenticate and deliver Bonds which the bondholder making the exchange is entitled to receive, bearing numbers not contemporaneously then outstanding. The execution by the Issuer of any Bond of any denomination shall constitute full and due authorization of such denomination and the Trustee shall thereby be authorized to authenticate and deliver such bond.

The Trustee shall not be required to transfer or exchange any Bond during the period from and including a Record Date to the next succeeding Interest Payment Date of such Bond nor to transfer or exchange any Bond after the mailing of notice calling such Bond for redemption has been made and prior to such redemption.

Such transfers of registration or exchanges of Bonds shall be without charge to the holders of such Bonds, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the holder of the Bond requesting such transfer or exchange as a condition precedent to the exercise of such privilege.

Section 211. Cancellation. All Bonds surrendered for the purpose of payment or retirement, or for exchange, or for replacement or payment as provided above shall be canceled upon surrender thereof to the Trustee and, at the option of the Trustee, either cremated, shredded or otherwise disposed of. In the case of cremating, shredding or other disposition, the Trustee shall execute and forward to the Issuer an appropriate certificate describing the Bonds involved and the manner of disposition.

Section 212. Temporary Bonds. Until Bonds in definitive form are ready for delivery, the Issuer may execute, and upon the request of the Issuer the Trustee shall authenticate and deliver, subject to the provisions, limitations and conditions set forth herein, one or more Bonds in temporary form, whether printed, typewritten, lithographed or otherwise produced, substantially in the form of the definitive Bonds, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit of this Indenture. Upon the presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall, without unreasonable delay, prepare, execute and deliver to the Trustee and the Trustee shall authenticate and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Trustee without making any charge therefor to the holder of such Bond in temporary form.

Section 213. Conversion of Bonds Upon Completion Date. Upon receipt of notice of the Completion Date as provided in Section 3.4 of the Lease Agreement, the Trustee shall give notice thereof to the registered owner of the Bonds (unless such registered owner is the Company). Such notice shall be given by mail in accordance with Section 302 hereof and shall state that such registered owner must deliver his Bond to the Trustee for conversion. The Trustee shall cancel the Bond so delivered and issue a form of Bond in lieu thereof pursuant to the provisions hereof.

Section 214. Home Office Payment Agreement. Notwithstanding any provision of this Indenture or of any Bond to the contrary, the Trustee may enter into a home office payment agreement with the Company and the owner of any Bond in a principal amount of at least \$1,000,000 providing for the making to such owner of all payments of principal, redemption premium (if any) and interest on such Bond or any part thereof (other than any payment of the entire unpaid principal amount thereof) at a place and in a manner other than as provided in this Indenture and in the Bonds without presentation or surrender of such Bonds, upon such conditions as shall be satisfactory to the Trustee. The Trustee agrees to make payments of principal, redemption premium (if any) and interest on the Bonds in accordance with the provisions thereof. Upon the transfer of any Bond being paid in accordance with the provisions of a home office payment agreement permitted by this Section, the Trustee, prior to the delivery of such Bond to the transferee, shall make a notation on such Bond of the date to which interest has been paid thereon and the amount of any prepayments made on account of the principal thereof.

Section 215. Additional Bonds. The Issuer, at the request of the Company and to the extent permitted by law in effect at the time thereof, may issue from time to time one or more series of Additional Bonds for the purpose of completing the Project or acquiring, constructing and equipping an additional phase of the Project and paying the expenses of issuing the Additional Bonds. Any such Additional Bonds shall be secured equally and ratably with the Series 2016 Bonds and any other Additional Bonds theretofore issued and then outstanding, except insofar as any sinking, amortization or other fund, or any terms or conditions of redemption or purchase, established under this Indenture may afford additional benefit or security for the Bonds of any particular series. Before any Additional Bonds are authenticated there shall be delivered to the Trustee the items required for the issuance of Bonds by Section 208 hereof.

The proceeds of the issuance and sale of any series of Additional Bonds shall be applied simultaneously with the delivery of such Additional Bonds in the manner provided in this Indenture and in the supplemental indenture authorizing such Additional Bonds.

Notwithstanding anything herein to the contrary, no Additional Bonds shall be issued unless (i) the Lease Agreement is in effect, and (ii) at the time of issuance there is no Event of Default (defined in the Lease Agreement) under the Lease Agreement or Event of Default under this Indenture.

ARTICLE III

REDEMPTION OF BONDS BEFORE MATURITY

Section 301. Redemption of Bonds. The Bonds shall be subject to redemption prior to maturity at the option of the Issuer, to be exercised solely as directed by the Company, in whole or in part at any time (and if in part, by lot or in such other manner as may be determined by the Trustee to be fair and equitable), at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date.

Section 302. Notice. Notice of the call for any redemption, identifying the Bonds or portions thereof being called and the date on which they shall be presented for payment, shall be given by the Trustee by registered or certified mail to the registered owner of each such Bond addressed to such registered owner at his registered address and placed in the mails not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bond with respect to which no such failure or defect has occurred.

Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice.

With respect to notice of redemption of the Bonds at the option of the Issuer (at the direction of the Company), unless moneys sufficient to pay the principal of and interest on the Bonds to be redeemed shall have been received by the Trustee prior to the giving of such notice, such notice shall state that said redemption shall be conditional upon the receipt of such moneys by the Trustee on or prior to the date fixed for such redemption. If such moneys shall not have been so received, such notice shall be of no force and effect, the Issuer shall not redeem such Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Section 303. Redemption Payments. On or prior to the date fixed for redemption, funds shall be deposited with the Trustee to pay, and Trustee is hereby authorized and directed to apply such funds to the payment of, the Bonds or portions thereof called, together with accrued interest thereon to the redemption date. Upon the giving of notice and the deposit of funds for redemption, interest on the Bonds or portions thereof thus called shall no longer accrue after the date fixed for redemption.

Section 304. Cancellation. All Bonds which have been redeemed shall not be reissued but shall be canceled and disposed of by the Trustee in accordance with Section 211 hereof.

Section 305. Partial Redemption of Bonds. In case a Bond is of a denomination larger than \$100,000, a portion of such Bond (\$100,000 or any integral multiple of \$5,000 in excess of \$100,000) may be redeemed, but Bonds shall be redeemed only in the principal amount of \$100,000 or any integral multiple of \$5,000 in excess of \$100,000. Upon surrender of any Bond for redemption in part only, the Issuer shall execute and the Trustee shall authenticate and deliver to the holder thereof a new Bond or Bonds in the same form and of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered.

ARTICLE IV

GENERAL COVENANTS

Section 401. Payment of Principal and Interest. The Issuer covenants that it will promptly pay or cause to be paid the principal of and interest on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in the Bond according to the true intent and meaning thereof. The principal and interest (except interest paid from the proceeds from the sale of the Bonds and accrued interest) are payable solely from the Trust Estate (including, without limitation, Revenues), which is hereby specifically pledged to the payment thereof in the manner and to the extent herein specified, and nothing in the Bonds or this Indenture should be considered as assigning or pledging any funds or assets of the Issuer other than the Trust Estate in the manner and to the extent herein specified. Anything in this Indenture to the contrary notwithstanding, it is understood that whenever the Issuer makes any covenants involving financial commitments, including, without limitation, those in the various sections of this Article IV, it pledges no funds or assets other than the Trust Estate in the manner and to the extent herein specified, but nothing herein shall be construed as prohibiting the Issuer from using any other funds or assets.

Section 402. Performance of Covenants. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all ordinances pertaining thereto. The Issuer covenants that it is duly authorized under the Constitution and laws of the State of Arkansas, including particularly and without limitation the Act, to issue Bonds authorized hereby and to execute this Indenture and to make the pledge and covenants in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken; and that the Bonds in the hands of the holders and owners thereof are and will be valid and enforceable obligations of the Issuer according to the import thereof.

Section 403. Instruments of Further Assurance. The Issuer covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such indenture or indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, mortgaging, pledging, assigning and confirming unto the Trustee the Trust Estate.

Section 404. Recordation and Other Instruments. The Company has covenanted in Section 6.7 of the Lease Agreement to cause this Indenture, the Lease Agreement, such security agreements, financing statements and all supplements thereto and other instruments as may be required from time to time to be kept, to be recorded and filed in such manner and in such places as may be required by law and in the opinion of counsel in order to fully preserve and protect the security of the holders and owners of the Bonds and the rights of Trustee hereunder, and to perfect the security interest created by this Indenture. The Issuer and the Trustee covenant that they will cooperate with the Company in satisfaction of the requirements of Section 6.7 of the Lease Agreement.

Section 405. Inspection of Project Books. The Issuer and the Trustee covenant and agree that all books and documents in their possession relating to the Project and the revenues derived from the

Project shall at all reasonable times upon reasonable advance notice be open to inspection by such accountants or other agencies as the other party may from time to time designate and by the Company.

Section 406. Rights Under Lease Agreement. The Lease Agreement, duly executed counterparts of which have been filed with the Trustee, sets forth the covenants and obligations of the Issuer and the Company, including provisions that subsequent to the issuance of Bonds and prior to their payment in full or provision for payment thereof in accordance with the provisions hereof the Lease Agreement may not be effectively amended, changed, modified, altered or terminated, or any provision waived without the written consent of the Trustee, and reference is hereby made to the same for a detailed statement of said covenants and obligations of the Company thereunder, and the Issuer agrees that the Trustee in its name or in the name of the Issuer may enforce all rights of the Issuer and all obligations of the Company under and pursuant to the Lease Agreement, for and on behalf of the bondholders, whether or not the Issuer is in default hereunder.

ARTICLE V

REVENUES AND FUNDS

Section 501. Creation of Bond Fund. There is hereby created and ordered to be established with the Trustee a trust fund of and in the name of the Issuer to be designated "Taxable Industrial Development Revenue Bond Fund - Glatfelter Advanced Materials N.A., LLC Project."

Section 502. Payments Into Bond Fund. There shall be deposited into the Bond Fund as and when received:

- (a) All Revenues;
- (b) All moneys received under the Guaranty Agreement for the payment of the principal of and interest on the Bonds; and
- (c) All moneys received by the Trustee under and pursuant to any of the provisions of the Lease Agreement or this Indenture which are not directed to be paid into a fund other than the Bond Fund.

Section 503. Use of Moneys in Bond Fund. Moneys in the Bond Fund shall be used solely for the payment of the principal of and interest on the Bonds as in the Bonds and this Indenture provided.

Section 504. Withdrawals from Bond Fund. The Bond Fund shall be in the name of the Issuer, designated as set forth in Section 501, and the Issuer hereby irrevocably authorizes and directs the Trustee to withdraw from the Bond Fund sufficient funds to pay the principal of and interest on the Bonds when due (including at maturity or redemption prior to maturity) and to use such funds for the purpose of paying principal and interest in accordance with the provisions hereof pertaining to payment, which authorization and direction the Trustee hereby accepts.

Section 505. Non-Presentation of Bonds. In the event any Bonds shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if there shall have been deposited with the Trustee for that purpose, or left in trust if previously so deposited, funds sufficient to pay the principal thereof, together with all interest unpaid and due thereon, to the due date thereof, for the benefit of the holder thereof, all liability of the Issuer to the holder thereof for the payment of the principal thereof and interest thereon shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon, for benefit of the holder of such Bond, who shall thereafter be restricted exclusively to such fund or funds, for any claim of whatever nature on his part under this Indenture or on, or with respect to, the Bond.

Section 506. Fees, Expenses and Charges of Issuer and Trustee. It is understood and agreed that pursuant to the provisions of Section 5.3(b) of the Lease Agreement, the Company agrees to pay the reasonable fees, expenses and charges of the Trustee as authorized and provided by this Indenture

and, pursuant to Section 5.3(c) of the Lease Agreement, the reasonable fees, expenses and charges of the Issuer as authorized, required and provided by this Indenture and by the Lease Agreement. All such payments under the Lease Agreement which are received by the Trustee shall not be paid into the Bond Fund, but shall be segregated by the Trustee and expended solely for the purpose for which such payments are received.

Section 507. Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Trustee under any provision of this Indenture shall be held by the Trustee in trust, and except for moneys deposited with or paid to the Trustee for the redemption of Bonds notice of which redemption has been duly given, for moneys deposited with or paid to the Trustee pursuant to Article IX hereof, and for moneys held pursuant to Section 505 hereof, shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the lien hereof. Any moneys received by or paid to the Trustee pursuant to any provisions of the Lease Agreement calling for the Trustee to hold, administer and disburse the same in accordance with the specific provisions of the Lease Agreement shall be held, administered and disbursed pursuant to such provisions, and where required by the provisions of the Lease Agreement the Trustee shall set the same aside in a separate account. The Issuer agrees that if it shall receive any moneys pursuant to applicable provisions of the Lease Agreement, it will forthwith upon receipt thereof pay the same over to the Trustee to be held, administered and disbursed by the Trustee in accordance with the provisions of the Lease Agreement pursuant to which the Issuer may have received the same. Furthermore, if for any reason the Lease Agreement ceases to be in force and effect while any Bonds are outstanding, the Issuer agrees that if it shall receive any moneys derived from the Project, it will forthwith upon receipt thereof pay the same over to the Trustee to be held, administered and disbursed by the Trustee in accordance with provisions of the Lease Agreement that would be applicable if the Lease Agreement were then in force and effect, and if there be no such provisions which would be so applicable, then the Trustee shall hold, administer and disburse such moneys solely for the discharge of the Issuer's obligations under this Indenture.

Section 508. Refund to Company of Excess Payments. Anything herein to the contrary notwithstanding, the Trustee is authorized and directed to refund to the Company all excess amounts as specified in the Lease Agreement, whether such excess amounts be in the Bond Fund or in special accounts.

Section 509. Termination of Rights of Bondholders. Anything herein to the contrary notwithstanding, including, without limitation, the provisions of this Article V and of Article IX and Article X hereof, all rights of any holder of any Bond hereunder to or with respect to any moneys or investments held in any fund hereunder shall terminate at the expiration of five years from the date of maturity of such Bond, whether by scheduled maturity or by call for redemption prior to maturity in accordance with the terms hereof, with respect to the principal thereof, or at the expiration of five years from an Interest Payment Date with respect to the interest payable on such date.

ARTICLE VI

APPLICATION OF PROCEEDS OF BONDS

Section 601. Deposits Into the Construction Fund. All moneys received by the Trustee from the Purchaser as Advances on the Bond shall be deposited in a special account of the Issuer in the Trustee, which account shall be designated "City of Fort Smith, Arkansas Taxable Industrial Development Revenue Bond Construction Fund - Glatfelter Advanced Materials N.A., LLC Project" (the "Construction Fund").

Section 602. Disbursements From Construction Fund. Moneys in the Construction Fund shall be disbursed by the Trustee to the Company (or to its order) for Project Costs (as defined in the Lease Agreement). Such disbursements shall be in accordance with and pursuant to requisitions which shall be signed by a Company Representative. Each requisition shall be in substantially the form attached as Exhibit D hereto and shall specify:

- (a) The name of the person, firm, corporation or bank to whom payment is to be made;
- (b) The amount of the payment;
- (c) The purpose of the expenditure; and
- (d) That the disbursement is for a proper item of Project Costs (as defined in the Lease Agreement).

The Trustee shall keep records concerning and reflecting all disbursements from the Construction Fund and shall file an accounting of disbursements if and when requested by the Issuer, the Company, or the Purchaser.

Section 603. Balance in Construction Fund. Upon receipt of the certificate specified in Section 3.4 of the Lease Agreement, the Trustee shall not accept any further requisitions pursuant to Section 602 hereof, but shall retain in the Construction Fund a sum equal to the amounts necessary for payment of the Project Costs not then due and payable as directed by a Company Representative. Any amount not to be retained in the Construction Fund for payment of Project Costs shall be used to prepay the Bonds.

ARTICLE VII

INVESTMENTS

Section 701. Investment of Moneys. (a) Moneys held for the credit of the Construction Fund shall, upon written direction by a Company Representative, be invested and reinvested by the Trustee in (i) Government Securities, (ii) interest bearing deposit accounts (which may be represented by certificates of deposit) in national or state banks (which may include the Trustee and any Paying Agent) having a combined capital and surplus of not less than \$10,000,000; (iii) bankers' acceptances drawn on and accepted by commercial banks (which may include the Trustee and any Paying Agent) having a combined capital and surplus of not less than \$10,000,000; (iv) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, any State of the United States of America, the District of Columbia or the Commonwealth of Puerto Rico, or any political subdivision of any of the foregoing, which are rated in any of the two highest rating categories by a nationally recognized rating agency; (v) obligations of any agency or instrumentality of the United States of America; (vi) commercial or finance company paper which is rated in any of the two highest rating categories by a nationally recognized rating agency; (vii) corporate debt securities rated in any of the two highest rating categories by a nationally recognized rating agency; (viii) repurchase agreements with banking or financial institutions having a combined capital and surplus of not less than \$10,000,000 (which may include the Trustee and any Paying Agent) with respect to any of the foregoing obligations or securities; (ix) shares in an investment company registered under the Federal Investment Company Act of 1940 whose shares are registered under the Federal Securities Act of 1933, or shares of a common trust fund established by a national banking association or a bank or trust company organized under the laws of any state (which may include the Trustee and any Paying Agent) with combined capital and surplus of at least \$10,000,000, under the supervision and regulation of the Comptroller of the Currency pursuant to 12 C.F.R. 9, or any successor regulation, and whose only investments are qualified investments described hereinabove; (x) money market funds or pooled or mutual investment funds whose assets consist primarily of investments which are qualified investments described in clause (iv) hereinabove or which are rated in one of the highest rating categories by a nationally recognized rating agency (including any such fund managed by the Trustee), and whose average maturity of such investment is less than twelve (12) months; and (xi) investment agreements or guaranteed investment contracts with any financial institution rated in one of the highest rating categories by a nationally recognized rating agency. Such investment shall have maturity dates, or shall be subject to redemption by the holder at the option of the holder, on or prior to the dates the moneys invested therein will be needed as reflected by a statement of the Company Representative which statement must be on file with the Trustee prior to any investment.

(b) Moneys held for the credit of the Bond Fund or any other fund or account shall, upon written direction by a Company Representative, be invested and reinvested in Government Securities (or in any fund or other pooling arrangement which exclusively purchases and holds Government Securities and which is rated in any of the two highest rating categories by a nationally recognized rating agency) which will mature, or which will be subject to redemption by the holder thereof at the option of the holder, not later than the date or dates on which the money held for credit of the particular fund or account shall be required for the purposes intended, provided that moneys held pursuant to Section

505 hereof shall be held uninvested or shall be invested and reinvested in Government Securities maturing overnight from the date of purchase.

(c) Obligations so purchased as an investment of moneys in any fund or account shall be deemed at all times a part of such fund or account. Any profit and income realized from such investments shall be credited to the fund or account and any loss shall be charged to the fund or account.

Section 702. Trustee Not Liable for Losses. The Trustee shall not be liable or responsible for any loss resulting from any investment as authorized pursuant to Section 701 hereof.

ARTICLE VIII

RIGHTS AND OBLIGATIONS UNDER THE LEASE AGREEMENT

Section 801. Rights of Company Under Lease Agreement. Nothing herein contained shall be deemed to impair the rights and privileges of the Company set forth in the Lease Agreement and an Event of Default hereunder shall not constitute an "Event of Default" under the Lease Agreement unless by the terms of the Lease Agreement it constitutes an Event of Default thereunder.

Section 802. Rights of Issuer Under Lease Agreement. The Issuer agrees that the Trustee in its name or in the name of the Issuer may enforce all rights of the Issuer (except for the rights of the Issuer under Sections 5.3(c), 6.2, 6.5 and 8.5 thereof and any rights of the Issuer to receive notices, certificates, or other communications thereunder) and all obligations of the Company under and pursuant to the Lease Agreement, for and on behalf of the bondholders, whether or not the Issuer is in default hereunder.

Section 803. Trustee's Obligations Under Lease Agreement. The Trustee represents that it has familiarized itself with the provisions of the Lease Agreement and covenants and agrees that it will perform any and all of its obligations set forth therein with respect to the rights of the Issuer and the Company thereunder.

ARTICLE IX

DISCHARGE OF LIEN

Section 901. Discharge of Lien. If the Issuer shall pay or cause to be paid to the holders and owners of the Bonds the principal and interest to become due thereon at the times and in the manner stipulated therein, and if the Issuer shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed as to be kept, performed and observed by it on its part, then these presents and the estate and rights hereby granted shall cease, determine and be void. Thereupon the Trustee shall cancel and discharge the lien of this Indenture, and execute and deliver to the Issuer such instruments in writing as shall be requisite to satisfy the lien hereof, and reconvey to the Issuer the estate hereby conveyed, and assign and deliver to the Issuer any property at the time subject to the lien of this Indenture which may then be in its possession, except moneys or Government Securities held by it for the payment of the principal of and interest on the Bonds.

Any Bond shall be deemed to be paid within the meaning of this Article when payment of the principal of and interest on such Bond, (whether at maturity or upon redemption as provided in this Indenture, or otherwise), either (i) with respect to any Bond shall have been made or caused to be made in accordance with the terms thereof, or (ii) with respect to any Bond shall have been provided for by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment, (1) moneys sufficient to make such payment or (2) noncallable Government Securities, maturing as to principal and interest in such amount and at such times as will provide sufficient moneys to make such payment and to purchase such Bonds, and all necessary and proper fees, compensation and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made and all other liabilities of the Company under the Lease Agreement shall have been paid or the payment thereof provided for to the satisfaction of the Trustee.

The Issuer or the Company may at any time surrender to the Trustee for cancellation by it any Bonds previously authenticated and delivered hereunder, which the Issuer or the Company may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

ARTICLE X

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

Section 1001. Events of Default. Each of the following events shall constitute and is referred to in this Indenture as an "Event of Default":

(a) Default in the due and punctual payment of any interest on any Bond hereby secured and outstanding.

(b) Default in the due and punctual payment of the principal of any Bond hereby secured and outstanding, whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration.

(c) Default in the payment of any other amount required to be paid under this Indenture or the performance or observance of any other of the covenants, agreements or conditions contained in this Indenture, or in the Bonds issued under this Indenture, and continuance thereof for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied, shall have been given to the Issuer and the Company by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of bondholders of not less than 10% in aggregate principal amount of the Bonds then outstanding, unless the Trustee, or the Trustee and bondholders of an aggregate principal amount of Bonds not less than the aggregate principal amount of Bonds the bondholders of which requested such notice, as the case may be, shall agree in writing to an extension of such period prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Issuer and the Trustee will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Issuer, or the Company on behalf of the Issuer, within such period and is being diligently pursued.

(d) The occurrence of an "Event of Default" under the Lease Agreement.

(e) The occurrence of an "Event of Default" under the Guaranty Agreement.

Section 1002. Acceleration. Upon the occurrence of an Event of Default described in the first paragraph of Section 1001 hereof, the Trustee may, and upon the written request of the holders of two-thirds (2/3) in aggregate principal amount of Bonds outstanding hereunder, shall, in either case only with prior written consent of the Purchaser (so long as the Purchaser is owner of not less than 100% in aggregate principal amount of the Bonds), by notice in writing delivered to the Issuer and the Company, declare the principal of all Bonds hereby secured then outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable and interest shall cease to accrue on all Bonds issued hereunder.

Section 1003. Other Remedies; Rights of Bondholders. Upon the occurrence of an Event of Default, the Trustee may, as an alternative, pursue any available remedy by suit at law or in equity to enforce the payment of the principal of and interest on the Bonds then outstanding hereunder.

If an Event of Default shall have occurred, and if it shall have been requested so to do by the holders of two-thirds (2/3) in aggregate principal amount of Bonds outstanding hereunder and shall have been indemnified as provided in Section 1101 hereof, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred upon it by this Section and by Section 1002 as the Trustee, being advised by counsel, shall deem most expedient in the interests of the bondholders.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the bondholders) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder, whether by the Trustee or by the bondholders, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

Nothing in this Section 1003 shall be construed to relieve the Trustee of its obligation to cause an acceleration when required or to pay the bondholders the amounts due them when due.

Section 1004. Rights of Bondholders to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding the holders of a majority in aggregate principal amount of Bonds outstanding hereunder shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceeding hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

Section 1005. Appointment of Receiver. Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the bondholders under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the tolls, rents, revenues, issues, earnings, income, products and profits thereof, pending such proceedings with such powers as the court making such appointment shall confer.

Section 1006. Waiver. In case of an Event of Default on its part, as aforesaid, to the extent that such rights may then lawfully be waived, neither the Issuer nor anyone claiming through it or under it shall or will set up, claim, or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or thereafter in force, in order to prevent or hinder the enforcement of this Indenture, but the Issuer, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws and all right of appraisement and redemption to which it may be entitled under the laws of the State of Arkansas.

Section 1007. Application of Moneys. Moneys remaining after discharge of costs, charges and liens prior to this Indenture shall be applied by the Trustee as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

First: To the payment to the persons entitled thereto of all installments of interest then due, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege;

Second: To the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege of any Bond over any other Bond and without preference or priority of principal over interest or of interest over principal; and

Third: To the payment of the interest on and the principal of the Bonds, and to the redemption of Bonds, all in accordance with the provisions of Article V of this Indenture.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the person entitled thereto without discrimination or privilege.

(c) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as it shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date (other than in the case of a

declaration under Section 1002 hereof) interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the holder of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 1008. Remedies Vested in Trustee. All rights of action (including the right to file proof of claim) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any holders of the Bonds hereby secured, and any recovery of judgment shall be for the equal benefit of the holders of the outstanding Bonds.

Section 1009. Rights and Remedies of Bondholders. No holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless a default has occurred of which the Trustee has been notified as provided in subsection (g) of Section 1101, or of which by said subsection it is deemed to have notice, nor unless such default shall have become an Event of Default and the holders of two-thirds (2/3) in aggregate principal amount of Bonds outstanding hereunder shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in Section 1101 nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are hereby declared in every such case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, held and maintained in the manner herein provided for the equal benefit of the holders of all Bonds outstanding hereunder. Nothing in this Indenture contained shall, however, affect or impair the right of (i) any bondholders to enforce the payment of the principal of and interest on any Bonds at and after the maturity thereof, or the obligation of the Issuer to pay the principal of and interest on each of the Bonds issued hereunder to the respective holders thereof at the time and place in said Bonds, and (ii) the Purchaser (so long as the Purchaser is owner of not less than 100% in aggregate principal amount of the Bonds) to institute in its own name any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the appointment of a receiver or any other remedy hereunder.

Section 1010. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights hereunder with respect to the property herein conveyed, and all rights, remedies and powers

of the Trustee shall continue as if no such proceedings had been taken, except to the extent the Trustee is legally bound by such adverse determination.

Section 1011. Waivers of Events of Default. The Trustee may in its discretion waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal and shall do so upon the written request of the holders of two-thirds (2/3) in aggregate principal amount of Bonds outstanding hereunder, in either case only with prior written consent of the Purchaser (so long as the Purchaser is owner of not less than 100% in aggregate principal amount of the Bonds), provided, however, that there shall not be waived any Event of Default described in clause (a) or (b) of the first paragraph of Section 1001 hereof, unless prior to such waiver or rescission all arrears of principal (due otherwise than by declaration) and interest and all expenses of the Trustee, shall have been paid or provided for. In case of any such waiver or rescission the Issuer, Trustee and the bondholders shall be restored to their former positions and rights hereunder respectively; but no such waiver or rescission shall extend to any subsequent or other default, or impair any right subsequent thereon.

ARTICLE XI

TRUSTEE

Section 1101. Acceptance of Trusts. The Trustee hereby accepts the trust imposed upon it by this Indenture, and agrees to perform said trust as an ordinarily prudent trustee under a corporate mortgage, but only upon and subject to the following expressed terms and conditions:

(a) The Trustee may execute any of the trusts or powers hereof and perform any duties required of it by or through attorneys, agents, receivers or employees, and shall be entitled to advice of counsel concerning all matters of trusts hereof and its duties hereunder, and may in all cases pay reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney, surveyor, engineer or accountant selected by it in the exercise of reasonable care, or, if selected or retained by the Issuer prior to the occurrence of a default of which the Trustee has been notified as provided in subsection (g) of this Section 1101, or of which by said subsection the Trustee is deemed to have notice, approved by the Trustee in the exercise of such care. The Trustee shall not be responsible for any loss or damage resulting from an action or non-action in accordance with any such opinion or advice.

(b) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the certificate of the Trustee endorsed on such Bonds), or for insuring the property herein conveyed or collecting any insurance moneys, or for the validity of the execution by the Issuer of this Indenture or of any supplemental indentures or instrument of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value of the title of the property herein conveyed or otherwise as to the maintenance of the security hereof; except that in the event the Trustee enters into possession of a part or all of the property herein conveyed pursuant to any provision of this Indenture, it shall use due diligence in preserving such property; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions and agreements aforesaid as to the condition of the property herein conveyed.

(c) The Trustee may become the owner of Bonds secured hereby with the same rights which it would have if not Trustee.

(d) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it, in the exercise of reasonable care, to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of the owner of any Bond secured hereby, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate of the Issuer signed by its Mayor and attested by its City Clerk as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which it has been notified as provided in subsection (g) of this

Section 1101, or of which by that subsection it is deemed to have notice, and shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion, at the reasonable expense of the Issuer, in every case secure such further evidence as it may think necessary or advisable but shall in no case be bound to secure the same. The Trustee may accept a certificate of the City Clerk of the Issuer under its seal to the effect that a resolution or ordinance in the form therein set forth has been adopted by the Issuer as conclusive evidence that such resolution or ordinance has been duly adopted, and is in full force and effect.

(f) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty of the Trustee, and the Trustee shall be answerable only for its own negligence or willful default.

(g) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder (except a default under clause (a), (b) or (c) of the first paragraph of Section 1001 hereof concerning which the Trustee shall be deemed to have notice) unless the Trustee shall be specifically notified in writing of such default by the Issuer or by the holders of at least ten percent (10%) in aggregate principal amount of Bonds outstanding hereunder and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered to the office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no such default except as aforesaid.

(h) The Trustee shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or non-fulfillment of contracts during any period in which it may be in the possession of or managing the real and tangible personal property as in this Indenture provided.

(i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all of the property herein conveyed, including all books, papers and records of the Issuer pertaining to the Project and the Bonds, and to take such memoranda from and in regard thereto as may be desired, provided, however, that nothing contained in this subsection or in any other provision of this Indenture shall be construed to entitle the above named persons to any information or inspection involving the confidential know-how of the Company.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, deemed desirable for the purpose of establishing the right of the Issuer to the authentication of any Bonds, the withdrawal of any cash, the release of any property, or the taking of any other action by the Trustee.

(l) Before taking such action hereunder, the Trustee may require that it be furnished an indemnity bond or other security satisfactory to it for the reimbursement to it of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from the gross negligence or willful default of the Trustee, by reason of any action so taken by the Trustee; provided, however, the Trustee shall not require that it be furnished an indemnity bond prior to (i) declaring the maturity of principal of the Bonds pursuant to Section 1002 hereof, or (ii) holding, administering and disbursing moneys deposited in the Bond Fund.

Section 1102. Fees, Charges and Expenses of Trustee; Trustee's Prior Lien. The Trustee shall be entitled to payment and/or reimbursement for its reasonable fees for services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in and about the execution of the trusts created by this Indenture and in and about the exercise and performance by the Trustee of the powers and duties of the Trustee hereunder, and for all reasonable and necessary costs and expenses incurred in defending any liability in the premises of any character whatsoever (unless such liability is adjudicated to have resulted from the gross negligence or willful default of the Trustee). The Issuer has made provisions in the Lease Agreement for the payment of such reasonable and necessary advances, fees, costs and expenses and reference is hereby made to the Lease Agreement for the provisions so made. In this regard, it is understood that the Issuer pledges no funds or revenues other than those derived from and the avails of the Trust Estate to the payment of any obligation of the Issuer set forth in this Indenture, including the obligations set forth in this Section 1102, but nothing herein shall be construed as prohibiting the Issuer from using any other funds and revenues for the payment of any of its obligations under this Indenture. Upon default by the Issuer, but only upon default, pursuant to the provisions of this Indenture pertaining to default, the Trustee shall have a first lien with right of payment prior to payment on account of principal or interest of any Bond issued hereunder upon the Trust Estate (other than moneys, securities or obligations held for the redemption or payment of Bonds deemed to have been paid in accordance with Article IX hereof, or funds held pursuant to Section 505 hereof) for such reasonable and necessary advances, fees, costs and expenses incurred by the Trustee.

Section 1103. Notice to Bondholders of Default. The Trustee shall be required to make demand upon and give notice to the Company and each registered owner of Bonds then outstanding as follows:

(a) If the Company shall fail to make any installment payment under the Lease Agreement on the day such payment is due and payable, the Trustee shall give notice to and make demand upon the Company on the next succeeding Business Day.

(b) If a default occurs of which the Trustee is pursuant to the provisions of Section 1101(g) deemed to have or is given notice, the Trustee shall promptly give notice to the Company and to bondholders generally; provided, however, that no notice shall be required to be given to bondholders generally unless the default is such that the bondholders could require the Trustee to act pursuant to Section 1002 hereof.

Section 1104. Intervention by Trustee. In any judicial proceeding to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of

holders of Bonds issued hereunder, the Trustee may intervene on behalf of bondholders and shall do so if requested in writing by the holders of at least ten percent (10%) of the aggregate principal amount of Bonds outstanding hereunder. The rights and obligations of the Trustee under this Section 1104 are subject to the approval of the court having jurisdiction in the premises.

Section 1105. Merger or Consolidation of Trustee. Any bank or trust company to which the Trustee may be merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any bank or trust company resulting from any such sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor trustee hereunder and vested with all of the title to the whole property or Trust Estate and all the trusts, powers, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding; provided, however, that such successor trustee shall have capital and surplus of at least \$50,000,000.

Section 1106. Resignation by Trustee. The Trustee and any successor trustee may at any time resign from the trusts hereby created by giving thirty (30) days written notice to the Issuer, and such resignation shall take effect at the end of such thirty (30) days (provided a successor trustee has been duly appointed) or upon the earlier appointment of a successor trustee by the bondholders or by the Issuer. Such notice may be served personally or sent by registered mail.

Section 1107. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee and to the Issuer, and signed by the holders of a majority in aggregate principal amount of Bonds outstanding hereunder. Such removal shall not take effect until the appointment of a successor trustee.

Section 1108. Appointment of Successor Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by the court, a successor may be appointed by the Issuer, as directed by the Company (so long as no Event of Default has occurred and is continuing), by an instrument executed and signed by its Mayor and attested by its City Clerk under its seal, or by the holders of a majority in aggregate principal amount of Bonds outstanding hereunder (if an Event of Default has occurred and is continuing), by an instrument or concurrent instruments in writing signed by such holders, or by their attorneys in fact, duly authorized; provided, nevertheless, that if within thirty (30) days of the resignation, removal or dissolution of the Trustee hereunder the Issuer or the holders, as the case may be, fail to so appoint a successor to fill such vacancy, the Trustee may apply to a court of competent jurisdiction which shall have authority to appoint a temporary trustee until a successor trustee shall be appointed by the Issuer or the bondholders in the manner above provided. Any such temporary trustee so appointed by a court of competent jurisdiction shall immediately and without further act be superseded by the trustee so appointed by the Issuer or such bondholders. Every such temporary trustee and every such successor trustee shall be a trust company or bank in good standing, having capital and surplus of not less than \$50,000,000, and shall be satisfactory to the Company so long as there is no termination of the interest of the Company by virtue of an event of default or otherwise.

Section 1109. Concerning Any Successor Trustee. Every successor or temporary trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor or temporary trustee, without any further act or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Issuer or of its successor trustee, execute and deliver an instrument transferring to such successor all the estate, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor trustee shall deliver all securities, moneys and any other property held by it as trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by any successor trustee for more fully and certainly vesting in such successor the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor trustee, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The resignation of any trustee and the instrument or instruments removing any trustee and appointing a successor hereunder, together with all other instruments provided for in this Article shall, at the expense of the Issuer, be forthwith filed and/or recorded by the successor trustee in each recording office where the Indenture shall have been filed and/or recorded.

Section 1110. Reliance Upon Instruments. The resolutions, opinions, certificates and other instruments provided for in this Indenture may be accepted and relied upon by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for its actions taken hereunder.

Section 1111. Appointment of Co-Trustee. The Issuer and the Trustee shall have power to appoint and upon the request of the Trustee the Issuer shall for such purpose join with the Trustee in the execution of all instruments necessary or proper to appoint another corporation or one or more persons approved by the Trustee, and satisfactory to the Company so long as there is no termination of the interest of the Company by virtue of an event of default or otherwise, either to act as co-trustee or co-trustees jointly with the Trustee of all or any of the property subject to the lien hereof, or to act as separate trustee or trustee of all or any such property, with such powers as may be provided in the instrument of appointment and to vest in such corporation or person or persons as such separate trustee or co-trustee any property, title, right or power deemed necessary or desirable. In the event that the Issuer shall not have joined in such appointment within fifteen (15) days after the receipt by it of a request so to do, the Trustee alone shall have the power to make such appointment. Should any deed, conveyance or instrument in writing from the Issuer be required by separate trustee or co-trustee so appointed for more fully and certainly vesting in and confirming to him or to it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. Every such co-trustee and separate trustee shall, to the extent permitted by law, be appointed subject to the following provisions and conditions, namely:

- (a) The Bonds shall be authenticated and delivered, and all powers, duties, obligations and rights conferred upon the Trustee in respect of the custody of all money and securities pledged or deposited hereunder, shall be exercised solely by the Trustee; and

(b) The Trustee, at any time by an instrument in writing, may remove any such separate Trustee or co-trustee.

Every instrument, other than this Indenture, appointing any such co-trustee or separate trustee, shall refer to this Indenture and the conditions of this Article XI expressed, and upon the acceptance in writing by such separate trustee or co-trustee, he, they or it shall be vested with the estate or property specified in such instrument, jointly with the Trustee (except insofar as local law makes it necessary for any separate trustee to act alone), subject to all the trusts, conditions and provisions of this Indenture. Any such separate trustee or co-trustee may at any time, by an instrument in writing, constitute the Trustee as his, their or its agent or attorney-in-fact with full power and authority, to the extent authorized by law, to do all acts and things and exercise all discretion authorized or permitted by him, them or it, for and on behalf of him, them or it and in his, their or its name. In case any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all the estate, properties, rights, powers, trusts, duties and obligations of said separate trustee or co-trustee shall vest in and be exercised by the Trustee until the appointment of a new trustee or a successor to such separate trustee or co-trustee.

ARTICLE XII

SUPPLEMENTAL INDENTURES

Section 1201. Supplemental Indentures Not Requiring Consent of Bondholders. The Issuer and the Trustee may, from time to time and at any time, without the consent of or notice to the bondholders, enter into supplemental indentures as follows:

(a) to cure any formal defect, omission, inconsistency or ambiguity in this Indenture;

(b) to grant to or confer or impose upon the Trustee for the benefit of the bondholders any additional rights, remedies, powers, authority, security, liabilities or duties which may lawfully be granted, conferred or imposed and which are not contrary to or inconsistent with this Indenture as theretofore in effect, provided that no such additional liabilities or duties shall be imposed upon the Trustee without its consent;

(c) to add to the covenants and agreements of, and limitations and restrictions upon, the Issuer in this Indenture other covenants, agreements, limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with this Indenture as theretofore in effect;

(d) to confirm, as further assurance, any pledge under, and the subjection to any claim, lien or pledge created or to be created by, this Indenture, of the Revenues of the Issuer from the Lease Agreement or of any other moneys, securities or funds;

(e) to comply with the requirements of the Trust Indenture Act of 1939, as from time to amended;

(f) to modify, alter, amend or supplement this Indenture in any other respect which is not materially adverse to the bondholder and which does not involve a change described in clause (a), (b), (c), (d), (e) or (f) of Section 1202 hereof and which, in the judgment of the Trustee, is not to the prejudice of the Trustee;

(g) to effect any change required in connection with the rating of the Bonds;
or

(h) to authorize the issuance and sale of one or more series of Additional Bonds.

Section 1202. Supplemental Indentures Requiring Consent of Bondholders. Subject to the terms and provisions contained in this Section, and not otherwise, the holders of not less than two thirds (2/3) in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding to consent to and approve the execution by the Issuer and the Trustee of such indenture or indentures supplemental hereto as shall be

deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing herein contained shall permit, or be construed as permitting, without the consent and approval of the holders of all of the Bonds then outstanding (a) an extension of the maturity (or mandatory redemption date) of the principal of or the interest on any Bond issued hereunder, or (b) a reduction in the principal amount of or rate of interest on any Bond issued hereunder, or (c) the creation of any lien ranking prior to or on a parity with the lien of this Indenture on the Trust Estate or any part thereof, except as hereinbefore expressly permitted, 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 indenture, or (f) deprive the holder of any Bond then outstanding of the lien hereby created on the Trust Estate. Nothing herein contained, however, shall be construed as making necessary the approval of bondholders of the execution of any supplemental indenture as provided in Section 1201 of this Article.

If, at any time the Issuer shall request the Trustee to enter into any supplemental indenture for any of the purposes of this Section, the Trustee shall, at the expense of the Issuer, cause notice of the proposed execution of such supplemental indenture to be mailed by first class mail to each registered owner of the Bonds. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection by bondholders. The Trustee shall not, however, be subject to any liability to any bondholder by reason of its failure to mail such notice, and any such failure shall not affect the validity of such supplemental indenture when consented to and approved as provided in this Section. If the holders of not less than two-thirds (2/3) in aggregate principal amount of the Bonds outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture, this Indenture shall be deemed to be modified and amended in accordance therewith.

Section 1203. Consent of Company. Anything herein to the contrary notwithstanding, a supplemental indenture under this Article XII shall not become effective unless and until the Company shall have consented to the execution and delivery of such supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such supplemental indenture together with a copy of the proposed supplemental indenture to be mailed by certified or registered mail to the Company at least fifteen (15) days prior to the proposed date of execution and delivery of any such supplemental indenture. The Company shall be deemed to have consented to the execution and delivery of any such supplemental indenture if the Trustee receives a letter or other instrument signed by an authorized officer of the Company expressing consent.

ARTICLE XIII

AMENDMENT TO LEASE AGREEMENT OR GUARANTY AGREEMENT

Section 1301. Amendments Not Requiring Consent of Bondholders. The Trustee may from time to time, and at any time, consent to any amendment, change or modification of the Lease Agreement or the Guaranty Agreement for the purpose of curing any ambiguity or formal defect or omission or making any other change therein, which in the reasonable judgment of the Trustee is not to the prejudice of the Trustee or the holders of the Bonds. The Trustee shall not consent to any other amendment, change or modification of the Lease Agreement or the Guaranty Agreement without the approval or consent of the holders of not less than two-thirds (2/3) in aggregate principal amount of the Bonds at the time outstanding, evidenced in the manner provided in Section 1401 hereof.

Section 1302. Amendments Requiring Consent of Bondholders. If at any time the Issuer or the Company shall request the Trustee's consent to a proposed amendment, change or modification requiring bondholder approval under Section 1301, the Trustee, shall, at the expense of the requesting party, cause notice of such proposed amendment, change or modification to be mailed in the same manner as provided by Section 1202 hereof with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file in the principal office of the Trustee for inspection by any interested bondholder. The Trustee shall not, however, be subject to any liability to any bondholder by reason of its failure to publish or mail such notice, and any such failure shall not affect the validity of such amendment, change or modification when consented to by the Trustee in the manner hereinabove provided.

ARTICLE XIV

MISCELLANEOUS

Section 1401. Consents of Bondholders. Any request, direction, objection or other instrument required by this Indenture to be signed and executed by the bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such bondholders in person or by agent appointed in writing. Proof of the execution of any such request, direction, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution.

(b) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same shall be proved by the registration books of the Issuer maintained by the Trustee as Bond Registrar.

Section 1402. Notices. Except as otherwise provided in this Indenture, all notices, certificates or other communications shall be sufficiently given and shall be deemed given when delivered by hand delivery or when the same has been mailed by registered or certified mail, postage prepaid, to the Issuer, the Company, and the Trustee. Notices, certificates or other communications shall be sent to the following addresses:

Issuer:	City of Fort Smith, Arkansas City Offices 623 Garrison Avenue Fort Smith, Arkansas 72901 Attention: City Administrator
Company:	Glatfelter Advanced Materials N.A., LLC 96 S. George Street, Suite 400 York, Pennsylvania 17401 Attn: Amy Wannemacher
Trustee:	Regions Bank 400 West Capitol Ave., 7th Floor Little Rock, Arkansas 72201 Attention: Corporate Trust Department

Any of the foregoing may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 1403. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture, or the Bonds issued hereunder, is intended or shall be construed to give to any person or company other than the parties hereto, and the holders of the Bonds secured by this Indenture any legal or equitable rights, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions hereof being intended to be and being for the sole exclusive benefit of the parties hereto and the holders of the Bonds hereby secured as herein provided.

Section 1404. Severability. If any provisions of this Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any provisions or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or paragraphs in this Indenture contained shall not affect the remaining portions of this Indenture or any part thereof.

Section 1405. Applicable Provisions of Law. This Indenture shall be considered to have been executed in the State of Arkansas and it is the intention of the parties that the substantive law of the State of Arkansas govern as to all questions of interpretation, validity and effect.

Section 1406. Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1407. Successors and Assigns. All the covenants, stipulations, provisions, agreements, rights, remedies and claims of the parties hereto in this Indenture contained shall bind and inure to the benefit of their successors and assigns.

Section 1408. Captions. The captions or headings in this Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Indenture.

Section 1409. Bonds Owned by the Issuer or the Company. In determining whether bondholders of the requisite aggregate principal amount of the Bonds have concurred in any direction, consent or waiver under this Indenture, Bonds which are owned by the Issuer or the Company or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company (unless the Company or any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company shall own not less than 100% in aggregate principal amount of the Bonds then outstanding) shall be disregarded and deemed not to be outstanding for the purpose of any such determination, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver, only Bonds which the

Trustee knows are so owned shall be so disregarded. Bonds so owned which have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Issuer or the Company or any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

IN WITNESS WHEREOF, the Issuer has caused these presents to be signed in its name and behalf by its Vice Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and, to evidence its acceptance of the trust hereby created, the Trustee has caused these presents to be signed in its behalf by its duly authorized officer.

CITY OF FORT SMITH, ARKANSAS

ATTEST:

By: _____
Mayor

City Clerk

(SEAL)

REGIONS BANK
Trustee

By: _____

Title

ACKNOWLEDGMENT

STATE OF ARKANSAS)
)
COUNTY OF SEBASTIAN)

On this the ____ day of May, 2016, before me, _____ the undersigned officer, personally appeared Sandy Sanders and Sherri Gard, who acknowledged themselves to be the Mayor and the City Clerk, respectively, of the City of Fort Smith, Arkansas, a municipality, and that they, as such Mayor and City Clerk, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the municipality by themselves as Mayor and City Clerk.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this ____ day of May, 2016.

Notary Public

My Commission expires:

(SEAL)

EXHIBIT A

Form of Initial Bond

No. R-1

\$75,000,000

UNITED STATES OF AMERICA
STATE OF ARKANSAS
CITY OF FORT SMITH, ARKANSAS
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BOND
(GLATFELTER ADVANCED MATERIALS N.A., LLC PROJECT)
SERIES 2016

Date of Bond: May ____, 2016

Maturity Date: May 1, 2031

Interest Rate: 5% per annum

Registered Owner: GLATFELTER ADVANCED MATERIALS N.A., LLC

Principal Amount: SEVENTY-FIVE MILLION DOLLARS
(or the total principal amount outstanding as reflected by the
Record of Advances and Principal Payments attached hereto)

KNOW ALL MEN BY THESE PRESENTS:

That the City of Fort Smith, Arkansas, a municipality organized and existing under the laws of the State of Arkansas (the "Issuer"), for value received, promises to pay to the registered owner shown above, or registered assigns, but solely from the source and in the manner hereinafter set forth, the principal amount shown above and in like manner to pay interest on said amount from the date hereof shown above until payment of such principal amount has been made or duly provided for, at the rate per annum shown above, semiannually on May 1 and November 1 of each year commencing on November 1, 2016, except as the provisions hereinafter set forth with respect to redemption of this Bond prior to maturity may become applicable hereto. The principal of this Bond is payable in lawful money of the United States of America upon the presentation and surrender hereof at the principal corporate trust office of Regions Bank, Little Rock, Arkansas, or its successor or successors, as Trustee (the "Trustee"), and interest on this Bond is payable in like money to the registered owner hereof by check or draft drawn upon the Trustee and mailed or, in certain circumstances described in the Indenture, by wire transfer to the person in whose name this Bond is registered at the close of business on the fifteenth day of the calendar month next preceding that in which such interest payment shall fall (the "Record Date"), at his address as it appears on the bond registration books of the Issuer kept by the Trustee.

This Bond is the single bond comprising a series of Bonds in the aggregate principal amount of not to exceed \$75,000,000 (the "Bonds"), issued for the purpose of financing the cost of acquiring, constructing and equipping an industrial project within the boundaries of the Issuer (the "Project"), for

use by Glatfelter Advanced Materials N.A., LLC, a Delaware limited liability company (the "Company"), and paying the expenses of issuing the Bonds. The Bonds are all issued under and are all equally and ratably secured and entitled to the protection given by a Trust Indenture dated as of May 1, 2016 (the "Indenture"), duly executed and delivered by the Issuer to the Trustee. The Indenture provides that the Issuer may hereafter issue Additional Bonds from time to time under certain terms and conditions contained in the Indenture and, if issued, such Additional Bonds will be equally and ratably secured by and entitled to the protection of the Indenture. Reference is hereby made to the Indenture and all indentures supplemental thereto for the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer, the Trustee and the registered owners of the Bonds, and the terms upon which the Bonds are issued and secured. The terms and conditions of the financing of the Project, the use of the proceeds of the Bonds by the Company for such purpose, and the payment of certain amounts thereunder, are contained a Lease Agreement dated as of May 1, 2016 (the "Lease Agreement"), by and between the Issuer and the Company.

The Bonds are issued pursuant to and in full compliance with the laws of the State of Arkansas, particularly Title 14, Chapter 164, Subchapter 2 of the Arkansas Code of 1987 Annotated (the "Act"), and pursuant to an Order of the Issuer, which authorized the execution and delivery of the Indenture. The Bonds and the interest thereon do not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation.

The Bonds are not general obligations of the Issuer but are special obligations payable solely from revenues derived from the Lease Agreement. The Lease Agreement provide for lease payments by the Company in amounts sufficient to provide for the payment of the principal of and interest on the Bonds as due and payable. Provision has been made in the Lease Agreement for such payments to be paid directly to the Trustee and deposited in a special account of the Issuer designated "Taxable Industrial Development Revenue Bond Fund - Glatfelter Advanced Materials N.A., LLC Project," and such payments have been duly assigned to the Trustee for that purpose. All the rights and interest of the Issuer in and to the Lease Agreement (except for certain rights specified in the Indenture) have been assigned under the Indenture to the Trustee to secure the payment of the principal of and interest on the Bonds. In addition, the payment of the principal and interest has been unconditionally guaranteed by the Company pursuant to a Guaranty Agreement dated as of May 1, 2016, entered into between the Company and the Trustee.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in and defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of this Bond may be declared and may become due and payable before the stated maturity thereof, together with accrued interest thereon.

Modifications or alterations of the Indenture, or of any indenture supplemental thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

The Bonds are subject to redemption prior to maturity at the option of the Issuer, to be exercised solely as directed by the Company, in whole or in part at any time (and if in part, by lot or in such other

manner as may be determined by the Trustee to be fair and equitable), at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date.

In the event any of the Bonds or portions thereof (which shall be \$100,000 or any integral multiple of \$5,000 in excess of \$100,000) are called for redemption, notice thereof shall be given by the Trustee by registered or certified mail to the registered owner of each such Bond addressed to such registered owner at his registered address, and placed in the mails not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bond with respect to which no such failure or defect has occurred. Each notice shall identify the Bonds or portions thereof being called, and the date on which they shall be presented for payment. After the date specified in such call, the Bond or Bonds so called will cease to bear interest provided funds sufficient for their redemption have been deposited with the Trustee, and, except for the purpose of payment, shall no longer be protected by the Indenture and shall not be deemed to be outstanding under the provisions of the Indenture.

With respect to notice of redemption of the Bonds, unless moneys sufficient to pay the principal of and interest on the Bonds to be redeemed shall have been received by the Trustee prior to the giving of such notice, such notice shall state that said redemption shall be conditional upon the receipt of such moneys by the Trustee on or prior to the date fixed for such redemption. If such moneys shall not have been so received, such notice shall be of no force and effect, the Issuer shall not redeem such Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

This Bond may be transferred on the books of registration kept by the Trustee by the registered owner or by his duly authorized attorney upon surrender hereof, together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney.

The Bonds are issuable as registered Bonds without coupons in denominations of \$100,000 or any integral multiple of \$5,000 in excess of \$100,000. Subject to the limitations and upon payment of the charges provided in the Indenture, Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations.

This Bond is issued with the intent that the laws of the State of Arkansas will govern its construction.

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 Issuer, does not exceed any constitutional or statutory limitation; and that the above referred to revenues pledged to the payment of the principal of 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 Indenture until the Certificate of Authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the City of Fort Smith, Arkansas has caused this Bond to be executed by its Mayor and City Clerk, thereunto duly authorized (by their manual or facsimile signatures), and its corporate seal to be affixed or imprinted, all as of the date of this Bond shown above.

CITY OF FORT SMITH, ARKANSAS

By: _____
Mayor

ATTEST:

City Clerk

(SEAL)

(Form of Certificate of Authentication)

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in and issued under the provisions of the within mentioned Indenture.

Date of registration and authentication: _____

REGIONS BANK
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 _____ ("Transferee") 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 firm of the New York Stock Exchange or a commercial bank or a trust company.

EXHIBIT B

Form of Bond After Completion Date

No. R- _____

\$ _____

UNITED STATES OF AMERICA
STATE OF ARKANSAS
CITY OF FORT SMITH, ARKANSAS
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BOND
(GLATFELTER ADVANCED MATERIALS N.A., LLC PROJECT)
SERIES 2016

Date of Bond: May _____, 2016

Maturity Date: May 1, 2031

Interest Rate: 5% per annum

Registered Owner: _____

Principal Amount: _____ DOLLARS

KNOW ALL MEN BY THESE PRESENTS:

That the City of Fort Smith, Arkansas, a municipality organized and existing under the laws of the State of Arkansas (the "Issuer"), for value received, promises to pay to the registered owner shown above, or registered assigns, but solely from the source and in the manner hereinafter set forth, the principal amount shown above and in like manner to pay interest on said amount until payment of such principal amount has been made or duly provided for, at the rate per annum shown above, semiannually on May 1 and November 1 of each year, from the May 1 or November 1 next preceding the date on which this Bond is authenticated unless this Bond is authenticated on an interest payment date, in which case it shall bear interest from such date, or unless this Bond is authenticated during the period from the Record Date (as hereinafter defined) 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 of this Bond interest is in default hereon, in which case it shall bear interest from the date to which interest has been paid, except as the provisions hereinafter set forth with respect to redemption of this Bond prior to maturity may become applicable hereto. The principal of this Bond is payable in lawful money of the United States of America upon the presentation and surrender hereof at the principal corporate trust office of Regions Bank, Little Rock, Arkansas, or its successor or successors, as Trustee (the "Trustee"), and interest on this Bond is payable in like money to the registered owner hereof by check or draft drawn upon the Trustee and mailed or, in certain circumstances described in the Indenture, by wire transfer to the person in whose name this Bond is registered at the close of business on the fifteenth day of the calendar month next preceding that in which such interest payment shall fall (the "Record Date"), at his address as it appears on the bond registration books of the Issuer kept by the Trustee.

This Bond is one of a series of Bonds in the aggregate principal amount of \$_____ (the "Bonds"), issued for the purpose of financing the cost of acquiring, constructing and equipping an industrial project within the boundaries of the Issuer (the "Project"), for use by Glatfelter Advanced Materials N.A., LLC, a Delaware limited liability company (the "Company"), and paying the expenses of issuing the Bonds. The Bonds are all issued under and are all equally and ratably secured and entitled to the protection given by a Trust Indenture dated as of May 1, 2016 (the "Indenture"), duly executed and delivered by the Issuer to the Trustee. The Indenture provides that the Issuer may hereafter issue Additional Bonds from time to time under certain terms and conditions contained in the Indenture and, if issued, such Additional Bonds will be equally and ratably secured by and entitled to the protection of the Indenture. Reference is hereby made to the Indenture and all indentures supplemental thereto for the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer, the Trustee and the registered owners of the Bonds, and the terms upon which the Bonds are issued and secured. The terms and conditions of the financing of the Project, the use of the proceeds of the Bonds by the Company for such purpose, and the payment of certain amounts thereunder, are contained a Lease Agreement dated as of May 1, 2016 (the "Lease Agreement"), by and between the Issuer and the Company.

The Bonds are issued pursuant to and in full compliance with the laws of the State of Arkansas, particularly Title 14, Chapter 164, Subchapter 2 of the Arkansas Code of 1987 Annotated (the "Act"), and pursuant to an Order of the Issuer, which authorized the execution and delivery of the Indenture. The Bonds and the interest thereon do not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation.

The Bonds are not general obligations of the Issuer but are special obligations payable solely from revenues derived from the Lease Agreement. The Lease Agreement provide for lease payments by the Company in amounts sufficient to provide for the payment of the principal of and interest on the Bonds as due and payable. Provision has been made in the Lease Agreement for such payments to be paid directly to the Trustee and deposited in a special account of the Issuer designated "Taxable Industrial Development Revenue Bond Fund - Glatfelter Advanced Materials N.A., LLC Project," and such payments have been duly assigned to the Trustee for that purpose. All the rights and interest of the Issuer in and to the Lease Agreement (except for certain rights specified in the Indenture) have been assigned under the Indenture to the Trustee to secure the payment of the principal of and interest on the Bonds. In addition, the payment of the principal and interest has been unconditionally guaranteed by the Company pursuant to a Guaranty Agreement dated as of May 1, 2016, entered into between the Company and the Trustee.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in and defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of this Bond may be declared and may become due and payable before the stated maturity thereof, together with accrued interest thereon.

Modifications or alterations of the Indenture, or of any indenture supplemental thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

The Bonds are subject to redemption prior to maturity at the option of the Issuer, to be exercised solely as directed by the Company, in whole or in part at any time (and if in part, by lot or in such other manner as may be determined by the Trustee to be fair and equitable), at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date.

In the event any of the Bonds or portions thereof (which shall be \$100,000 or any integral multiple of \$5,000 in excess of \$100,000) are called for redemption, notice thereof shall be given by the Trustee by registered or certified mail to the registered owner of each such Bond addressed to such registered owner at his registered address, and placed in the mails not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bond with respect to which no such failure or defect has occurred. Each notice shall identify the Bonds or portions thereof being called, and the date on which they shall be presented for payment. After the date specified in such call, the Bond or Bonds so called will cease to bear interest provided funds sufficient for their redemption have been deposited with the Trustee, and, except for the purpose of payment, shall no longer be protected by the Indenture and shall not be deemed to be outstanding under the provisions of the Indenture.

With respect to notice of redemption of the Bonds, unless moneys sufficient to pay the principal of and interest on the Bonds to be redeemed shall have been received by the Trustee prior to the giving of such notice, such notice shall state that said redemption shall be conditional upon the receipt of such moneys by the Trustee on or prior to the date fixed for such redemption. If such moneys shall not have been so received, such notice shall be of no force and effect, the Issuer shall not redeem such Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

This Bond may be transferred on the books of registration kept by the Trustee by the registered owner or by his duly authorized attorney upon surrender hereof, together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney.

The Bonds are issuable as registered Bonds without coupons in denominations of \$100,000 each, or any integral multiple of \$5,000 in excess of \$100,000. Subject to the limitations and upon payment of the charges provided in the Indenture, Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations.

This Bond is issued with the intent that the laws of the State of Arkansas will govern its construction.

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 Issuer, does not exceed any constitutional or statutory limitation; and that the above referred to revenues pledged to the payment of the principal of 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 Indenture until the Certificate of Authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the City of Fort Smith, Arkansas has caused this Bond to be executed by its Mayor and City Clerk, thereunto duly authorized (by their manual or facsimile signatures), and its corporate seal to be affixed or imprinted, all as of the date of this Bond shown above.

CITY OF FORT SMITH, ARKANSAS

By: _____
Mayor

ATTEST:

City Clerk

(SEAL)

(Form of Certificate of Authentication)

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in and issued under the provisions of the within mentioned Indenture.

Date of registration and authentication: _____

REGIONS BANK
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 _____ ("Transferee") 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 firm of the New York Stock Exchange or a commercial bank or a trust company.

EXHIBIT C

Description of Project Site

The following described real estate situated in Sebastian County, Arkansas, to-wit:

Part of the Southeast Quarter of the Northwest Quarter, part of the Southwest Quarter of the Northeast Quarter, part of the Northwest Quarter of the Southeast Quarter; part of the Northeast Quarter of the Southwest Quarter, part of the Northwest Quarter of the Southwest Quarter, and part of the Southwest Quarter of the Northwest Quarter, all in Section 8, Township 7 North, Range 31 West, Fort Smith, Sebastian County, Arkansas, being more particularly described as follows:

Commencing at the Northwest Corner of said Southeast Quarter of the Northwest Quarter; Thence S86°47'18"E, 213.99 feet along the North Line of said Southeast Quarter of the Northwest Quarter, Thence S03°12'42"W, 72.92 feet to the Point of Beginning; Thence S86°49'41"E, 308.90 feet to the southwest corner of Lot 1, Mars Petcare at Chaffee Crossing; Thence continuing S86°49'41"E, 1230.08 feet along the south line of said Lot 1 to the southeast corner of said Lot 1; Thence continuing S86°49'41"E, 97.22 feet; Thence S02°36'14"W, 188.11 feet; Thence S40°11'50"W, 1463.50 feet; Thence S49°48'10"E, 814.44 feet to a point on the westerly right of way of the relocated Highway 71; Thence S44°33'17"W, 337.13 feet along said westerly right of way; Thence S39°07'26"W, 533.84 feet along said right of way; Thence S88°06'21"W, 185.43 feet along said right of way; Thence N74°47'45"W, 455.62 feet along said right of way; Thence S30°50'16"W, 43.78 feet along said right of way to a point on the northerly right of way of Custer Boulevard; Thence 315.17 feet along the arc of a curve to the right in said northerly right of way, said curve having a radius of 1410.00 feet and being subtended by a chord having a bearing of N52°39'49"W and a distance of 314.52 feet; Thence N46°15'36"W, 779.44 feet along said right of way; Thence 206.94 feet along the arc of a curve to the left in said right of way, said curve having a radius of 1740.00 feet and being subtended by a chord having a bearing of N49°40'02"W and a distance of 206.81 feet; Thence 73.22 feet along the arc of a curve to the right in said right of way, said curve having a radius of 50.00 feet and being subtended by a chord having a bearing of N11°07'29"W and a distance of 66.85 feet to a point on the easterly right of way of Chad Colley Boulevard; Thence N30°49'29"E, 1365.98 feet along said easterly right of way; Thence 345.80 feet along the arc of a curve to the left in said right of way, said curve having a radius of 3080.00 feet and being subtended by a chord having a bearing of N27°36'30"E and a distance of 345.62 feet; Thence N24°23'31"E, 101.23 feet along said right of way to the Point of Beginning, containing 90.0 acres, more or less.

EXHIBIT D

Form of Requisition

REQUISITION NO. _____

DATE: _____

Regions Bank, as Trustee
Little Rock, Arkansas

Re: City of Fort Smith, Arkansas Taxable Industrial Development Revenue
Bond Construction Fund - Glatfelter Advanced Materials N.A., LLC
Project

You are requested and authorized to make payment from the above account to:

for: _____

in the amount of \$ _____.

I hereby certify on behalf of Glatfelter Advanced Materials N.A., LLC (the "Company") that:

1. The disbursement is for a proper item of Project Costs.
2. The disbursement does not render inaccurate any of the representations with respect thereto contained in the Lease Agreement dated as of May 1, 2016, between City of Fort Smith, Arkansas and the Company.

CERTIFIED this ____ day of _____, _____.

GLATFELTER ADVANCED MATERIALS
N.A., LLC

By _____
Company Representative

DRAFT

Friday, Eldredge & Clark

AGREEMENT FOR PAYMENTS IN LIEU OF TAXES

City of Fort Smith, Arkansas
City Offices
623 Garrison Avenue
Fort Smith, Arkansas 72901
Attention: Mayor

Glatfelter Advanced Materials N.A., LLC, a Delaware limited liability company (the "Company"), has requested the City of Fort Smith, Arkansas (the "City") to issue not to exceed \$75,000,000 in principal amount of its Taxable Industrial Development Revenue Bonds (Glatfelter Advanced Materials N.A., LLC Project), Series 2016 (the "Bonds"), under the laws of the State of Arkansas, including particularly Title 14, Chapter 164, Subchapter 2 of the Arkansas Code of 1987 Annotated (the "Act"), for the purpose of assisting the Company in financing certain industrial facilities located within the boundaries of the City, generally consisting of the acquisition and renovation of an existing facility located at 8201 Chad Colley Blvd., Fort Smith, Arkansas 72902, together with the acquisition and installation of various machinery, equipment and other personal property, to be used for the manufacture of paper products (the "Project"), and paying the expenses of issuing the Bonds.

The Project will be leased by the City to the Company under a Lease Agreement dated as of May 1, 2016 (the "Lease Agreement"). The Lease Agreement will have a stated term expiring on May 1, 2031, with the ownership of the Project reverting to the Company at the conclusion of the Lease Agreement upon the happening of certain events which will be more fully described in the Lease Agreement. The properties leased under the Lease Agreement, including, without limitation, all replacements and substitutions of the Project which become the property of the Issuer pursuant to the provisions of this Lease Agreement, are herein referred to as the "Leased Premises."

The Lease Agreement provides that the Company is obligated to pay all taxes and assessments levied and assessed on the Leased Premises during the term of the Lease Agreement. The Company and the City understand and agree that, notwithstanding such provision in the Lease Agreement, under Article 16, Section 5 of the Constitution of the State of Arkansas, as interpreted by the Arkansas Supreme Court in *Wayland v. Snapp*, 232 Ark. 57, 334 S.W.2d 633 (1960), and *Pulaski County v. Jacuzzi Bros. Div.*, 332 Ark. 91, 964 S.W.2d 788 (1998), the Leased Premises will be exempt from ad valorem taxes because they will be owned by the City and used for a public purpose within the meaning of the applicable Constitutional and statutory provisions affording the exemption. Thus, the Company and the City agree that the Company, as lessee of the Project, will, in fact, have no ad valorem taxes to pay under the provisions of the Lease Agreement.

To induce the City to proceed with the issuance of the Bonds, which will inure to the benefit of the Company, and for other valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Company agrees with the City as follows:

1. Payments. The Company will make annual payments in lieu of taxes to the City or, at the option of the City, to the Treasurer of Sebastian County, Arkansas (the "County"), annually at the times regular ad valorem taxes are payable, as follows:

- (a) During the stated term of the Lease Agreement, an amount equal to thirty-five percent (35%) of the ad valorem taxes which would be payable if the property comprising the Leased Premises were subject to ad valorem taxes.
- (b) Thereafter, an amount equal to one hundred percent (100%) of the ad valorem taxes which would be payable if the property comprising the Leased Premises were subject to ad valorem taxes.

2. Assessed Valuation. Representatives of the Company will meet annually with the Assessor of the County and determine the assessed valuation of the properties comprising the Project. The determination shall be made by mutual agreement if possible, and if not shall be made by the Assessor as though the Project were privately owned. The amount to be paid each year shall be determined by applying the millage that would be applicable to the Project for that year if the Project were privately owned. The Company shall be entitled to any refund occasioned by overpayment or a reduction in millage which requires a refund by the taxing authorities.

3. Distribution. Each payment made pursuant to Section 1 hereof shall be distributed to the political subdivisions which would have received ad valorem tax payments on the Leased Premises had the Leased Premises not been exempt from ad valorem taxes in accordance with applicable law.

4. Payments Limited. The payments to be made by the Company under Section 1 hereof are intended to be in lieu of all ad valorem taxes that would have to be paid on the Leased Premises to the State of Arkansas, the City, the County, Greenwood School District No. 25 of Sebastian County, Arkansas (the "District"), and/or other present and future political subdivisions of the State of Arkansas if the Leased Premises were not exempt from ad valorem taxes under the provisions of Article 16, Section 5 of the Constitution of the State of Arkansas as interpreted by the Supreme Court of the State of Arkansas in *Wayland v. Snapp*, 232 Ark. 57, 334 S.W.2d 633 (1960), and *Pulaski County v. Jacuzzi Bros. Div.*, 332 Ark. 91, 964 S.W.2d 788 (1998). Therefore, such payments shall not as to any year be in an amount greater than would be payable for such year in ad valorem taxes, in the aggregate, if the Leased Premises were not exempt from ad valorem taxes.

5. Change of Law or Application. If by reason of a change in the Constitution, a change by the Supreme Court of the State of Arkansas in its interpretation of the Constitution, or otherwise ad valorem taxes are no longer imposed on property of the type comprising the Leased Premises, no payments shall be due by the Company hereunder from and after the effective date of such change. Furthermore, if by reason of a change in the Constitution, a change by the Supreme Court of the State of Arkansas in its interpretation of the Constitution, or otherwise the Company is required to pay any real or personal property ad valorem tax which the payments specified herein are intended to be in lieu of, the Company may deduct the aggregate of any such payments made by it from the amount herein agreed to be paid in lieu of taxes and need only pay the difference, if any, to the City. It is understood that such deduction shall include payments made by the Company for sales taxes, use taxes, or any other

taxes, excises or imposts of any kind or character which have been imposed by the State of Arkansas, the City, the County, the District, and/or any other taxing authority in lieu of and as a substitute for ad valorem taxes.

6. Parties to Support Agreement. The City and the Company agree to use their best efforts to sustain the validity and enforceability of this Agreement.

7. Termination. This Agreement shall terminate and be of no further force and effect from and after the date that the Lease Agreement shall terminate for any purpose other than an uncured default on the part of the Company. If such termination shall be at a point constituting a portion of a tax year, the Company shall pay for the year in which termination occurred that portion of the specified annual payment that the number of days in such tax year that the Company was Lessee prior to the termination bears to 365 or 366 days, as appropriate.

8. Successors and Assigns. This Agreement shall be binding upon the successors and assigns of the Company. This Agreement may be assigned by the Company to a corporation, limited liability company, or other entity organized under the laws of the United States of America, the District of Columbia or one of the states of the United States qualified to do business in the State of Arkansas, but no assignment shall be effective to relieve the Company of any of its obligations hereunder unless the Company simultaneously assigns the Lease Agreement and under the terms thereof is thereby relieved of further obligations thereunder.

9. Counterparts. This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

10. Governing Law. This Agreement shall be governed by, and interpreted in accordance with, the laws of the State of Arkansas.

When executed, this instrument shall constitute a valid and binding contract between the Company and the City.

[EXECUTION PAGE FOLLOWS]

DATED as of May 1, 2016.

GLATFELTER ADVANCED MATERIALS
N.A., LLC

By: _____

Title: _____

ACCEPTED:

CITY OF FORT SMITH, ARKANSAS

By: _____
Mayor

2

ORDINANCE NO. _____

AN ORDINANCE ORDERING THE OWNERS OF A CERTAIN DILAPIDATED AND SUBSTANDARD STRUCTURE TO DEMOLISH SAME, AUTHORIZING THE CITY ADMINISTRATOR TO CAUSE THE DEMOLITION OF SUCH STRUCTURE TO OCCUR, AND FOR OTHER PURPOSES.

BE IT ORDAINED AND ENACTED BY THE BOARD OF DIRECTORS OF THE CITY OF FORT SMITH, ARKANSAS, that:

SECTION 1: It is hereby determined by the Board of Directors that the hereinafter described tract of real property, and the improvements located there, are dilapidated, unsafe and otherwise detrimental to the public health and constitute structural, fire and health hazards:

Street Address: **1916 NORTH J STREET & REAR STRUCTURE - LOTS 3 & 4, BLOCK 10; HOME**

ADDITION

SECTION 2: The owners of the tract of real property described in Section 1 are hereby ordered to remove or raze the improvements located on the said tract of property and to remedy the unsightly and unsanitary conditions otherwise located on said tract of real property within thirty (30) days from the date of this ordinance.

SECTION 3: With reference to any tract identified in Section 1 as to which compliance with the direction of Section 2 has not occurred within thirty (30) calendar days from the date of passage of this ordinance, the City Administrator is hereby authorized to execute a contract, based on the bid(s) accepted on the date of this action or at a later date, for the removal or razing of the described improvements on the tract of real property.

SECTION 4: The provisions of this ordinance are hereby declared to be severable to the extent that a decision by any court of competent jurisdiction determining that any portion of this ordinance or any application thereof is unconstitutional, invalid or otherwise illegal shall not affect the constitutionality, validity or legality of the other provisions and/or applications of the ordinance.

SECTION 5: Emergency Clause. It is hereby found and declared by the Board of Directors that the dilapidated, unsanitary condition of the tracts of real property and improvements described herein constitute an immediate menace to the health, welfare and safety of the citizens of the City so that an emergency is hereby

declared and that this ordinance shall be effective from and after the date of its passage.

This Ordinance adopted this _____ day of _____ 2016.

APPROVED:

Mayor

ATTEST:

City Clerk

Approved as to form:



City Attorney
Publish 1 Time



To: Jeff Dingman, Acting City Administrator
From: Jimmie Deer, Building Official
Date: March 28, 2016
Subject: Unsafe Structures

The following structures have been damaged and/or deteriorated to a condition that has caused the Building Safety Division to post them as unsafe structures. The property and the improvements, thereon are now, and for several months prior hereto, have been dilapidated, unsafe, unsightly, unsanitary, obnoxious and detrimental to the public welfare and are found to be in violation of the Ordinances of the City of Fort Smith.

The property descriptions and owner are:

1916 N. J Street and Rear structure– Lots 3&4, Block 10; Home Addition

Owners: Truman Lincks & wife
C/O Tom L. Lincks
6701 Highway 41
Cecil, AR 72930-9223

The owners of these properties have been notified according to the procedures outlined in Section 16-88 of the Fort Smith Municipal Code. The property owners were notified by certified mail and posting the same letters on the buildings. The letter or notice contains information concerning the appeal procedure outlined in Section 16-91 of the Fort Smith Municipal Code. The Code specifies that they must file any appeals within fifteen (15) days from the date of service. The owner(s) of the subject properties did not file an appeal within the fifteen (15) day period nor have they requested an appeal hearing since that dead line has passed.

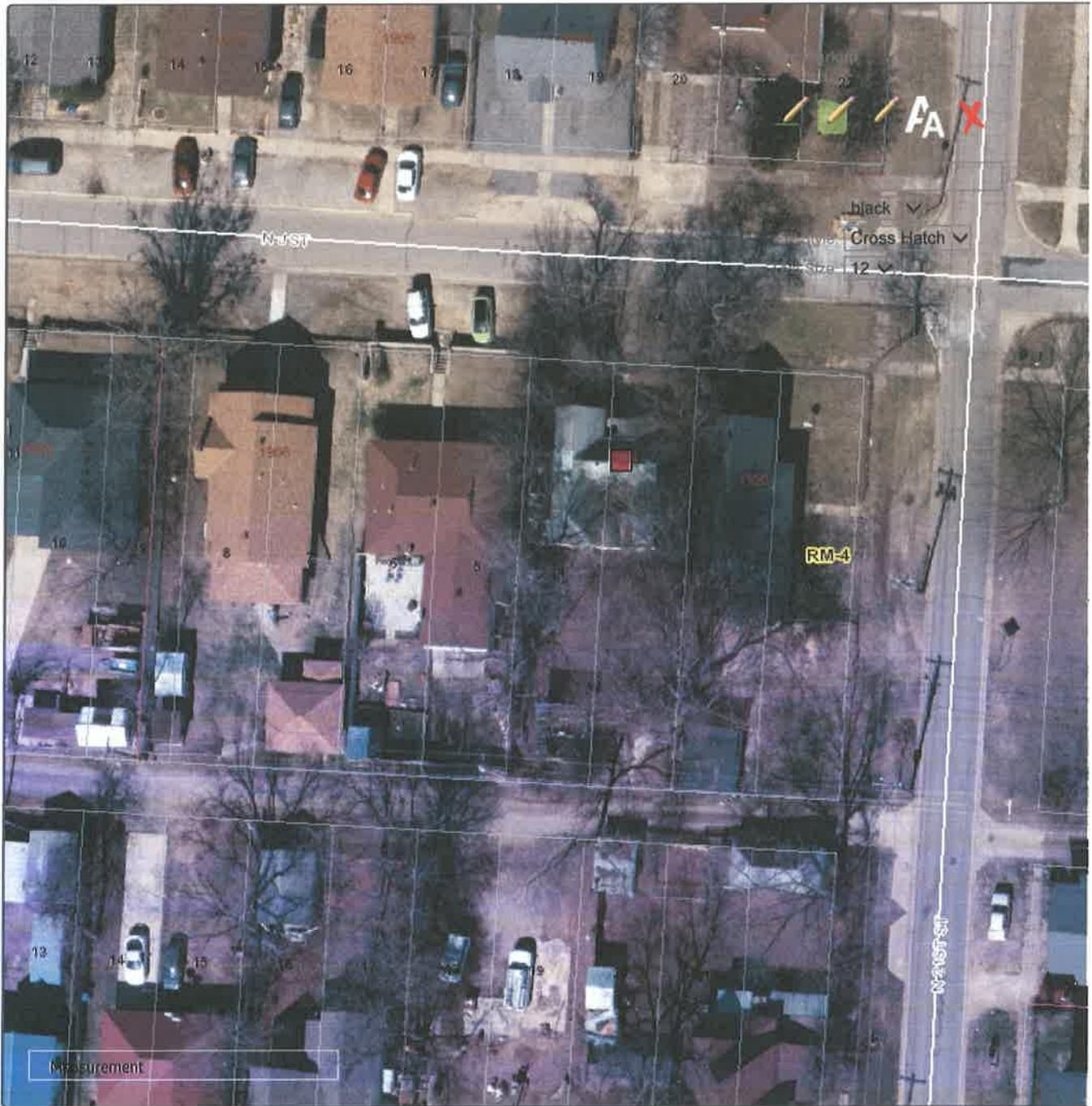
1916 N. J Street & Rear Structure – The structure had no water usage since 2015. Due to the condition of the structure and no action taken by the owners unsafe notices were posted on the property and letters sent out by certified mail on February 17, 2016 and the letters were unclaimed by the owners. I spoke with the owner on February 22, 2016 and he stated for City to continue and he would try and get any belongings out of the structure within the time frame. As of today the owners have taken no action to obtain permits or demolish the structure.

Therefore, I am recommending this matter be referred to the Board of Directors for their review. An Ordinance will be prepared that will order the property owners to demolish or repair the buildings within thirty (30) calendar days and if such work has not occurred, the staff will be authorized to have the structures removed.

This property clean up action satisfies the Future Fort Smith Comprehensive Plan Goal HN-1 to “*preserve, protect, and revitalize Fort Smith’s neighborhoods*”.

Please contact me if you have any questions or if we need to discuss this matter in more detail.

 **Public GIS Viewer**
City of Fort Smith GIS













RESOLUTION AUTHORIZING AMENDMENT NUMBER ONE TO THE AGREEMENT WITH MAHG ARCHITECTURE, INC., FOR ARCHITECTURAL SERVICES FOR THE RENOVATION OF THE LIBRARY ANNEX BUILDING FOR USE AS OFFICE SPACE

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF FORT SMITH, ARKANSAS, that:

SECTION 1: Amendment Number One to the Agreement with MAHG Architecture, Inc., for architectural services for the renovation of the library annex building for use as office space, Project Number 15-11, is hereby approved.

SECTION 2: The Mayor is hereby authorized to execute Amendment Number One in the amount of \$9,956.79 for architectural services, adjusting the Agreement to \$108,936.79.

This Resolution adopted this _____ day of April 2016.

APPROVED:

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



npr



INTER-OFFICE MEMO

TO: Jeff Dingman, Acting City Administrator

DATE: March 29, 2016

FROM: Lance McAvoy, Deputy Director of Operations *LM*

SUBJECT: Renovation of Library Annex Building for
Use as Office Space, Project 15-11

Resolution R-175-15 passed on August 18, 2015, was the approval of the Agreement for Architectural Services with MAHG Architecture, Inc., for the Renovation of the Library Annex Building for Use as Office Space, Project Number 15-11 in the amount of \$98,980. An amendment to the agreement is required to cover \$9,956.79 in additional fees associated with MAHG's design and renovation of the Library Annex Building.

The original agreement for services was written using the standard American Institute of Architects (AIA) Document B102 (2007), Standard Form of Agreement Between Owner and Architect. In Article 6: Compensation, the city agreed the fees would be ten and one-half percent (10.5%) of the cost of construction, and "9% of the cost of purchase and installation for mobile walls, workstations, and furniture.

The original estimate of fees associated with cost of purchase and installation for workstations, and furniture was \$68,956. Currently the fees are \$55,176.79. This is a savings of \$13,779.21.

After entering into the agreement, four (4) items which were not included in MAHG's initial estimate of the design and construction occurred which increased the overall construction cost.

1. Certain secure areas required a fire rated safety corridor which separated work areas and allowed the building and renovation to come to code.
2. Originally the renovation area contained approximately 260 old style fluorescent lights. The number of light fixtures will be cut in half and replaced with energy efficient lighting. We are also working with OG&E to see if this project will qualify for an energy efficiency upgrade rebate that may help offset the cost of the replacement.
3. Currently there is no existing bathroom on the first floor. After an initial review, it was decided to add handicap accessible restroom on the first floor for each gender. This would eliminate the need for a person who worked on the first floor to have to travel up or down a floor to go to the restroom. It made financial sense to do this as part of this project as the second floor restrooms are being renovated to make them handicap accessible.

4. The original estimate was based on providing a data/communications outlet at each workstation and 3 data/communications outlets in each office. During a review of the construction documents with the ITS Department, ITS requested a second data cable to each workstation. This would alleviate the need to pull additional cable in the future to take care of new technology. This essentially doubled the number of data cables in the project.

The four (4) items described above increased the scope of the project beyond the scope that was contained in the original estimate, however, these items anticipate future needs and add additional value to the project. The original estimate of fees associated with cost of construction was \$30,024. Currently the fees are \$53,760. This is an additional fee of \$23,736.

The above associated fees adds an additional \$9,956.79 for architectural services, adjusting the Agreement to \$108,936.79 to MAHG.

The attached Resolution authorizes Amendment Number One to the Agreement approving the additional services. Funding for the additional work is available from the 2014 sales and use tax bonds.

Should you or members of the Board have any questions or desire additional information, please let me know.

attachment

**Comprehensive Plan Goal Supported
By Wastewater Projects**

- Ensure adequate, well-maintained infrastructure, public safety, and public facilities for all development and prevent development ahead of infrastructure and service provision. (FLU-1.4)

- Continue to ensure that customers within Fort Smith have access to reliable water, sewer, drainage, solid waste services by reducing or eliminating deficiencies and gaps in infrastructure systems (TI-5.1)

- Implement an infrastructure Asset Management Program as a tool for management of the utility department's water and sewer systems and to track, manage, and schedule necessary facility upgrades and improvements. (TI-5.1.1)

- Ensure that utility and infrastructure systems can meet the city's long-term needs. (TI-5.2)

- Adopt criteria for prioritizing funding to infrastructure-related capital improvement projects. (TI-5.2.4)

- Provide new facilities in a manner that protects investments in existing facilities and promotes orderly growth. (PFS-4.2)

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE OFFERING OF WATER AND SEWER REVENUE BONDS TO REFUND ALL OR A PORTION OF THE CITY'S OUTSTANDING WATER AND SEWER REVENUE BONDS, SERIES 2007 AND WATER AND SEWER REFUNDING AND CONSTRUCTION REVENUE BONDS, SERIES 2008; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, the City of Fort Smith, Arkansas (the "City") owns and operates a water and sewer system (the "System") and has outstanding its Water and Sewer Revenue Bonds, Series 2007 (the "Series 2007 Bonds") and Water and Sewer Refunding and Construction Revenue Bonds, Series 2008 (the "Series 2008 Bonds") that are payable from and secured by revenues of the System; and

WHEREAS, in order to achieve debt service savings, it is in the best interest of the City to refund all of the Series 2007 Bonds and the non-refunding portion of the Series 2008 Bonds (the "Refunding"); and

WHEREAS, the Refunding can be accomplished by the issuance of the City's Water and Sewer Refunding Revenue Bonds, Series 2016 (the "Bonds"); and

WHEREAS, pursuant to the authority granted in the Arkansas statutes authorizing the issuance of the Bonds, including particularly A. C. A. §16-164-409, the City has determined to sell the Bonds on a negotiated basis to Stephens Inc. and Raymond James & Associates, Inc. as underwriters (the "Underwriters"), with Stephens Inc. serving as book running manager; and

WHEREAS, the Bonds and associated management fees shall be allocated between the Underwriters as follows: Stephens Inc. - 80% of Bonds and management fees; and Raymond James & Associates, Inc. - 20% of Bonds and management fees;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the City of Fort Smith, Arkansas:

Section 1. The offering of the Bonds by the Underwriters as set forth herein is hereby authorized in order to achieve an acceptable level of savings for the City.

Section 2. The officials of the City are authorized to cooperate with the Underwriters, and Friday, Eldredge & Clark, LLP, as Bond Counsel, in the preparation of a preliminary official statement and bond ordinance and are further authorized to execute such writings and take such actions as may be appropriate to the offering of the Bonds.

Section 3. As the issuance of the Bonds is, under Arkansas law, subject to the approval of the Board of Directors, by ordinance, any sale of the Bonds will be subject to the approval of the Board of Directors.

This Resolution passed this _____ day of _____, 2016.

APPROVED:

ATTEST:

By: _____
Mayor

City Clerk

(SEAL)

CERTIFICATE

The undersigned, City Clerk of the City of Fort Smith, Arkansas (the "City"), hereby certifies that the foregoing is a true and compared copy of a resolution passed at a regular session of the Board of Directors of the City, held at the regular meeting place of the Board at _____ o'clock p.m. on the _____ day of _____, 2016.

City Clerk

(SEAL)

Memo



To: Honorable Mayor & Members of the Board of Directors
From: Jeff Dingman, Acting City Administrator
Date: 4/1/2016
Re: Resolution Authorizing Series 2016 Water & Sewer Refunding Bonds

Presented for the Board's consideration at its April 5, 2016 regular meeting is a Resolution authorizing the offering of Water and Sewer Revenue Bonds to refund outstanding bonds. The City's bond underwriters have identified an opportunity to realize approximately \$4.79 million in debt service savings, to the benefit of the Water & Sewer Fund.

The Resolution authorizes the advance refunding of outstanding Water and Sewer Revenue Bonds, Series 2007; and a partial advance refunding of outstanding Water and Sewer Refunding and Construction Revenue Bonds, Series 2008. The 2007 Series bonds represent \$14.78 million in outstanding debt principal; and the Series 2008 bonds that can be refunded represent \$41.06 million in outstanding debt principal, for a total of \$55.84 million to be refinanced.

The Series 2008 bonds (current outstanding balance of about \$110 million) originally provided for both refunding of previous debt and funds for new projects. The proposed action only refunds a portion of the Series 2008 bonds (\$41.06 million of the outstanding \$110 million), because only the portion of the Series 2008 bonds that were issued for new projects at the time are eligible for refunding.

This current refunding will be accomplished by the issuance of Water and Sewer Refunding Revenue Bonds, Series 2016 to replace the eligible outstanding bonds at a significant savings. The current market conditions and available interest rates will allow refunding the \$88.37 million in outstanding debt service (total, including all principal & interest payments) with new debt service in the amount of approximately \$82.51 million. After negative arbitrage considerations, the net present value benefit of this refunding is approximately \$4.79 million over the term of the issue.

The preliminary estimate of the gross debt service comparison for the Series 2007 bonds and the eligible Series 2008 bonds is attached for your information.

Similar to our most recent bond issue, the proposed Resolution authorizes Stephens, Inc. to underwrite 80% of the bonds and Raymond James & Associates to underwrite 20% of the bonds. As this is a refunding of existing debt at a better interest rate and keeping the original timeline, this action will reduce the City's debt service obligations and have a positive impact to the City's overall bond rating.

Approval of the proposed Resolution authorizes City officials to work with the bond counsel and underwriters to prepare the Preliminary Official Statement and a bond ordinance for consideration by the Board at an upcoming regular meeting.

I understand that the underwriters plan to be in attendance at the April 5 meeting to answer questions the Board may have regarding this proposed action. In the meantime, please contact me at your convenience if you have general questions regarding this agenda item.

City of Fort Smith, AR

Water and Sewer Revenue Refunding Bonds
Series 2016 (Refunding Series 2007)



Gross Debt Service Comparison

Date	Principal	Coupon	Interest	New D/S	Old D/S	Savings
10/01/2016	75,000.00	2.000%	115,616.67	190,616.67	315,161.46	124,544.79
10/01/2017	1,070,000.00	2.000%	692,200.00	1,762,200.00	1,886,968.76	124,768.76
10/01/2018	1,095,000.00	4.000%	670,800.00	1,765,800.00	1,891,368.76	125,568.76
10/01/2019	1,135,000.00	5.000%	627,000.00	1,762,000.00	1,888,768.76	126,768.76
10/01/2020	1,195,000.00	5.000%	570,250.00	1,765,250.00	1,887,018.76	121,768.76
10/01/2021	1,255,000.00	5.000%	510,500.00	1,765,500.00	1,889,850.00	124,350.00
10/01/2022	1,315,000.00	5.000%	447,750.00	1,762,750.00	1,889,550.00	126,800.00
10/01/2023	1,380,000.00	5.000%	382,000.00	1,762,000.00	1,888,300.00	126,300.00
10/01/2024	1,455,000.00	5.000%	313,000.00	1,768,000.00	1,891,000.00	123,000.00
10/01/2025	1,525,000.00	5.000%	240,250.00	1,765,250.00	1,887,500.00	122,250.00
10/01/2026	1,600,000.00	5.000%	164,000.00	1,764,000.00	1,887,125.00	123,125.00
10/01/2027	1,680,000.00	5.000%	84,000.00	1,764,000.00	1,889,187.50	125,187.50
Total	\$14,780,000.00	-	\$4,817,366.67	\$19,597,366.67	\$21,091,799.00	\$1,494,432.33

PV Analysis Summary (Gross to Gross)

Gross PV Debt Service Savings	2,495,174.20
Transfers from Prior Issue Debt Service Fund	(1,180,322.92)
Contingency or Rounding Amount	1,242.66
Net Present Value Benefit	\$1,316,093.94
Net PV Benefit / \$16,990,000 Refunded Principal	7.746%
Net PV Benefit / \$14,780,000 Refunding Principal	8.905%

Refunding Bond Information

Refunding Dated Date	8/01/2016
Refunding Delivery Date	8/01/2016

Please be advised that there can be no assurance as to the future direction of interest rates. As such, the information provided is preliminary and subject to change.

3/31/2016 | 4:15 PM

Stephens Inc.

City of Fort Smith, AR

Water and Sewer Revenue Refunding Bonds
Series 2016 (Partial Refunding Series 2008)



Gross Debt Service Comparison

Date	Principal	Coupon	Interest	New D/S	Old D/S	Savings
10/01/2016	-	-	324,764.58	324,764.58	448,395.21	123,630.63
10/01/2017	475,000.00	2.000%	1,948,587.50	2,423,587.50	2,689,771.26	266,183.76
10/01/2018	485,000.00	4.000%	1,939,087.50	2,424,087.50	2,688,371.26	264,283.76
10/01/2019	505,000.00	5.000%	1,919,687.50	2,424,687.50	2,690,477.50	265,790.00
10/01/2020	1,370,000.00	5.000%	1,894,437.50	3,264,437.50	3,530,537.50	266,100.00
10/01/2021	1,435,000.00	5.000%	1,825,937.50	3,260,937.50	3,528,287.50	267,350.00
10/01/2022	1,510,000.00	5.000%	1,754,187.50	3,264,187.50	3,527,537.50	263,350.00
10/01/2023	1,590,000.00	5.000%	1,678,687.50	3,268,687.50	3,533,037.50	264,350.00
10/01/2024	2,655,000.00	5.000%	1,599,187.50	4,254,187.50	4,517,662.50	263,475.00
10/01/2025	2,790,000.00	5.000%	1,466,437.50	4,256,437.50	4,519,075.00	262,637.50
10/01/2026	2,970,000.00	5.000%	1,326,937.50	4,296,937.50	4,562,875.00	265,937.50
10/01/2027	3,120,000.00	5.000%	1,178,437.50	4,298,437.50	4,561,437.50	263,000.00
10/01/2028	4,010,000.00	5.000%	1,022,437.50	5,032,437.50	5,296,600.00	264,162.50
10/01/2029	4,210,000.00	5.000%	821,937.50	5,031,937.50	5,299,250.00	267,312.50
10/01/2030	4,420,000.00	5.000%	611,437.50	5,031,437.50	5,296,250.00	264,812.50
10/01/2031	4,640,000.00	5.000%	390,437.50	5,030,437.50	5,297,500.00	267,062.50
10/01/2032	4,875,000.00	3.250%	158,437.50	5,033,437.50	5,297,250.00	263,812.50
Total	\$41,060,000.00	-	\$21,861,064.58	\$62,921,064.58	\$67,284,315.23	\$4,363,250.65

PV Analysis Summary (Gross to Gross)

Gross PV Debt Service Savings	4,628,189.90
Transfers from Prior Issue Debt Service Fund	(1,154,290.42)
Contingency or Rounding Amount	3,640.93
Net Present Value Benefit	\$3,477,540.41
Net PV Benefit / \$43,260,000 Refunded Principal	8.039%
Net PV Benefit / \$41,060,000 Refunding Principal	8.469%

Refunding Bond Information

Refunding Dated Date	8/01/2016
Refunding Delivery Date	8/01/2016

Please be advised that there can be no assurance as to the future direction of interest rates. As such, the information provided is preliminary and subject to change.

3/31/2016 | 4:17 PM

Stephens Inc.

ORDINANCE NO. _____

AN ORDINANCE DECLARING AN EXCEPTIONAL SITUATION, WAIVING THE REQUIREMENT OF COMPETITIVE BIDDING AND AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH THE FORT SMITH HOUSING AUTHORITY FOR CERTAIN SERVICES FOR INHABITANTS OF THE CITY OF FORT SMITH

BE IT ORDAINED AND ENACTED BY THE BOARD OF DIRECTORS OF THE CITY OF FORT SMITH, ARKANSAS, THAT:

SECTION 1: It is hereby declared and determined by the Board of Directors that the agreement with the Fort Smith Housing Authority deals with providing services in an exceptional situation where competitive bidding procedures are not feasible so that such competitive bidding procedures are hereby waived with reference to such agreement.

SECTION 2: The Mayor is hereby authorized to execute, his signature being attested by the City Clerk, that certain agreement with the Fort Smith Housing Authority providing for the payment by the City to the Fort Smith Housing Authority up to a maximum of \$33,000.00 in accordance with the terms as specified in section 2 of the agreement during calendar year 2016 for services provided to the City and its inhabitants, which services include obtaining donations, seeking and securing grants funds, daily operations and oversight of the Riverview Hope Campus and the employment of a person in the position of Homeless Coordinator.

PASSED AND APPROVED this 5th day of April, 2016.

APPROVED:

Mayor

ATTEST:

APPROVED AS TO FORM



City Clerk

No Publication Required



Memorandum

To: Jeff Dingman, Acting City Administrator
From: Wally Bailey, Director of Development Services
Date: March 31, 2016
Subject: Homeless Coordinator Agreement

The Homeless Coordinator position was created as a result of the work of the Homelessness Task Force and the Board of Director's acceptance of the report with the approval of Resolution No. R-91-10 (*see attached*) which identified several priorities. Priority number 1 is to "*Strengthen the Old Fort Homeless Coalition with city involvement through a full-time paid staff person*".

The City of Fort Smith and the Fort Smith Housing Authority have been sharing the cost of the Homeless Coordinator position. The funding for the position is currently included in the FY 2016 budget.

The agreement is consistent with documents used between the City of Fort Smith and other non-profits such as the U.S. Marshals Museum, the Fort Smith Museum of History, and all outside agencies that receive funding from the City of Fort Smith.

Acceptance of the agreement satisfies Fort Smith Future Comprehensive Plan Goal HN-2.4.1 "*Continue to support, in accordance with the recommendations made by the Homelessness Task Force and adopted by the City Board, the creation and implementation of the campus concept to consolidate existing homeless and social services south of Garrison Avenue*".

A resolution has been prepared that will authorize the Mayor to execute the agreement. This item is scheduled on the Tuesday, April 5, 2016, Board of Directors agenda.

AGREEMENT

THIS AGREEMENT made and entered into this 1st day of January, 2016, by and between the City of Fort Smith, Arkansas (“City”), and the Fort Smith Housing Authority, a state, non-sectarian, incorporated organization with local social, cultural, and economic development benefits to the city, state, region, and nation (“the Housing Authority”).

WITNESSETH:

WHEREAS, the Housing Authority has possession and control of physical facilities and employments suitable for providing to the City’s residents certain services, as enumerated in paragraph one (1) below, which services fulfill a governmental function to provide for the health, safety, and welfare of the City’s inhabitants; and

WHEREAS, the parties desire to provide a program of such services and facilities for the City’s inhabitants;

NOW, THEREFORE, it is agreed by the parties that in exchange for the mutual covenants and agreements set forth below;

1. The Housing Authority will provide to the City and its inhabitants, for the year 2016, services which will enhance the health and welfare of the City and its inhabitants. The service shall consist of obtaining donations, seeking out and securing grant funds, daily operations and oversight of the Riverview Hope Campus, including the employment of a person in the position of Homeless Coordinator.

2. In consideration for the providing of the services described in the preceding paragraph, the City agrees to reimburse to the Housing Authority one-half of the salary, benefits and travel and training costs associated with the Homeless Coordinator position. The Housing Authority will be reimbursed an amount not to exceed the actually incurred annual sum of \$30,800 for salary and benefits based upon the submittal of monthly invoices that include proper documentation. In addition to the salary and benefits, an additional \$1,400 for travel and \$800 for training will be reimbursed for the Housing Coordinator position upon presentation of proper documentation for the year 2016 demonstrating the actual incurring of one or both of those expenses. The Housing Authority agrees to adhere to the travel and training policy approved by the City of Fort Smith and outlined in the Employees Handbook, a copy of which is provided to the Housing Authority.

3. It is agreed by The Housing Authority that the City shall have the right, at all reasonable times inspect and review programs being provided by The Housing Authority under this Agreement, and shall have the right, at all reasonable times, to inspect the financial and other records of the Housing Authority related to the Riverview Hope Campus. After inspection or investigation, the City shall have the right to notify The Housing Authority, in writing, of any deficiencies in the program provided under this Agreement, and, if such deficiencies are not cured within thirty (30) calendar days from the date of such written notice, the City shall have the absolute right to terminate this Agreement. To assist the City in monitoring its activities, The Housing Authority shall, on a quarterly or more frequent basis, provide to the City Administrator, or his/her designated agent, a report of The Housing Authority’s financial and service activities related to the Riverview Hope Campus during the period preceding such report.

4. Furthermore, the City shall have the right to cancel this Agreement upon the happening of any of the following:

a. A determination by the Board of Directors that the services provided hereunder are no longer needed as a governmental function, or, otherwise, a determination by the Board of Directors that the City, for whatever reason, no longer desires to have such services provided by the Housing Authority;

or

b. A determination by the Board of Directors that the Housing Authority, its employees, or agents, in the providing of the services hereunder, have violated the City's policy against discrimination on the basis of age, sex, religion, race, national origin, political affiliation, handicap, veteran status, or have violated the City's policy in favor of a drug-free work place.

In addition to any of the other rights of cancellation stated herein, either party shall have the right to cancel this Agreement because of the breach by the other party of that party's obligations hereunder, such cancellation to be effective as of the date of the breach. Failure by either party immediately to declare the contract canceled by reason of a particular breach shall not preclude a party from raising that breach subsequently as a reason for cancellation. Should the Agreement be canceled, for any reason, the Housing Authority understands and agrees that the City shall immediately cease paying any further monies under this Agreement, and agrees additionally the Housing Authority will refund to the City, on a pro-rated basis, monies paid by the City for services not rendered by the Housing Authority.

5. The Housing Authority shall indemnify and hold harmless the City, its officers, boards, commissions, employees, and agents, against and from any and all claims (including, but not limited to, any based on 42 U.S.C. subsection 1983), demands, causes of action, actions, suits, proceedings, damages (including, but not limited to, damages to City property), cost of liabilities (including the City's cost with respect to its employees and cost of defending any and all such actions and proceedings described herein), arising out of or pertaining to the providing of services hereunder by the Housing Authority.

6. It is agreed by the parties that there will be no assignment or transfer of this Agreement, nor of any interest in this Agreement.

7. The parties to this Agreement agree that it is not a contract of employment, but is, instead, a contract to fulfill a specific governmental purpose. Accordingly, in the performance of this Agreement, the Housing Authority shall be considered an independent agent, and neither it nor its employees or agents shall be considered employees or agents of the City.

8. It is agreed by both parties that while the homeless coordinator position is an employee of the Housing Authority, the position will be assigned to and report directly to the Riverview Hope Campus Board of Directors of which the Housing Authority Executive Director is a member.

9. Because the Housing Authority will be receiving monies from the City under this Agreement, the Housing Authority understands that its records and meetings may become subject to the provisions of the Arkansas Freedom of Information Act.

10. It is understood and agreed by the parties that, if any part, term, or provision of this Agreement is held by the courts to be illegal or in conflict with any law of Arkansas, the entire Agreement shall be null and void.

11. This Agreement shall not be specifically enforceable in equity, by either party; nor shall any injunction be applied for or issued at the instigation of either party in case of dispute or alleged breach of this Agreement.

12. This instrument embodies the whole agreement of the parties. There are no promises, terms, conditions, or obligations other than those contained herein; and this Agreement shall supersede all previous communications, representations, or agreements, either verbal or written, between the parties.

IN WITNESS WHEREOF, the parties have set their hands and seals this ____ day of _____, 2016.

City of Fort Smith

By: _____
Mayor

Attest:

City Clerk

Fort Smith Housing Authority

By: _____
FSHA Executive Director

Attest: _____
Administrative Assistant

3.

RESOLUTION NO. R-91-10

A RESOLUTION ACCEPTING AND PRIORITIZING THE RECOMMENDATIONS OF THE HOMELESSNESS TASK FORCE

WHEREAS, the Board of Directors appointed a Homelessness Task Force to review issues related to the problem of homelessness in Fort Smith; and,

WHEREAS, the Homelessness Task Force conducted several meetings and has made recommendations to the Board of Directors which will assist the City of Fort Smith address issues related to homelessness in Fort Smith; and,

WHEREAS, the Board of Directors expresses their appreciation to the members of the Homelessness Task Force.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF FORT SMITH, ARKANSAS, that:

Section 1: The Board of Directors hereby accepts the recommendations of the Homelessness Task Force.

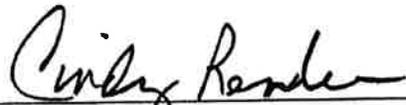
Section 2: The Homelessness Task Force Recommendations are hereby prioritized by the Board of Directors as shown in Exhibit A.

This Resolution adopted this 18th day of May, 2010.

APPROVED:


Mayor

ATTEST:



City Clerk

*Approved as to form
JL
No publication required*

PRIORITIZED HOMELESSNESS TASK FORCE RECOMMENDATIONS

- #1 Strengthen the Old Fort Homeless Coalition with city involvement through a full-time paid staff person
- #2 Explore a campus site in a current industrial area south of Garrison Avenue
- #3 Old Fort Homeless Coalition conduct an analysis of homelessness services to identify any gaps in services to the homeless
- #4 Put more teeth in existing ordinances and hold property owners responsible for the maintenance of their properties, and add more staff to administer ordinances
- #5 Identify a homeless management reporting system to identify the scope of the homeless problem in our area
- #6 Establish a campus setting with a consolidation of services that will eliminate travel, duplication of services, and better represent the dignity of homeless persons (including exploring funding sources and solutions to the disposition of service providers existing facilities)
- #7 Continuation of enhanced police protection in the Belle Grove and Downtown Areas
- #8 Create a job corps, through the Old Fort Homeless Coalition, and that the city give priority to the jobs corps when city services, such as lot clean-ups are contracted
- #9 Undertake a community education program to generate support (awareness) for the homeless and a homelessness campus

RESOLUTION ACCEPTING THE BID OF AND AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT WITH T-N-T, INC., FOR THE LAKE FORT SMITH WATER TRANSMISSION LINE – PHASE 1, RETAIL METER RELOCATION

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF FORT SMITH, ARKANSAS, that:

SECTION 1: The bid of T-N-T, Inc., for the construction of the Lake Fort Smith Water Transmission Line – Phase 1, Retail Meter Relocation, Project 08-07-C2, is hereby accepted.

SECTION 2: The Mayor is hereby authorized to execute a contract with T-N-T, Inc., for an amount of \$816,940.50, for performing said construction.

This Resolution adopted this _____ day of April 2016.

APPROVED:

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



npr



INTER-OFFICE MEMO

TO: Jeff Dingman, Acting City Administrator

DATE: March 29, 2016

FROM: Steve Parke, Director of Utilities

SUBJECT: Lake Fort Smith Water Transmission Line – Phase 1
Retail Meter Relocations, Project 08-07-C2

The construction of the new Lake Fort Smith 48-inch water transmission line is being constructed in phases, and with each phase, the corresponding portions of the 27-inch water transmission line will be retired from service. When the 27-inch line was constructed in 1935, and continuing through the 1980s, the city allowed water service connections for both wholesale water systems and individual retail water users. With the retirement of the 27-inch line, provisions must be made to maintain water service for these customers. This is being accomplished with the construction of smaller water distribution mains along the corridor of the 27-inch line and reconnecting these customers to those lines. For the phase 1 project, this will require the construction of about 11,600 feet of 2-inch through 6-inch diameter water distribution lines, 11,000 feet of 3/4-inch through 1-1/2-inch water service lines and a small booster pump station.

The reestablishment of the retail water service accounts required revisions to the water tap policy established in 1982 for the water transmission lines from the Lake Fort Smith water treatment plant. The water tap policy revisions, adopted through the administrator's authority, to accommodate the Lake Fort Smith Water Transmission Line - Phase 1 project is attached. It provides for the needed re-connection of the retail water services while maintaining the intent of the 1982 transmission line tap policy.

The low bid for the project was submitted by T-N-T Inc., in the amount of \$816,940.50. A bid tabulation showing the bidders and their bid amounts is attached. Funding for this work was included in the project budget established with the 2012 and 2014 sales and use tax bonds issued for the Lake Fort Smith water transmission line improvements.

A Resolution accepting the bid and authorizing a contract with T-N-T Inc., is attached. It is staff's recommendation that this matter is submitted for the Board's consideration at their next regularly scheduled meeting.

Should you or members of the Board have any questions or desire additional information, please let me know.

attachment

Lake Fort Smith 48-Inch Water Transmission Line - Phase One
Water Tap and Reconnection Policy
February 2015

The City of Fort Smith, Arkansas, is undertaking the construction of a new 48-inch water transmission line from the Lake Fort Smith water treatment plant at Mountainburg, Arkansas, to the City of Fort Smith (Fort Smith) to improve water delivery for all its customers and sustain regional growth. When the new 48-inch water transmission line is completed, the 27-inch water transmission line constructed in 1935 will be removed from service. The new 48-inch water transmission line will be constructed in several phases. The initial construction, Phase One, commences at the Lake Fort Smith water treatment plant and extends southward approximately 6 miles to a location within the general vicinity of the Arkansas Missouri Railroad overpass on Highway 282.

The route for the Lake Fort Smith 48-Inch Water Transmission Line - Phase One project (Project) generally parallels the routes of the existing 27-inch and 36-inch water transmission lines from the Lake Fort Smith water treatment plant. The 27-inch and 36-inch transmission lines have metered service connections that serve individual water customers along the routes of those lines. Fort Smith manages individual connections to its water transmission lines in accordance with its water tap policy established in June 1984. With the construction of the Project and removal of a portion of the 27-inch water transmission line from service, the service connections for those individual users will be addressed as follows:

Fort Smith individual water customer accounts currently serving properties within the corporate boundary of the City of Mountainburg, or which may be served from the Mountainburg water system, will be disconnected from Fort Smith and reconnected to the water system operated by the City of Mountainburg. This work will be performed at no cost to the current property owner.

Current Fort Smith individually metered water accounts (First-Party Account) south of the corporate boundary of the City of Mountainburg may be transferred by Fort Smith and reconnected to a new water line to be constructed and operated by Fort Smith. The transfer and reconnection of any First-Party Account will be performed at no cost to the current First-Party Account holder.

Any subsequent user which jointly uses a First-Party Account to obtain Fort Smith water, which water usage is registered as part of the First-Party Account, will be considered a Third-Party User. At the time which the First-Party Account is to be transferred by Fort Smith, Third-Party Users will be allowed a one-time opportunity to establish, at Fort Smith's then normal water connection charges, an individual First-Party Account. Third-Party Users will be responsible for all costs associated with the separation from the First-Party Account's water service line, service line installation cost and connection to their new First-Party Account's meter. Upon the completion of the construction of the Project no other transfers of a Third-Party User to a Fort Smith water line as a First-Party Account will be allowed.

No additional individual connections to Fort Smith's 27-inch water transmission line or 36-inch water transmission line in areas beyond the construction limits of the Project will be authorized as currently established by the existing water transmission line tap policy established in 1984. Furthermore, no additional individual connections to the Lake Fort Smith 36-inch water transmission line or 48-inch water transmission line, or water line constructed by Fort Smith as part of the Project will be authorized following the completion of the Project's construction.

This Lake Fort Smith 48-Inch Water Transmission Line - Phase One Water Tap and Reconnection Policy is hereby adopted on this 12th day of February, 2015.

City of Fort Smith



Ray Gosack
City Administrator

Bid Tabulation Sheet

Project Name

Lake Fort Smith Water Transmission Line – Phase I Retail Meter Relocation
Project Number 08-07-C2

Bid Opening

March 24, 2016
10:00 A.M.

Bids Received

T-N-T, Inc. Van Buren, Arkansas	\$ <u>816,940.50</u>
Kraus Construction Fort Smith, Arkansas	\$ <u>987,000.00</u>
Goodwin & Goodwin, Inc. Fort Smith, Arkansas	\$ <u>1,010,901.50</u>

Comprehensive Plan Goal Supported By Water Projects

- Ensure adequate, well-maintained infrastructure, public safety, and public facilities for all development and prevent development ahead of infrastructure and service provision. (FLU-1.4)
- Continue to ensure that customers within Fort Smith have access to reliable water, sewer, drainage, solid waste services by reducing or eliminating deficiencies and gaps in infrastructure systems (TI-5.1)
- Implement an infrastructure Asset Management Program as a tool for management of the utility department's water and sewer systems and to track, manage, and schedule necessary facility upgrades and improvements. (TI-5.1.1)
- Ensure that utility and infrastructure systems can meet the city's long-term needs. (TI-5.2)
- Coordinate land use planning and capital programming to ensure infrastructure improvements and extensions are phased to support the future land use pattern. (TI-5.2.1)
- Adopt criteria for prioritizing funding to infrastructure-related capital improvement projects. (TI-5.2.4)
- Provide new facilities in a manner that protects investments in existing facilities and promotes orderly growth. (PFS-4.2)

ORDINANCE NO. _____

AN ORDINANCE DECLARING AN EXCEPTIONAL SITUATION REQUIRING THE WAIVING OF THE SOLICITATION AND REVIEW OF WRITTEN PROPOSALS FOR INTERNET SERVICES AND AUTHORIZING EXECUTION OF SERVICE CONTRACTS BETWEEN THE CITY OF FORT SMITH, ARKANSAS, AND AT&T CORPORATION

WHEREAS, the Fort Smith Police Department currently maintains a contract with AT&T for Internet services which expired on March 8, 2016, and an interim agreement has been tentatively signed pending approval by the City; and

WHEREAS, the Fort Smith Police Department has negotiated the tentative agreement which will avoid discontinuation of current services, provide increased Internet speed at Headquarters and the Training Center, reduce monthly rates, and facilitate the ability of the City to transition to IP Flex Services throughout the City.

NOW THEREFORE, BE IT ORDAINED AND ENACTED BY THE BOARD OF DIRECTORS OF THE CITY OF FORT SMITH, ARKANSAS THAT:

Section 1: An exceptional situation arising from the need to continue Internet services with the existing provider, AT&T Corporation, is declared to exist requiring the waiving of the solicitation and review of written proposals of Internet services for the City of Fort Smith Police Department.

Section 2: The Multi-Service Agreement and its Pricing Schedule with AT&T Corporation for internet services and the AT&T Conferencing Services Term Plan Service Agreement attached hereto are hereby approved and the executions thereof by the Acting City Administrator on March 10, 2016, are hereby confirmed.

Section 3: Funding for the Internet Services Contracts has been approved from account numbers 4702-236 and 4701-210 in the 2016 Police Department budget.

This ordinance passed and approved this ____ day of April, 2016.

APPROVED

MAYOR

ATTEST:

CITY CLERK



Approved as to form: _____ npr
City Attorney



Fort Smith Police Department
Dean Pitts, Interim Chief of Police

INTERDEPARTMENTAL MEMORANDUM

To: Jeff Dingman, Acting City Administrator

From: Dean Pitts, Interim Chief of Police

Subject: AN ORDINANCE DECLARING AN EXCEPTIONAL SITUATION REQUIRING THE WAIVING OF THE SOLICITATION AND REVIEW OF WRITTEN PROPOSALS FOR INTERNET SERVICES AND AUTHORIZING EXECUTION OF SERVICE CONTRACTS BETWEEN THE CITY OF FORT SMITH, ARKANSAS, AND AT&T CORPORATION

Date: March 28, 2016

The Fort Smith Police Department currently maintains a contract with AT&T for Internet services which expired on March 8, 2016. In the interim, the Department has tentatively signed an agreement to maintain Internet access pending formal approval by the City. If the revised contract is not approved, the applicable fee structure will revert to “rack” rates, which are substantially higher than our current fee structure, and are assessed without the normal discounts usually provided. The Police Department has consulted with Russell Gibson, Director, and Graham Henry, Senior Network Administrator, with the City’s Information and Technology Services (ITS) regarding their long range goals for the City. ITS staff members advise the City’s goal is to merge all Internet services within the City into IP Flex Services. In preparation of this merger, Fort Smith Police submitted and discussed this proposal with ITS staff, who agree this proposal would facilitate a future merger of Internet services within the City.

One needed change to the Police Department’s contract is to title the contract agreement under the City’s name (i.e. City of Fort Smith) for the purposes of bringing the entire City online with the IP Flex Services Agreement online at a future date. AT&T will amend the contract title beginning Monday, March 7, 2016, add the bundling function which will reduce the monthly fees compared to our current fee structure, add conferencing ability, and increase the Internet data speed, reflected as megabytes per second (Mbps), for both Police Headquarters, 100 South 10th Street, and the Emergency Operations Center (EOC), 8400 Massard Road.

Interdepartmental Memorandum
Continuation of Internet Service Contract
March 28, 2016

The current fee structure and the new fee structure are compared in the following table:

	Current Contract			New Contract	
	Speed (Mbps)	Cost/Month		Speed (Mbps)	Cost/Month
Police Headquarters	30	\$ 2,008.09		50	\$ 1,346.70
Training Center (EOC)	10	\$ 1,215.16		20	\$ 956.98
Conferencing Service		\$ -			\$ 50.00
	Total	\$ 3,223.25		Total	\$ 2,353.68

The advantages for this new contract include an initial monthly savings of \$869.56 monthly (totaling savings of \$10,434.72 for the first year of the contract and \$32,504.16 for the life of the contract, which is three years) plus an increase in Internet speed of 166% for Police Headquarters and 100% increase for the Training Center, as well as addition of conferencing services. The AT&T contract for new Internet services is for three (3) years, but only one year for the conferencing service. **The three year total contract price is \$83,532.48.**

City Ordinance 93-12, Section 2 © (2) permits the city Administrator to sign contracts for the services using budgeted funds when they are at least \$75,000 but not more than \$300,000 and he has solicited and reviewed written proposals for interested and qualified providers of such services.

We respectfully request a waiver of this solicitation and review of services by the City Administrator, for the following reasons:

- to avoid discontinuation of current services and substantially higher costs of services under “rack” rates;
- to increase our current Internet speed (expressed in Mbps) at both Police Headquarters and the Training Center;
- to reduce our monthly rate by \$869.56 for one year and \$919.56 for the next two years; and
- to facilitate the ability to maintain a contract with AT&T which will allow for simple transition to IP Flex Services through the City within two years.

Please advise if you have any questions.

Memorandum

To: Jeff Dingman, Acting City Administrator
From: Russell Gibson, Director, Information and Technology Systems
Date: March 30, 2016
Re: Internet Services for Police Department

Jeff,

The City of Fort Smith ITS Department (ITS) has reviewed the contract renewal for Internet services between AT&T and the Police Department. Pursuant to the recent Strategic Technology Plan and IT Governance Policy, ITS has begun the process of centralizing technology-related contracts into a single, departmental point-of-contact and purview. In the past, the existing Internet services contract was managed separately by the Police Department. Renewing the Internet services contract with AT&T and moving management of the contract to ITS will create a single point-of-contact for City Internet services and provide for integrated renewals and/or upgrades in the near future.

Please contact me if you have any questions or would like additional information.

Best regards,



Russell Gibson
Director, Information and Technology Systems
479-788-8919
rgibson@fortsmithar.gov

Cc: Major Dean Pitts, Acting Chief of Police



**AT&T CONFERENCING SERVICES TERM PLAN
SERVICE AGREEMENT**

Customer CITY OF FT SMITH Street Address: 100 S 10th St City: Fort Smith State/Province: AR Zip Code: 72901 Country: USA	AT&T AT&T Corp.
Customer Contact (for Notices) Name: Alvey Matlock Title: Street Address: 100 S 10th St City: Fort Smith State/Province: AR Zip Code: 72901 Country: USA Telephone: 479-652-5695 Email: Alvey.Matlock@fortsmithpd.org	AT&T Contact (for Notices) Account Rep Name: Robin Strack Title: BAS C Telephone: 501-251-1087 Email: kn9623@att.com Street Address: City: State: Zip Code: With a copy (for Notices) to: AT&T Corp. One AT&T Way, Bedminster, NJ 07921-0752 Attn: Master Agreement Support Team E-mail: mast@att.com
AT&T Solution Provider or Representative Information (if applicable) D	
Name: Company Name: Agent Street Address: City: State: Zip Code: Country: Telephone: Fax: Email: Agent Code	

The Agreement is comprised of this Service Agreement and the following additional documents: (i) Tariffs, Guidebooks and Service Guides found at att.com/servicepublications; (ii) the Acceptable Use Policy ("AUP") found at att.com/aup; and (iii) the AT&T Business Services Agreement ("BSA") located at <http://www.business.att.com/agreement/>. AT&T may revise Tariffs, Guidebooks, Service Guides, the AUP or the BSA (collectively "Service Publications") at any time and may direct Customer to websites other than listed above. The order of priority of the documents that form this Agreement is: this Service Agreement, and then the applicable Service Publications; provided that Tariffs will be first in priority in any jurisdiction where applicable law or regulation does not permit contract terms to take precedence over inconsistent Tariff terms. This Agreement is effective on the date the last party signs and continues so long as Services are provided under this Agreement.

Customer (by its authorized representative)	AT&T (by its authorized representative)
By:	By:
Name: JEFF DINGMAN	Name:
Title: ACTING CITY ADMINISTRATOR	Title:
Date: 3/10/2016	Date:

The rates, discounts and other provisions in this Service Agreement are contingent upon signature by Customer on or before October 31, 2016 and delivery to AT&T within a reasonable time thereafter.

AT&T Conferencing Services Term Plan Service Agreement

1. SERVICES

Service	Service Publication Location
AT&T Conferencing Services <ul style="list-style-type: none"> ● Audio-TeleConference Transport ● AT&T Connect®-Integrated Edition Service ● AT&T Global Conference Service II Option 	http://i.serviceguidenew.att.com/sg_flashPlayerPage/ATC
Vendor Software	Vendor Software License Agreement
AT&T Connect EULA	http://WoNW_corp.att.com/altconnectsupport/downloads_licensing/eula.html

2. TERM AND EFFECTIVE DATES

Term	1 year
Term Start Date	First day of the first full billing cycle following the Effective Date of this Service Agreement
Effective Date of Rates and Discounts	the Effective Date of this Service Agreement
Rates after expiration of Term	prices, terms and conditions in effect on the last day of the Term continue until changed by AT&T on 30 days' prior notice to Customer

At the end of a Term, Customer has the option to either: (a) cease using the Service (which requires Customer to terminate the Service); or (b) continue using the Service under a month-to-month service arrangement.

3. MINIMUM ANNUAL REVENUE COMMITMENT (MARC) and SHORTFALL

Minimum Annual Revenue Commitment ("MARC") means an annual revenue commitment that Customer agrees to satisfy during each 12-consecutive-month period of the Term. If Customer fails to satisfy the MARC for any 12-month period, Customer will pay a shortfall charge in an amount equal to the difference between the MARC and the total of the applicable MARC-Eligible Charges incurred during such 12-month period.

MARC*	\$600.00
• The MARC under this Service Agreement does not apply if Customer upgrades to another AT&T Conferencing Services service agreement with a term equal to or greater than the time remaining on the Term under this Service Agreement and the MARC under such Service Agreement is greater than the MARC under this Service Agreement.	

4. MARC-ELIGIBLE CHARGES

All Services provided under this Service Agreement.

The rates, discounts and other provisions in this Service Agreement are contingent upon signature by Customer on or before October 31, 2016 and delivery to AT&T within a reasonable time thereafter.

AT&T Conferencing Services Term Plan Service Agreement

5. PROMOTIONS, WAIVERS, NOTICE OF WITHDRAWAL

Promotions

Service Guide promotions are not applicable under this Service Agreement

Waivers

Charges Waived	Waiver Package Option -D as specified in the Service Guide
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NOTICE OF WITHDRAWAL

Service and Service Component Withdrawals during Pricing Schedule Term	
Prior Notice Required from AT&T to Withdraw and Terminate a Service	12 months
Prior Notice Required from AT&T to Withdraw and Terminate a Service Component	120 days

6. RATES

Audio-TeleConference Transport- USA/Domestic

Automated Access				Operator Assisted		Dial-Out	
Reserved Toll-Free Dial-In (USD)	Reservationless Toll-Free Dial-In (USD)	Reserved Caller Paid Dial-In (USD)	Reservationless Caller Paid Dial-In (USD)	Reserved Toll-Free Dial-In (USD)	Reserved Caller Paid Dial-In (USD)	Operator Assisted (USD)	Host (USD)
0.080	0.043	0.07	0.039	0.115	0.100	0.200	0.043

AT&T Global Conference Service II Option

USD	Reservationless Automated Dial-In (RADI)		Reserved Automated Dial-In (ADI)		Operator Assisted Dial-In (OADI)	
	Toll-Free	Caller Paid	Toll-Free	Caller Paid	Toll-Free	Caller Paid
Country						
Argentina	0.224	N/A	0.240	N/A	0.247	N/A
Australia	0.137	0.181	0.153	0.197	0.160	0.205
Austria	0.167	0.181	0.183	0.197	0.190	0.205
Belgium	0.183	0.181	0.199	0.197	0.207	0.205
Brazil	0.280	N/A	0.296	N/A	0.303	N/A
Canada	0.136	N/A	0.151	N/A	0.159	N/A
Cayman Islands	0.189	N/A	0.205	N/A	0.213	N/A
Chile	0.303	N/A	0.319	N/A	0.327	N/A
China	0.349	N/A	0.365	N/A	0.373	N/A

The rates, discounts and other provisions in this Service Agreement are contingent upon signature by Customer on or before October 31, 2016 and delivery to AT&T within a reasonable time thereafter.

AT&T Conferencing Services Term Plan Service Agreement

USD	Reservationless Automated Dial-In (RADI)		Reserved Automated Dial-In (ADI)		Operator Assisted Dial-In (QADI)	
	Toll-Free	Caller Paid	Toll-Free	Caller Paid	Toll-Free	Caller Paid
Colombia	0.311	N/A	0.326	N/A	0.334	N/A
Costa Rica	0.204	N/A	0.219	N/A	0.227	N/A
Czech Republic	0.249	0.181	0.265	0.197	0.272	0.205
Denmark	0.162	0.181	0.178	0.197	0.185	0.205
Dominican Republic	0.237	N/A	0.253	N/A	0.260	N/A
Finland	0.299	0.181	0.315	0.197	0.322	0.205
France	0.196	0.181	0.212	0.197	0.220	0.205
Germany	0.144	0.181	0.160	0.197	0.167	0.205
Greece	0.181	N/A	0.197	N/A	0.204	N/A
Hong Kong	0.137	0.181	0.152	0.197	0.160	0.205
Hungary	0.180	0.181	0.196	0.197	0.203	0.205
Iceland	0.169	N/A	0.184	N/A	0.192	N/A
India	0.202	N/A	0.217	N/A	0.225	N/A
Indonesia	0.332	N/A	0.347	N/A	0.355	N/A
Ireland	0.254	0.181	0.270	0.197	0.278	0.205
Israel	0.142	N/A	0.158	N/A	0.166	N/A
Italy	0.214	0.181	0.230	0.197	0.237	0.205
Japan	0.161	0.181	0.177	0.197	0.184	0.205
Kazakhstan	0.220	N/A	0.236	N/A	0.243	N/A
Korea (South)	0.231	0.181	0.247	0.197	0.254	0.205
Latvia	0.156	N/A	0.172	N/A	0.179	N/A
Luxembourg	0.159	0.181	0.175	0.197	0.182	0.205
Malaysia	0.136	0.181	0.151	0.197	0.159	0.205
Mexico	0.179	N/A	0.195	N/A	0.202	N/A
Netherlands	0.146	0.181	0.161	0.197	0.169	0.205
New Zealand	0.141	0.181	0.157	0.197	0.164	0.205
Norway	0.213	0.181	0.229	0.197	0.237	0.205
Panama	0.145	N/A	0.161	N/A	0.168	N/A
Peru	0.333	N/A	0.349	N/A	0.356	N/A
Philippines	0.310	N/A	0.326	N/A	0.333	N/A

The rates, discounts and other provisions in this Service Agreement are contingent upon signature by Customer on or before October 31, 2016 and delivery to AT&T within a reasonable time thereafter.

AT&T Conferencing Services Term Plan Service Agreement

USD	Reservationless Automated Dial-In (RADI)		Reserved Automated Dial-In (ADI)		Operator Assisted Dial-In (OADI)	
	Toll-Free	Caller Paid	Toll-Free	Caller Paid	Toll-Free	Caller Paid
Poland	0.140	N/A	0.156	N/A	0.164	N/A
Portugal	0.224	0.181	0.239	0.197	0.247	0.205
Russia	0.220	N/A	0.236	N/A	0.243	N/A
Singapore	0.136	0.181	0.151	0.197	0.159	0.205
South Africa	0.166	N/A	0.182	N/A	0.190	N/A
Spain	0.205	0.181	0.221	0.197	0.229	0.205
Sweden	0.279	0.181	0.295	0.197	0.302	0.205
Switzerland	0.160	0.181	0.176	0.197	0.183	0.205
Taiwan	0.255	0.181	0.271	0.197	0.279	0.205
Thailand	0.142	N/A	0.158	N/A	0.166	N/A
United Kingdom	0.140	0.155	0.156	0.171	0.164	0.179
Uruguay	0.174	N/A	0.189	N/A	0.197	N/A
Uzbekistan	0.220	N/A	0.236	N/A	0.243	N/A
Venezuela	0.268	N/A	0.284	N/A	0.292	N/A
Notes:	Rates listed above include Bridge and Transport. Taxes and other local fees not included. The above rates will be paid by the Host per minute per Participant.					

6.3 AT&T Connect -Integrated Edition Subscription

Service	Number of Named Users	Number of Guest Users	Monthly Subscription/ Service Fees Per Named User (USD)
Integrated Edition Named User Subscription	2- 499*	Maximum of 249 unless otherwise specified by AT&T	25.00

*Customer shall be responsible for all Monthly Recurring Charges associated with the number of Named Users specified in Attachment A (Minimum Order Quantity) for the specified Term. Customer may order additional Named Users by submitting a subsequent signed copy of Attachment A, 'AT&T Connect Integrated Edition -Initial/Supplemental Order Form' to AT&T and such increased number shall establish the revised Minimum Order Quantity for the remainder of the Term commencing with the acceptance of the Supplemental Order Form.

The rates, discounts and other provisions in this Service Agreement are contingent upon signature by Customer on or before October 31, 2016 and delivery to AT&T within a reasonable time thereafter.

AT&T Conferencing Services Term Plan Service Agreement

7. THIRD PARTY LICENSES

The Service and Software may incorporate, use, or access software not written or developed by AT&T but, instead, provided by third parties (Third Party Software). The license terms associated with any Third Party Software require that AT&T acknowledge those third parties and the license terms. Customer agrees that its use of the Service and any use by a Customer Affiliate is subject to the terms of Third Party Software Notices and/or Additional Terms and Conditions which can be found at <http://www.corp.att.com/attconnectsupport/downloads/licensing/thirdparty.html> (generally found in the "About" option in the Software). Customer and any Customer Affiliate who is permitted to use the Service agree to the terms of any and all such licenses, including any posted changes to these terms.

The rates, discounts and other provisions in this Service Agreement are contingent upon signature by Customer on or before October 31, 2016 and delivery to AT&T within a reasonable time thereafter.

AT&T Conferencing Services Term Plan Service Agreement

ATTACHMENT A



**AT&T CONNECT INTEGRATED EDITION
INITIAL/SUPPLEMENTAL ORDER FORM**

This Initial/Supplemental Order Form represents Customer's order for Named User accounts. Supplemental Subscription Orders are in addition to the Initial Subscription Order quantity.

Customer Order Information:	
Customer OCP ID No.	
Site Order Completion #:	
Rate Plan ID No.	
Integrated Edition Software Named User Subscription	Number of Named Users
Named User Subscription	A) Enter the number of existing Named Users: B) Number of Named Users being added: 2 C) New Total number of Named Users: 2

Customer acknowledges by signing below that the selections provided within this order form constitute an order to provision service at the rates, terms and conditions as described in the Customer's AT&T Connect Service agreement, signed (MM/DD/YY)

Named User Accounts are based on individual email addresses. A Named User account may be transferred if: the Named User is no longer employed by the company or job function change. The number of Named User accounts are provided as long as the contract is valid.

Customer (by its authorized representative)
By:
Printed or Typed Name: JEFF DINGMAN
Title: ACTING CITY ADMINISTRATOR
Date: 3/10/2016



MULTI-SERVICE AGREEMENT

Customer CITY OF FORT SMITH	AT&T AT&T Corp.
Street Address: 100 S. 10th St. City: FORT SMITH State/Province : AR Zip Code: 72901 Country: United States Customer Contact {for notices}	AT&T Contact {for notices}
Name: Alvey Matlock Title: Other Street Address: 100 S. 10th St. City: Fort Smith State/Province: AR Zip Code: 72901 Country: United States Telephone: 4796525695 Fax: Email: alvey.matlock@fortsmithpd.org	Street Address: 1111 W CAPITOL AVE City: LITTLE ROCK State/Province: AR Zip Code: 72201 Country: United States With a copy to: AT&T Corp. One AT&T Way Bedminster, NJ 07921-0752 ATTN: Master Agreement Support Team Email: mast@att.com
This Multi-Service Agreement between the customer named above {"Customer"} and AT&T Corp. {"AT&T"} is effective when signed by both parties.	
Customer {by its authorized representative}	AT&T {by its authorized representative}
By:	By:
Name:	Name:
Title: c:n Title:	
Date:	Date:

Agreement: The terms and conditions for the products and services that AT&T provides to Customer under this Agreement ("Services") are found in this document and the following additional documents (collectively, the "Agreement"): (i) Tariffs, Guidebooks and Service Guides found at att.com/service publications; (ii) pricing schedules or other documents attached to or later executed by the parties and referencing this document ("Pricing Schedule"); and (iii) the Acceptable Use Policy {"AUP"} found at att.com/aup. AT&T may revise Tariffs, Guidebooks, Service Guides or the AUP (collectively "Service Publications") at any time and may direct Customer to websites other than listed above. The order of priority of the documents that form this Agreement is: the applicable Pricing Schedule or Order, this Multi-Service Agreement, and the applicable Service Publications; provided that, Tariffs will be first in priority in any jurisdiction where applicable law or regulation does not permit contract terms to take precedence over inconsistent Tariff terms. This Agreement continues so long as Services are provided under this Agreement.

Affiliate Signature: An AT&T or Customer Affiliate may sign a Pricing Schedule in its own name, and such Affiliate contract will be a separate but associated contract incorporating the terms of this Agreement. Customer and AT&T will cause respective Affiliates to comply with any such separate and associated contract.

Services: AT&T will either provide or arrange to have its Affiliate provide Services to Customer and its Users (anyone who uses or accesses any Service provided to Customer), subject to the availability and operational limitations of systems, facilities and equipment. Where required, an AT&T Affiliate authorized by the appropriate regulatory authority will be the service provider. Customer may not resell the Services or rebrand the Services for resale to third parties without AT&T's prior written consent. Customer will cause Users to comply with this Agreement and is responsible for their use of any Service unless expressly provided to the contrary in a Service Publication. If a Service is provided over or accesses

MULTI-SERVICE AGREEMENT

the Internet or is a wireless (*i.e.*, cellular) data or messaging Service, Customer, its Affiliates and Users will comply with the AUP.

Ordering: If an applicable Service Publication expressly permits placement of an order for a Service under this Multi-Service Agreement without the execution of a Pricing Schedule, Customer may place such an order using AT&T's standard ordering processes (an "Order"), and upon acceptance by AT&T, the Order shall otherwise be deemed a Pricing Schedule under this Multi-Service Agreement for the Service Ordered.

Access to Premises: Customer will in a timely manner allow AT&T to access or at Customer's expense obtain timely access to property (other than public property) and to equipment as AT&T reasonably requires for the Services. Access includes information, the right to construct, install, repair, maintain, replace and remove access lines and network facilities and the right to use ancillary equipment space within the building for Customer's connection to AT&T's network. Customer will furnish any conduit, holes, wireways, wiring, plans, equipment, space, power/utilities and other items AT&T reasonably requires for the Services and will obtain any necessary licenses, permits and consents (including easements and rights-of-way).

Hazardous Materials: Customer will ensure that the location where AT&T installs, maintains or provides Services is a suitable and safe working environment, free of any substance or material that poses an unreasonable risk to health, safety or property or whose use, transport, storage, handling, disposal or release is regulated by any law related to pollution, to protection of air, water or soil or to health and safety. If AT&T encounters any such hazardous materials at a Customer location, AT&T may terminate any affected Service or any affected component of a Service ("Service Component") or suspend performance until Customer removes the hazardous materials.

Independent Contractor Relationship: Each party is an independent contractor. Neither party controls the other, and neither party nor its Affiliates, employees, agents or contractors are Affiliates, employees, agents or contractors of the other party.

License and Other Terms: Software, Purchased Equipment and Third-Party Services may be provided subject to the terms of a separate license or other agreement between Customer and either the licensor, the third-party service provider or the manufacturer. Customer's execution of the Pricing Schedule for or placement of an Order for Software, Purchased Equipment or Third-Party Services is Customer's agreement to comply with such separate agreement.

Unless a Service Publication specifies otherwise, AT&T's sole responsibility with respect to Third-Party Services is to place Customer's orders for Third-Party Services, except that AT&T may invoice and collect payment from Customer for the Third-Party Services.

Equipment: Services may be provided using certain equipment owned by AT&T that is located at the Site ("AT&T Equipment"), but title to the AT&T Equipment will remain with AT&T. Customer must provide electric power for the AT&T Equipment and keep the AT&T Equipment physically secure and free from liens and encumbrances. Customer will bear the risk of loss or damage (other than ordinary wear and tear) to the AT&T Equipment. The Site is the physical location where AT&T installs or provides a Service.

Except as specified in a Service Publication, title to and risk of loss of Purchased Equipment shall pass to Customer on delivery to the transport carrier for shipment to Customer's designated location.

AT&T retains a lien and purchase money security interest in each item of Purchased Equipment and Vendor Software until Customer pays all sums due. AT&T is authorized to sign and file a financing statement to perfect such security interest.

Prices, Pricing Schedule Term and Taxes: The prices listed in a Pricing Schedule are stabilized until the end of the Pricing Schedule Term and will apply in lieu of the corresponding prices set forth in the applicable Service Publication. No promotion, credit, discount or waiver set forth in a Service Publication will apply. Unless the Pricing Schedule states otherwise, at the end of the Pricing Schedule Term, Customer may continue Service (subject to any applicable notice or other requirements in a Service Publication for Customer to discontinue a Service Component) under a month-to-month service arrangement at the prices, terms and conditions in effect on the last day of the Pricing Schedule Term. AT&T may change such prices, terms or conditions on 30 days' prior notice to Customer.

Prices in the Pricing Schedules are exclusive of and Customer will pay all taxes, regulatory surcharges, recovery fees, customs clearances, duties, levies, shipping charges and other similar charges relating to the sale, transfer of ownership, installation, license, use or provision of the Services.

If required by law to withhold or deduct applicable taxes from payments due to AT&T, Customer must use reasonable commercial efforts to minimize any such taxes and must furnish to AT&T such evidence as may be required by relevant taxing authorities to establish that such tax has been paid so that AT&T may claim any applicable credit.

Billing, Payments, Deposits and MARC: Unless a Service Publication specifies otherwise, Customer's obligation to pay for a Service Component begins upon availability of the Service Component to Customer ("Cutover"). Payment is due 30 days after the invoice date (unless another date is specified in an applicable Tariff or Guidebook) and must refer to the invoice number.

At Customer's request, but subject to AT&T's consent (which may not be unreasonably withheld or withdrawn), Customer's Affiliates may be invoiced separately, and AT&T will accept payment from such Affiliates. Customer will be responsible for payment if Customer's Affiliates do not pay charges in accordance with this Agreement.

Restrictive endorsements or other statements on checks are void. If Customer does not dispute a charge in writing within 6 months after the date of the invoice in which the disputed charge initially appears, Customer waives the right to dispute the charge. AT&T may recover all costs (including attorney fees) of collecting delinquent or dishonored payments and may charge late payment fees (i) for Tariff or Guidebook Services, at the rate specified therein; or (ii) for all other Services at the lower of 1.5% per month (18% per annum) or the maximum rate allowed by law. AT&T may require a deposit as a condition of providing Services, and AT&T may apply such deposit to any charges owed.

If a Pricing Schedule includes a MARC and Customer's MARC-Eligible recurring and usage charges after deducting discounts and credits and excluding taxes, regulatory charges and charges for Purchased Equipment in any applicable 12-month period are less than the MARC, Customer will pay the shortfall, and AT&T may withhold contractual credits until Customer pays the shortfall charge.

Termination and Suspension: Either party may terminate this Agreement immediately upon notice if the other party becomes insolvent, ceases operations, is the subject of a bankruptcy petition or makes an assignment for the benefit of its creditors.

AT&T may terminate or suspend an affected Service or Service Component and, if the activity materially and adversely affects the entire Agreement, terminate or suspend the entire Agreement, immediately upon notice if Customer: (i) commits a fraud upon AT&T; (ii) uses the Service to commit a fraud upon another party; (iii) unlawfully uses the Service; (iv) abuses or misuses AT&T's network or Service; or (v) interferes with another customer's use of AT&T's network or services.

MULTI-SERVICE AGREEMENT

Customer may terminate an affected Service Component for material breach by AT&T if such breach is not cured within 30 days of notice.

AT&T may terminate or suspend (and later terminate) an affected Service Component for material breach by Customer if such breach is not cured within 30 days of notice.

If Customer fails to rectify a violation of the AUP within 5 days after notice from AT&T, AT&T may suspend or terminate the affected Service Component. AT&T may suspend or terminate immediately if: (i) the suspension or termination is a response to multiple or repeated AUP violations or complaints; (ii) AT&T is acting in response to a court order or governmental notice that certain conduct must be stopped; or (iii) AT&T reasonably determines that: (a) AT&T may be exposed to sanctions, liability, prosecution or other adverse consequences under applicable law if AT&T allows the violation to continue; (b) the violation may harm or interfere with the integrity, normal operations or security of AT&T's network or of networks with which AT&T interconnects or may interfere with another customer's use of AT&T services or the Internet; or (c) the violation presents imminent risk of harm to AT&T, AT&T's customers or its or their respective employees.

Termination Charges: If prior to Cutover, Customer terminates a Service Component other than for cause or AT&T terminates a Service Component for cause, Customer (i) will pay any pre-Cutover termination or cancellation charges set out in a Pricing Schedule or Service Publication, or (ii) in the absence of such specified charges, will reimburse AT&T for time and materials, including any third-party charges, incurred prior to the effective date of termination.

Thereafter, if Customer terminates a Service or Service Component for Customer's convenience or AT&T terminates a Service or Service Component for cause, Customer must pay: (i) 50% (unless a different amount is specified in the Pricing Schedule) of any unpaid recurring charges for the terminated Service Component attributable to the unexpired portion of an applicable Minimum Payment Period specified in the Pricing Schedule or Service Publication, (ii) if termination occurs before the end of an applicable Minimum Retention Period, any associated credits or waived or unpaid non-recurring charges, and (iii) any access facilities cancellation charges and other third-party charges incurred by AT&T due to the termination.

If Customer terminates a Pricing Schedule that has a MARC, Customer must pay an amount equal to 50% of the unsatisfied MARC for the balance of the Pricing Schedule Term.

In addition, Customer may terminate an affected Service Component without incurring termination charges if (a) AT&T revises a Service Publication and the revision has a materially adverse impact upon Customer; (b) Customer gives 30 days' notice of termination to AT&T within 90 days of the date of the revision; and (c) AT&T does not remedy the materially adverse impact prior to the effective date of termination. "Materially adverse impacts" do not include changes to non-stabilized pricing, changes required by governmental authority or assessment of, or assessment of or changes to additional charges such as surcharges or taxes.

Disclaimer of Warranties and Liability: AT&T MAKES NO EXPRESS OR IMPLIED WARRANTY, DISCLAIMS ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE OR NON-INFRINGEMENT AND DISCLAIMS ANY WARRANTIES ARISING BY USAGE OF TRADE OR BY COURSE OF DEALING. FURTHER, AT&T MAKES NO WARRANTY THAT TELEPHONE CALLS OR OTHER TRANSMISSIONS WILL BE ROUTED OR COMPLETED WITHOUT ERROR OR INTERRUPTION (INCLUDING 911 CALLS) AND

MAKES NO WARRANTY REGARDING NETWORK SECURITY, THE ENCRYPTION EMPLOYED BY ANY SERVICE, THE INTEGRITY OF ANY DATA THAT IS SENT, BACKED UP, STORED OR LOAD BALANCED, THAT AT&T'S SECURITY PROCEDURES WILL PREVENT THE LOSS OR ALTERATION OF OR IMPROPER ACCESS TO CUSTOMER'S DATA AND INFORMATION OR THAT SERVICES WILL BE UNINTERRUPTED OR ERROR-FREE. AT&T WILL NOT BE LIABLE FOR ANY DAMAGES RELATING TO: INTEROPERABILITY, ACCESS OR INTERCONNECTION OF THE SERVICES WITH APPLICATIONS, DATA, EQUIPMENT, SERVICES, CONTENT OR NETWORKS PROVIDED BY CUSTOMER OR OTHERS; SERVICE DEFECTS, SERVICE LEVELS, DELAYS, SERVICE ERRORS OR INTERRUPTIONS, INCLUDING INTERRUPTIONS OR ERRORS IN ROUTING OR COMPLETING ANY 911 CALLS OR ANY OTHER CALLS OR TRANSMISSIONS (EXCEPT FOR LIABILITY EXPLICITLY SET FORTH HEREIN); LOST OR ALTERED TRANSMISSIONS; OR UNAUTHORIZED ACCESS TO OR THEFT, ALTERATION, LOSS OR DESTRUCTION OF CUSTOMER'S OR OTHERS' APPLICATIONS, CONTENT, DATA, PROGRAMS, INFORMATION, NETWORKS OR SYSTEMS.

Limitation of Liability: AT&T'S ENTIRE LIABILITY AND CUSTOMER'S EXCLUSIVE REMEDY FOR DAMAGES ARISING OUT OF AT&T'S BREACH OF THIS AGREEMENT AND NOT DISCLAIMED UNDER THIS AGREEMENT SHALL NOT EXCEED THE APPLICABLE CREDITS SPECIFIED IN THE SERVICE PUBLICATION OR, IF NO CREDITS ARE SPECIFIED, AN AMOUNT EQUAL TO THE TOTAL NET CHARGES TO CUSTOMER FOR SERVICE TO WHICH SUCH BREACH RELATES DURING THE PERIOD IN WHICH SUCH BREACH OCCURS AND CONTINUES. IN NO EVENT SHALL ANY OTHER LIABILITY ATTACH TO AT&T. THIS LIMITATION WILL NOT APPLY TO BODILY INJURY, DEATH OR DAMAGE TO REAL OR TANGIBLE PROPERTY DIRECTLY CAUSED BY AT&T'S NEGLIGENCE OR INTENTIONAL MISCONDUCT.

ALL SOFTWARE AND PURCHASED EQUIPMENT IS PROVIDED TO CUSTOMER ON AN "AS IS" BASIS.

NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY UNDER ANY CIRCUMSTANCES FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES.

These disclaimers and limitations of liability will apply regardless of the form of action, whether in contract, tort, strict liability or otherwise, of whether damages were foreseeable and of whether a party was advised of the possibility of such damages. These disclaimers and limitations of liability will survive failure of any exclusive remedies provided in this Agreement.

Indemnity: Customer agrees at its expense to defend, indemnify and hold harmless AT&T, its Affiliates and its and their employees, directors, subcontractors and suppliers or to pay all damages finally awarded against such parties on account of a third-party claim where: (i) the claim arises from Customer's or a User's use of a Service; or (ii) the claim alleges a breach by Customer, its Affiliates or Users of a Software license agreement.

Import/Export Control: Customer and not AT&T is responsible for complying with import and export control laws, conventions and regulations applicable to any equipment, software or technical information that Customer moves or transmits between countries.

ARBITRATION: ALL CLAIMS AND DISPUTES ARISING FROM THIS AGREEMENT SHALL BE SETTLED BY BINDING ARBITRATION ADMINISTERED BY THE AMERICAN ARBITRATION ASSOCIATION UNDER ITS COMMERCIAL ARBITRATION RULES (SUBJECT TO THE REQUIREMENTS OF THE FEDERAL ARBITRATION ACT). ANY

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JUDGMENT ON ANY AWARD RENDERED MAY BE ENTERED AND ENFORCED IN A COURT HAVING JURISDICTION. THE ARBITRATOR SHALL NOT HAVE THE AUTHORITY TO AWARD ANY DAMAGES DISCLAIMED BY THIS AGREEMENT OR IN EXCESS OF THE LIABILITY LIMITATIONS IN THIS AGREEMENT, SHALL NOT HAVE THE AUTHORITY TO ORDER PRE-HEARING DEPOSITIONS OR DOCUMENT DISCOVERY, BUT MAY COMPEL ATTENDANCE OF WITNESSES AND PRODUCTION OF DOCUMENTS AT THE HEARING. THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY AND WAIVE ANY RIGHT TO PARTICIPATE IN OR INITIATE CLASS ACTIONS; IF THE PARTIES CANNOT WAIVE THESE RIGHTS, THIS ENTIRE PARAGRAPH IS VOID.

General Provisions: This Agreement and any pricing or other proposals are confidential to Customer and AT&T. Neither party may publicly disclose any confidential information of the other party without the prior written consent of the other, unless authorized by applicable law, regulation or court order. Until directed otherwise by Customer in writing, if AT&T designates a dedicated account representative as Customer's primary contact with AT&T, Customer authorizes that representative to discuss and disclose Customer's customer proprietary network information to any employee or agent of Customer without a need for further authentication or authorization. Each party will comply with all applicable laws and regulations and with all applicable orders issued by courts or other governmental bodies of competent jurisdiction.

Each party is responsible for complying with the privacy laws applicable to its business. AT&T shall require its personnel, agents and contractors around the world who process Customer Personal Data to protect Customer Personal Data in accordance with the data protection laws and regulations applicable to AT&T's business. If Customer does not want AT&T to comprehend Customer data to which it may have access in performing Services, Customer must encrypt such data so that it will be unintelligible. Customer is responsible for obtaining consent from and giving notice to its Users, employees and agents regarding Customer's and AT&T's collection and use of the User, employee or agent information in connection with a Service. Customer will only make accessible or provide Customer Personal Data to AT&T when it has the legal authority to do so. AT&T may monitor electronic transmissions across its network to maintain compliance with its legal and regulatory obligations and to operate, maintain and enhance the network and Services. Where required by law, AT&T may provide Customer Personal Data to third parties such as courts, law enforcement or regulatory authorities.

This Agreement may not be assigned by either party without the prior written consent of the other party, which consent will not be unreasonably withheld or delayed, except that AT&T may: (i) assign in whole or relevant part its rights and obligations under this Agreement to an AT&T Affiliate, or (ii) subcontract work to be performed under this Agreement, but AT&T will in each such case remain financially responsible for the performance of such obligations.

Any claim or dispute arising out of this Agreement must be filed within two (2) years after the cause of action arises.

This Agreement does not provide any third party (including Users) the right to enforce it or to any remedy, claim, liability, cause of action or other right or privilege.

Unless a regulatory agency with jurisdiction over the applicable Service applies a different law, this Agreement will be governed by the law of the State of New York, without regard to its conflict of law principles. The United Nations Convention on Contracts for International Sale of Goods will not apply.

Except for payment of amounts due, neither party will be liable for any delay, failure in performance, loss or damage due to causes beyond such party's reasonable control, including strikes and labor disputes.

Customer must send any notice required or permitted under this Agreement in writing to the AT&T address set forth above.

This Agreement constitutes the entire agreement between the parties concerning its subject matter. Except as provided in License and Other Terms, above, this Agreement supersedes all previous agreements, whether written or oral.

This Agreement may not be modified or supplemented without a writing signed by authorized representatives of both parties.

Definitions:

"Affiliate" of a party means any entity that controls, is controlled by or is under common control with such party.

"API" means an application program interface used to make a resources request from a remote implementer program. An API may include coding, specifications for routines, data structures, object classes, and protocols used to communicate between programs.

"AT&T Software" means software, including APIs, and all associated written and electronic documentation and data owned by AT&T and licensed by AT&T to Customer. AT&T Software does not include software that is not furnished to Customer.

"Customer Personal Data" means information that identifies an individual, that Customer directly or indirectly makes accessible to AT&T and that AT&T collects, holds or uses in the course of providing the Services.

"Purchased Equipment" means equipment or other tangible products Customer purchases under this Agreement, including any replacements of Purchased Equipment provided to Customer. Purchased Equipment also includes any internal code required to operate such Equipment. Purchased Equipment does not include Software but does include any physical media provided to Customer on which Software is stored.

"Software" means AT&T Software and Vendor Software.

"Third-Party Service" means a service provided directly to Customer by a third party under a separate agreement between Customer and the third party.

"Vendor Software" means software, including APIs, and all associated written and electronic documentation and data AT&T furnishes to Customer, other than AT&T Software.



**AT&T MANAGED INTERNET SERVICE
 PRICING SCHEDULE**

<p>Customer CITY OF FORT SMITH</p> <p>Street Address: 100 S. 10th St. City: FORT SMITH State/Province : AR Zip Code: 72901 Country: United States</p> <p>Customer Contact (for notices)</p> <p>Name: Alvey Matlock Title: Other Street Address: 100 S. 10th St. City: Fort Smith State/Province: AR Zip Code: 72901 Country: United States Telephone: 4796525695 Fax: Email: alvey.matlock@fortsmithpd.org Customer Account Number or Master Account Number: 1-SK8V-2106</p>	<p>AT&T AT&T Corp.</p> <p>AT&T Sales Contact Information and for Contract Notices D Primary AT&T Contact Name: KIMBERLY STRACK Street Address: 1111 W CAPITOL AVE City: UTILE ROCK State/Province: AR Zip Code: 72201 Country: United States Telephone: 5012511087 Fax: 8668045981 Email: kn9623@us.att.com Sales/Branch Manager: Mike Branton SCVP Name: GREGORY KNUTSON Sales Strata: Retail Sales Region: US-SOUTHWEST <u>With a copy to:</u> AT&T Corp. One AT&T Way Bedminster, NJ 07921-0752 ATIN: Master Agreement Support Team Email: mast(a)att.com</p>
<p>AT&T Solution Provider or Representative Information (if applicable) D</p> <p>Name1: Company Name: Agent Street Address: City: State: Zip Code: Country: Telephone: Fax: Email: Agent Code</p>	

This Pricing Schedule is part of the Agreement between AT&T and Customer referenced above.

Customer (by its authorized representative)	AT&T (by its authorized representative)
By:	By:
Name: JEFF DINGMAN	Name:
Title: ACTING CITY ADMINISTRATOR	Title:
Date: 3/10/2016	Date:

AT&T and Customer Confidential Information

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AT&T MANAGED INTERNET SERVICE
 PRICING SCHEDULE

1. SERVICES

Service	Service Publication Location
AT&T Managed Internet Service (MIS)	http://serviceguidenew.att.com/sg_flashPlayerPage/MIS
AT&T Bandwidth Services	http://serviceauidenew.att.com/sa_flashPlayerPage/BWS

2. PRICING SCHEDULE TERM AND EFFECTIVE DATES

Pricing Schedule Term	36 months
Pricing Schedule Term Start Date	Effective Date of this Pricing Schedule
Effective Date of Rates and Discounts	Effective Date of this Pricing Schedule

3. MINIMUM PAYMENT PERIOD

Service Components	Percent of Monthly Service Fees Due Upon Termination Prior to Completion of Minimum Payment Period	Minimum Payment Period per Service Component
All Service Components	50%	Longer of 12 months or until the end of the Pricing Schedule Term

4. GRANDFATHERING AND WITHDRAWAL

Availability of Service Components is subject to grandfathering and withdrawal per the Service Guide.

5. RATES

Section 1: AT&T Managed Internet Service

Table 1: MIS Self -Installation

Discount: 100.0 %

MIS Speed	Undiscounted MIS	Undiscounted MIS w/ Managed Router	Undiscounted MIS w/ Virtual Router
Ethernet	\$1,500	\$1,500**	\$0.00

**Pricing available for MIS speeds of 100 Mbps and below and with electrical interfaces only.

Table 2: On-Site Installation

Discount: 50.0 %

MIS Speed	Undiscounted MIS w/ Managed Router Only
Ethernet	\$1,500

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AT&T MANAGED INTERNET SERVICE
 PRICING SCHEDULE

Table 3: Flat Rate and Flexible Bandwidth Billing Option- Ethernet

Available bandwidth levels are subject to qualification at time of each order and may vary for MIS ports/access ordered with or without the Network on Demand option.

Bandwidth	Discounted Ethernet Access Monthly Fee	Minimum Bandwidth Commitment		Undiscounted Incremental Usage Fee Per Mbps
		Undiscounted MIS with Customer Router Monthly Fee	Undiscounted MIS with AT&T Managed Router Monthly Fee	
2 Mbps	\$500.00	\$260.00	\$388.00	\$355.00
4 Mbps	\$500.00	\$262.00	\$390.00	\$325.00
5 Mbps	\$500.00	\$263.00	\$391.00	\$270.00
8 Mbps	\$500.00	\$266.00	\$394.00	\$235.00
10 Mbps	\$500.00	\$268.00	\$396.00	\$198.00
20 Mbps	\$530.00	\$449.00	\$577.00	\$144.25
50 Mbps	\$640.00	\$813.00	\$955.00	\$95.50
100 Mbps	\$810.00	\$1,400.00	\$1,555.00	\$77.75
150 Mbps	\$810.00	\$1,800.00	\$1,965.00	\$65.50
250 Mbps	\$1,100.00	\$2,150.00	\$2,240.00	\$44.80
400 Mbps	\$1,300.00	\$2,700.00	\$3,380.00	\$42.25
500 Mbps	\$1,300.00	\$3,500.00	\$4,325.00	\$43.25
600 Mbps	\$1,300.00	\$4,096.00	\$4,840.00	\$40.33
1000 Mbps	\$2,000.00	\$4,505.00	\$5,620.00	\$28.10
Discount:		26.0%	26.0%	100.0%

Table 3.a: Flat Rate Billing Option- Ethernet (10 Mbps only)

Available only for 10 Mbps bandwidth level, subject to qualification. Not available for MIS ports/access with the Network on Demand option, or MIS ports/access with Customer managed router, or MIS ordered with AT&T BVoIP Service.

Bandwidth	Discounted Ethernet Access Monthly Fee	Minimum Bandwidth Commitment Undiscounted MIS with AT&T Managed Router Monthly Fee	Undiscounted Incremental Usage Fee PerMbps
10 Mbps	\$374.52	\$396.00	Not Applicable
Discount:		26.0%	

Section II: Additional Service Fees

Moving Fee (during hours)	\$1,000 per location
Additional Moving Fee (outside standard operating hours – 8:00 a.m. to 5:00 p.m. Monday through Friday)	Additional \$500 per location

Section III: AT&T Business in a Box®

AT&T Business in a Box® is not available for MIS ports/access ordered with the Network on Demand option.

Discount- 100.0 %

Option	Undiscounted Monthly Service Charge *
Base Unit 12 Port	\$75.00

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AT&T MANAGED INTERNET SERVICE
PRICING SCHEDULE

8 Port Analog Module Add-On	\$40.00
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• Pricing also applies to Service locations in Alaska

Class Of Service Option- when ordered with AT&T BVoIP Services only

Discount: 100%

Class of Service Monthly Service Fee	\$225
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#Pricing also applies to Service locations in Alaska

This is the last page of the Pricing Document

AT&T and Customer Confidential Information

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MULTI-SERVICE AGREEMENT

<p>Customer CITY OF FORT SMITH</p> <p>Street Address: 8400 S Zero St. City: FORT SMITH State/Province : AR Zip Code: 72903 Country: United States</p>	<p>AT&T AT&T Corp.</p>
<p>Customer Contact (for notices) Name: Alvey Matlock Title: Other Street Address: 8400 S Zero St. City: Fort Smith State/Province: AR Zip Code: 72903 Country: United States Telephone: 4796525695 Fax: Email: alvey.matlock@fortsmithpd.org</p>	<p>AT&T Contact (for notices) Street Address: 1111 W CAPITOL AVE City: LITTLE ROCK State/Province: AR Zip Code: 72201 Country: United States</p> <p>With a copy to: AT&T Corp. One AT&T Way Bedminster, NJ 07921-0752 ATTN: Master Agreement Support Team Email: mast@att.com</p>
<p>This Multi-Service Agreement between the customer named above ("Customer") and AT&T Corp. ("AT&T") is effective when signed by both parties.</p>	
<p>Customer (by its authorized representative)</p>	<p>AT&T (by its authorized representative)</p>
<p>By: Name:</p>	<p>By: Name:</p>
<p>Title: C:\</p>	<p>Title:</p>
<p>Date:</p>	<p>Date:</p>

Agreement: The terms and conditions for the products and services that AT&T provides to Customer under this Agreement ("Services") are found in this document and the following additional documents (collectively, the "Agreement"): (i) Tariffs, Guidebooks and Service Guides found at att.com/service publications; (ii) pricing schedules or other documents attached to or later executed by the parties and referencing this document ("Pricing Schedule"); and (iii) the Acceptable Use Policy ("AUP") found at att.com/aup. AT&T may revise Tariffs, Guidebooks, Service Guides or the AUP (collectively "Service Publications") at any time and may direct Customer to websites other than listed above. The order of priority of the documents that form this Agreement is: the applicable Pricing Schedule or Order, this Multi-Service Agreement, and the applicable Service Publications; provided that, Tariffs will be first in priority in any jurisdiction where applicable law or regulation does not permit contract terms to take

Affiliate Signature: An AT&T or Customer Affiliate may sign a Pricing precedence over inconsistent Tariff terms. This Agreement continues so long as Services are provided under this Agreement.

Schedule in its own name, and such Affiliate contract will be a separate but associated contract incorporating the terms of this Agreement. Customer and AT&T will cause respective Affiliates to comply with any such separate and associated contract.

Services: AT&T will either provide or arrange to have its Affiliate provide Services to Customer and its Users (anyone who uses or accesses any Service provided to Customer) , subject to the

availability and operational limitations of systems, facilities and equipment. Where required, an AT&T Affiliate authorized by the appropriate regulatory authority will be the service provider. Customer *may* not resell the Services or rebrand the Services for resale to third parties without AT&T's prior written consent. Customer will cause Users to comply with this Agreement and is responsible for their use of any Service unless expressly provided to the contrary in a Service Publication. If a Service is provided over or accesses

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MULTI-SERVICE AGREEMENT

the Internet or is a wireless (i.e., cellular) data or messaging Service, Customer, its Affiliates and Users will comply with the AUP.

Ordering: If an applicable Service Publication expressly permits placement of an order for a Service under this Multi-Service Agreement without the execution of a Pricing Schedule, Customer may place such an order using AT&T's standard ordering processes (an "Order"), and upon acceptance by AT&T, the Order shall otherwise be deemed a Pricing Schedule under this Multi-Service Agreement for the Service Ordered.

Access to Premises: Customer will in a timely manner allow AT&T to access or at Customer's expense obtain timely access to property (other than public property) and to equipment as AT&T reasonably requires for the Services. Access includes information, the right to construct, install, repair, maintain, replace and remove access lines and network facilities and the right to use ancillary equipment space within the building for Customer's connection to AT&T's network. Customer will furnish any conduit, holes, wireways, wiring, plans, equipment, space, power/utilities and other items AT&T reasonably requires for the Services and will obtain any necessary licenses, permits and consents (including easements and rights-of-way).

Hazardous Materials: Customer will ensure that the location where AT&T installs, maintains or provides Services is a suitable and safe working environment, free of any substance or material that poses an unreasonable risk to health, safety or property or whose use, transport, storage, handling, disposal or release is regulated by any law related to pollution, to protection of air, water or soil or to health and safety. If AT&T encounters any such hazardous materials at a Customer location, AT&T may terminate any affected Service or any affected component of a Service ("Service Component") or suspend performance until Customer removes the hazardous materials.

Independent Contractor Relationship: Each party is an independent contractor. Neither party controls the other, and neither party nor its Affiliates, employees, agents or contractors are Affiliates, employees, agents or contractors of the other party.

License and Other Terms: Software, Purchased Equipment and Third-Party Services may be provided subject to the terms of a separate license or other agreement between Customer and either the licensor, the third-party service provider or the manufacturer. Customer's execution of the Pricing Schedule for or placement of an Order for Software, Purchased Equipment or Third-Party Services is Customer's agreement to comply with such separate agreement.

Unless a Service Publication specifies otherwise, AT&T's sole responsibility with respect to Third-Party Services is to place Customer's orders for Third-Party Services, except that AT&T may invoice and collect payment from Customer for the Third-Party Services.

Equipment: Services may be provided using certain equipment owned by AT&T that is located at the Site ("AT&T Equipment"), but title to the AT&T Equipment will remain with AT&T. Customer must provide electric power for the AT&T Equipment and keep the AT&T Equipment physically secure and free from liens and encumbrances. Customer will bear the risk of loss or damage (other than ordinary wear and tear) to the AT&T Equipment. The Site is the physical location where AT&T installs or provides a Service.

Except as specified in a Service Publication, title to and risk of loss of Purchased Equipment shall pass to Customer on delivery to the transport carrier for shipment to Customer's designated location.

AT&T retains a lien and purchase money security interest in each item of Purchased Equipment and Vendor Software until Customer pays all sums due. AT&T is authorized to sign and file a financing statement to perfect such security interest.

Prices, Pricing Schedule Term and Taxes: The prices listed in a Pricing Schedule are stabilized until the end of the Pricing Schedule Term and will apply in lieu of the corresponding prices set forth in the applicable Service Publication. No promotion, credit, discount or waiver set forth in a Service Publication will apply. Unless the Pricing Schedule states otherwise, at the end of the Pricing Schedule Term, Customer may continue Service (subject to any applicable notice or other requirements in a Service Publication for Customer to discontinue a Service Component) under a month-to-month service arrangement at the prices, terms and conditions in effect on the last day of the Pricing Schedule Term. AT&T may change such prices, terms or conditions on 30 days' prior notice to Customer.

Prices in the Pricing Schedules are exclusive of and Customer will pay all taxes, regulatory surcharges, recovery fees, customs clearances, duties, levies, shipping charges and other similar charges relating to the sale, transfer of ownership, installation, license, use or provision of the Services.

If required by law to withhold or deduct applicable taxes from payments due to AT&T, Customer must use reasonable commercial efforts to minimize any such taxes and must furnish to AT&T such evidence as may be required by relevant taxing authorities to establish that such tax has been paid so that AT&T may claim any applicable credit.

Billing, Payments, Deposits and MARC: Unless a Service Publication specifies otherwise, Customer's obligation to pay for a Service Component begins upon availability of the Service Component to Customer ("Cutover"). Payment is due 30 days after the invoice date (unless another date is specified in an applicable Tariff or Guidebook) and must refer to the invoice number.

At Customer's request, but subject to AT&T's consent (which may not be unreasonably withheld or withdrawn), Customer's Affiliates may be invoiced separately, and AT&T will accept payment from such Affiliates. Customer will be responsible for payment if Customer's Affiliates do not pay charges in accordance with this Agreement.

Restrictive endorsements or other statements on checks are void. If Customer does not dispute a charge in writing within 6 months after the date of the invoice in which the disputed charge initially appears, Customer waives the right to dispute the charge. AT&T may recover all costs (including attorney fees) of collecting delinquent or dishonored payments and may charge late payment fees (i) for Tariff or Guidebook Services, at the rate specified therein; or (ii) for all other Services at the lower of 1.5% per month (18% per annum) or the maximum rate allowed by law. AT&T may require a deposit as a condition of providing Services, and AT&T may apply such deposit to any charges owed.

If a Pricing Schedule includes a MARC and Customer's MARC-Eligible recurring and usage charges after deducting discounts and credits and excluding taxes, regulatory charges and charges for Purchased Equipment in any applicable 12-month period are less than the MARC, Customer will pay the shortfall, and AT&T may withhold contractual credits until Customer pays the shortfall charge.

Termination and Suspension: Either party may terminate this Agreement immediately upon notice if the other party becomes insolvent, ceases operations, is the subject of a bankruptcy petition or makes an assignment for the benefit of its creditors.

AT&T may terminate or suspend an affected Service or Service Component and, if the activity materially and adversely affects the entire Agreement, terminate or suspend the entire Agreement, immediately upon notice if Customer: (i) commits a fraud upon AT&T; (ii) uses the Service to commit a fraud upon another party; (iii) unlawfully uses the Service; (iv) abuses or misuses AT&T's network or Service; or (v) interferes with another customer's use of AT&T's network or services.

MULTI-SERVICE AGREEMENT

Customer may terminate an affected Service Component for material breach by AT&T if such breach is not cured within 30 days of notice.

AT&T may terminate or suspend (and later terminate) an affected Service Component for material breach by Customer if such breach is not cured within 30 days of notice.

If Customer fails to rectify a violation of the AUP within 5 days after notice from AT&T, AT&T may suspend or terminate the affected Service Component. AT&T may suspend or terminate immediately if: (i) the suspension or termination is a response to multiple or repeated AUP violations or complaints; (ii) AT&T is acting in response to a court order or governmental notice that certain conduct must be stopped; or (iii) AT&T reasonably determines that: (a) AT&T may be exposed to sanctions, liability, prosecution or other adverse consequences under applicable law if AT&T allows the violation to continue; (b) the violation may harm or interfere with the integrity, normal operations or security of AT&T's network or of networks with which AT&T interconnects or may interfere with another customer's use of AT&T services or the Internet; or (c) the violation presents imminent risk of harm to AT&T, AT&T's customers or its or their respective employees.

Termination Charges: If prior to Cutover, Customer terminates a Service Component other than for cause or AT&T terminates a Service Component for cause, Customer (i) will pay any pre-Cutover termination or cancellation charges set out in a Pricing Schedule or Service Publication, or (ii) in the absence of such specified charges, will reimburse AT&T for time and materials, including any third-party charges, incurred prior to the effective date of termination.

Thereafter, if Customer terminates a Service or Service Component for Customer's convenience or AT&T terminates a Service or Service Component for cause, Customer must pay: (i) 50% (unless a different amount is specified in the Pricing Schedule) of any unpaid recurring charges for the terminated Service Component attributable to the unexpired portion of an applicable Minimum Payment Period specified in the Pricing Schedule or Service Publication, (ii) if termination occurs before the end of an applicable Minimum Retention Period, any associated credits or waived or unpaid non-recurring charges, and (iii) any access facilities cancellation charges and other third-party charges incurred by AT&T due to the termination.

If Customer terminates a Pricing Schedule that has a MARC, Customer must pay an amount equal to 50% of the unsatisfied MARC for the balance of the Pricing Schedule Term.

In addition, Customer may terminate an affected Service Component without incurring termination charges if (a) AT&T revises a Service Publication and the revision has a materially adverse impact upon Customer; (b) Customer gives 30 days' notice of termination to AT&T within 90 days of the date of the revision; and (c) AT&T does not remedy the materially adverse impact prior to the effective date of termination. "Materially adverse impacts" do not include changes to non-stabilized pricing, changes required by governmental authority or assessment of, or assessment of or changes to additional charges such as surcharges or taxes.

Disclaimer of Warranties and Liability: AT&T MAKES NO EXPRESS OR IMPLIED WARRANTY, DISCLAIMS ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE OR NON-INFRINGEMENT AND DISCLAIMS ANY WARRANTIES ARISING BY USAGE OF TRADE OR BY COURSE OF DEALING. FURTHER, AT&T MAKES NO WARRANTY THAT TELEPHONE CALLS OR OTHER TRANSMISSIONS WILL BE ROUTED OR COMPLETED WITHOUT ERROR OR INTERRUPTION (INCLUDING 911 CALLS) AND

MAKES NO WARRANTY REGARDING NETWORK SECURITY, THE ENCRYPTION EMPLOYED BY ANY SERVICE, THE INTEGRITY OF ANY DATA THAT IS SENT, BACKED UP, STORED OR LOAD BALANCED, THAT AT&T'S SECURITY PROCEDURES WILL PREVENT THE LOSS OR ALTERATION OF OR IMPROPER ACCESS TO CUSTOMER'S DATA AND INFORMATION OR THAT SERVICES WILL BE UNINTERRUPTED OR ERROR-FREE. AT&T WILL NOT BE LIABLE FOR ANY DAMAGES RELATING TO: INTEROPERABILITY, ACCESS OR INTERCONNECTION OF THE SERVICES WITH APPLICATIONS, DATA, EQUIPMENT, SERVICES, CONTENT OR NETWORKS PROVIDED BY CUSTOMER OR OTHERS; SERVICE DEFECTS, SERVICE LEVELS, DELAYS, SERVICE ERRORS OR INTERRUPTIONS, INCLUDING INTERRUPTIONS OR ERRORS IN ROUTING OR COMPLETING ANY 911 CALLS OR ANY OTHER CALLS OR TRANSMISSIONS (EXCEPT FOR LIABILITY EXPLICITLY SET FORTH HEREIN); LOST OR ALTERED TRANSMISSIONS; OF: UNAUTHORIZED ACCESS TO OR THEFT, ALTERATION, LOSS OR DESTRUCTION OF CUSTOMER'S OR OTHERS' APPLICATIONS, CONTENT, DATA, PROGRAMS, INFORMATION, NETWORKS OR SYSTEMS.

Limitation of Liability: AT&T'S ENTIRE LIABILITY AND CUSTOMER'S EXCLUSIVE REMEDY FOR DAMAGES ARISING OUT OF AT&T'S BREACH OF THIS AGREEMENT AND NOT DISCLAIMED UNDER THIS AGREEMENT SHALL NOT EXCEED THE APPLICABLE CREDITS SPECIFIED IN THE SERVICE PUBLICATION OR, IF NO CREDITS ARE SPECIFIED, AN AMOUNT EQUAL TO THE TOTAL NET CHARGES TO CUSTOMER FOR SERVICE TO WHICH SUCH BREACH RELATES DURING THE PERIOD IN WHICH SUCH BREACH OCCURS AND CONTINUES. IN NO EVENT SHALL ANY OTHER LIABILITY ATTACH TO AT&T. THIS LIMITATION WILL NOT APPLY TO BODILY INJURY, DEATH OR DAMAGE TO REAL OR TANGIBLE PROPERTY DIRECTLY CAUSED BY AT&T'S NEGLIGENCE OR INTENTIONAL MISCONDUCT.

ALL SOFTWARE AND PURCHASED EQUIPMENT IS PROVIDED TO CUSTOMER ON AN "AS IS" BASIS.

NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY UNDER ANY CIRCUMSTANCES FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES.

These disclaimers and limitations of liability will apply regardless of the form of action, whether in contract, tort, strict liability or otherwise, of whether damages were foreseeable and of whether a party was advised of the possibility of such damages. These disclaimers and limitations of liability will survive failure of any exclusive remedies provided in this Agreement.

Indemnity: Customer agrees at its expense to defend, indemnify and hold harmless AT&T, its Affiliates and its and their employees, directors, subcontractors and suppliers or to pay all damages finally awarded against such parties on account of a third-party claim where: (i) the claim arises from Customer's or a User's use of a Service; or (ii) the claim alleges a breach by Customer, its Affiliates or Users of a Software license agreement.

Import/Export Control: Customer and not AT&T is responsible for complying with import and export control laws, conventions and regulations applicable to any equipment, software or technical information that Customer moves or transmits between countries.

ARBITRATION: ALL CLAIMS AND DISPUTES ARISING FROM THIS AGREEMENT SHALL BE SETTLED BY BINDING ARBITRATION ADMINISTERED BY THE AMERICAN ARBITRATION ASSOCIATION UNDER ITS COMMERCIAL ARBITRATION RULES (SUBJECT TO THE REQUIREMENTS OF THE FEDERAL ARBITRATION ACT). ANY

MULTI-SERVICE AGREEMENT

JUDGMENT ON ANY AWARD RENDERED MAY BE ENTERED AND ENFORCED IN A COURT HAVING JURISDICTION. THE ARBITRATOR SHALL NOT HAVE THE AUTHORITY TO AWARD ANY DAMAGES DISCLAIMED BY THIS AGREEMENT OR IN EXCESS OF THE LIABILITY LIMITATIONS IN THIS AGREEMENT, SHALL NOT HAVE THE AUTHORITY TO ORDER PRE-HEARING DEPOSITIONS OR DOCUMENT DISCOVERY, BUT MAY COMPEL ATTENDANCE OF WITNESSES AND PRODUCTION OF DOCUMENTS AT THE HEARING. THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY AND WAIVE ANY RIGHT TO PARTICIPATE IN OR INITIATE CLASS ACTIONS; IF THE PARTIES CANNOT WAIVE THESE RIGHTS, THIS ENTIRE PARAGRAPH IS VOID.

General Provisions: This Agreement and any pricing or other proposals are confidential to Customer and AT&T. Neither party may publicly disclose any confidential information of the other party without the prior written consent of the other, unless authorized by applicable law, regulation or court order. Until directed otherwise by Customer in writing, if AT&T designates a dedicated account representative as Customer's primary contact with AT&T, Customer authorizes that representative to discuss and disclose Customer's customer proprietary network information to any employee or agent of Customer without a need for further authentication or authorization. Each party will comply with all applicable laws and regulations and with all applicable orders issued by courts or other governmental bodies of competent jurisdiction.

Each party is responsible for complying with the privacy laws applicable to its business. AT&T shall require its personnel, agents and contractors around the world who process Customer Personal Data to protect Customer Personal Data in accordance with the data protection laws and regulations applicable to AT&T's business. If Customer does not want AT&T to comprehend Customer data to which it may have access in performing Services, Customer must encrypt such data so that it will be unintelligible. Customer is responsible for obtaining consent from and giving notice to its Users, employees and agents regarding Customer's and AT&T's collection and use of the User, employee or agent information in connection with a Service. Customer will only make accessible or provide Customer Personal Data to AT&T when it has the legal authority to do so. AT&T may monitor electronic transmissions across its network to maintain compliance with its legal and regulatory obligations and to operate, maintain and enhance the network and Services. Where required by law, AT&T may provide Customer Personal Data to third parties such as courts, law enforcement or regulatory authorities.

This Agreement may not be assigned by either party without the prior written consent of the other party, which consent will not be unreasonably withheld or delayed, except that AT&T may: (i) assign in whole or relevant part its rights and obligations under this Agreement to an AT&T Affiliate, or (ii) subcontract work to be performed under this Agreement, but AT&T will in each such case remain financially responsible for the performance of such obligations.

Any claim or dispute arising out of this Agreement must be filed within two (2) years after the cause of action arises.

This Agreement does not provide any third party (including Users) the right to enforce it or to any remedy, claim, liability, cause of action or other right or privilege.

Unless a regulatory agency with jurisdiction over the applicable Service applies a different law, this Agreement will be governed by the law of the State of New York, without regard to its conflict of law principles. The United Nations Convention on Contracts for International Sale of Goods will not apply.

Except for payment of amounts due, neither party will be liable for any delay, failure in performance, loss or damage due to causes beyond such party's reasonable control, including strikes and labor disputes.

Customer must send any notice required or permitted under this Agreement in writing to the AT&T address set forth above.

This Agreement constitutes the entire agreement between the parties concerning its subject matter. Except as provided in License and Other Terms, above, this Agreement supersedes all previous agreements, whether written or oral.

This Agreement may not be modified or supplemented without a writing signed by authorized representatives of both parties.

Definitions:

"Affiliate" of a party means any entity that controls, is controlled by or is under common control with such party.

"API" means an application program interface used to make a resources request from a remote implementer program. An API may include coding, specifications for routines, data structures, object classes, and protocols used to communicate between programs.

"AT&T Software" means software, including APIs, and all associated written and electronic documentation and data owned by AT&T and licensed by AT&T to Customer. AT&T Software does not include software that is not furnished to Customer.

"Customer Personal Data" means information that identifies an individual, that Customer directly or indirectly makes accessible to AT&T and that AT&T collects, holds or uses in the course of providing the Services.

"Purchased Equipment" means equipment or other tangible products Customer purchases under this Agreement, including any replacements of Purchased Equipment provided to Customer. Purchased Equipment also includes any internal code required to operate such Equipment. Purchased Equipment does not include Software but does include any physical media provided to Customer on which Software is stored.

"Software" means AT&T Software and Vendor Software.

"Third-Party Service" means a service provided directly to Customer by a third party under a separate agreement between Customer and the third party.

"Vendor Software" means software, including APIs, and all associated written and electronic documentation and data AT&T furnishes to Customer, other than AT&T Software.



AT&T MANAGED INTERNET SERVICE
PRICING SCHEDULE

<p>Customer CITY OF FORT SMITH</p> <p>Street Address: 8400 S Zero St. City: FORT SMITH State/Province : AR Zip Code: 72903 Countrv: United States Customer Contact (for notices)</p> <p>Name: Alvey Matlock Title: Other Street Address: 8400 S Zero St. City: Fort Smith State/Province: AR Zip Code: 72903 Country: United States Telephone: 4796525695 Fax: Email: alvey.matlock@fortsmithpd.org Customer Account Number or Master Account Number: 1-SKBV-2106</p>	<p>AT&T AT&T Corp.</p> <p>AT&T Sales Contact Information and for Contract Notices <input type="radio"/> Primary AT&T Contact Name: KIMBERLY STRACK Street Address: 1111 W CAPITOL AVE City: UTILE ROCK State/Province : AR Zip Code: 72201 Country: United States Telephone: 5012511087 Fax: 8668045981 Email: kn9623@us.att.com Sales/Branch Manager: Mike Branton SCVP Name: GREGORY KNUTSON Sales Strata: Retail Sales Region: US-SOUTHWEST <u>Withaco(1y:to:</u> AT&T Corp. One AT&T Way Bedminster, NJ 07921-0752 ATIN: Master Agreement Support Team Email: mast@att.com</p>
<p>AT&T Solution Provider or Representative Information (If applicable) <input type="radio"/></p>	
<p>Name1: Company Name: Agent Street Address: City: State: Zip Code: Country: Telephone: Fax: Email: Agent Code</p>	

This Pricing Schedule is part of the Agreement between AT&T and Customer referenced above.

Customer (by its authorized representative)	AT&T (by its authorized representative)
By: _____	B : _____
Name: <u>JEFF DINGMAN</u>	Name: _____
Title: <u>ACTING CITY ADMINISTRATOR</u>	Title: _____
Date: <u>3/10/2016</u>	Date: _____

AT&T and Customer Confidential Information

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ASAP!

AT&T MANAGED INTERNET SERVICE
 PRICING SCHEDULE

1. SERVICES

Service	Service Publication Location
AT&T Managed Internet Service (MIS)	http://serviceCiuidenew.att.com/sa flashPlaverPaae/MIS
AT&T Bandwidth Services	bttQ://serviceguidenew.attoomfsg flashPia erPage/BWS

2. PRICING SCHEDULE TERM AND EFFECTIVE DATES

Pricing Schedule Term	36 months
Pricing Schedule Term Start Date	Effective Date of this Pricing Schedule
Effective Date of Rates and Discounts	Effective Date of this Pricing Schedule

3. MINIMUM PAYMENT PERIOD

Service Components	Percent of Monthly Service Fees Due Upon Termination Prior to Completion of Minimum Payment Period	Minimum Payment Period per Service Component
All Service Components	50%	Longer of 12 months or until the end of the Pricing Schedule Term

4. GRANDFATHERING AND WITHDRAWAL

Availability of Service Components is subject to grandfathering and withdrawal per the Service Guide.

5. RATES

Section 1: AT&T Managed Internet Service

Table 1: MIS Self -Installation

Discount: 100.0 %

MIS Speed	Undiscounted MIS	Undiscounted MIS w/ Managed Router	Undiscounted MIS w/ Virtual Router
Ethernet	\$1,500	\$1,500**	\$0.00

**Pricing available for MIS speeds of 100 Mbps and below and with electrical interfaces only.

Table 2: On-Site Installation

Discount: 50.0 %

MIS Speed	Undiscounted MIS w/ Managed Router Only
Ethernet	\$1,500

AT&T and Customer Confidential Information

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AT&T MANAGED INTERNET SERVICE
 PRICING SCHEDULE

Table 3: Flat Rate and Flexible Bandwidth Billing Option- Ethernet

Available bandwidth levels are subject to qualification at time of each order and may vary for MIS ports/access ordered with or without the Network on Demand option.

Bandwidth	Discounted Ethernet Access Monthly Fee	Minimum Bandwidth Commitment		Undiscounted Incremental Usage Fee Per Mbps
		Undiscounted MIS with Customer Router Monthly Fee	Undiscounted MIS with AT&T Managed Router Monthly Fee	
2 Mbps	\$500.00	\$260.00	\$388.00	\$355.00
4 Mbps	\$500.00	\$262.00	\$390.00	\$325.00
5 Mbps	\$500.00	\$263.00	\$391.00	\$270.00
8 Mbps	\$500.00	\$266.00	\$394.00	\$235.00
10 Mbps	\$500.00	\$268.00	\$396.00	\$198.00
20 Mbps	\$530.00	\$449.00	\$577.00	\$144.25
50 Mbps	\$640.00	\$813.00	\$955.00	\$95.50
100 Mbps	\$810.00	\$1,400.00	\$1,555.00	\$77.75
150 Mbps	\$810.00	\$1,800.00	\$1,965.00	\$65.50
250 Mbps	\$1100.00	\$2,150.00	\$2,240.00	\$44.80
400 Mbps	\$1,300.00	\$2,700.00	\$3,380.00	\$42.25
500 Mbps	\$1,300.00	\$3,500.00	\$4,325.00	\$43.25
600 Mbps	\$1,300.00	\$4,096.00	\$4,840.00	\$40.33
1000 Mbps	\$2,000.00	\$4,505.00	\$5,620.00	\$28.10
Discount:		26.0%	26.0%	100.0%

Table 3.a: Flat Rate Billing Option- Ethernet (10 Mbps only)

Available only for 10 Mbps bandwidth level, subject to qualification. Not available for MIS ports/access with the Network on Demand option, or MIS ports/access with Customer managed router, or MIS ordered with AT&T BVoiP Service.

Bandwidth	Discounted Ethernet Access Monthly Fee	Minimum Bandwidth Commitment Undiscounted MIS with AT&T Managed Router Monthly Fee	Undiscounted Incremental Usage Fee PerMbps
10 Mbps	\$374.52	\$396.00	Not Applicable
Discount:		26.0%	

Section II: Additional Service Fees

Moving Fee (during hours)	\$1,000 per location
Fee (outside standard operating hours – 8:00 a.m. to 5:00 p.m. Monday through Friday)	Additional \$500 per location

Section III: AT&T Business in a Box®

AT&T Business in a Box® is not available for MIS ports/access ordered with the Network on Demand option.

Discount- 100.0 %

Option	Undiscounted Monthly Service Charge *
Base Unit 12 Port	\$75.00

AT&T and Customer Confidential Information

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AT&T MANAGED INTERNET SERVICE
PRICING SCHEDULE

8 Port Analog Module Add-On	\$40.00
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* Pricing also applies to Service locations in Alaska

Class Of Service Option- when ordered with AT&T BVoIP Services only

Discount: 100%

Class of Service Monthly Service Fee	\$225
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#Pricing also applies to Service locations in Alaska

This is the last page of the Pricing Document

AT&T and Customer Confidential Information

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ASAP!

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING EXECUTION OF A CONTRACT WITH ZERO MOUNTAIN INC. FOR FIREFIGHTING ASSISTANCE ON AN ANNUAL BASIS

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF FORT SMITH, ARKANSAS, THAT:

Section 1. The Contract for Firefighting Assistance on an Annual Basis between the City of Fort Smith and Zero Mountain Inc., substantially in the form attached hereto, providing for the terms and conditions of firefighting assistance, is hereby approved.

Section 2. The Mayor, his signature being attested by the City Clerk, is hereby authorized to execute the Contract for Firefighting Assistance on an Annual Basis approved by Section 1.

THIS RESOLUTION ADOPTED this ____ day of _____ 2016.

APPROVED:

Mayor

ATTEST:

Sherri Gard, City Clerk

Approved as to form:



City Attorney
No Publication Required

**CONTRACT FOR FIREFIGHTING ASSISTANCE
ON AN ANNUAL BASIS**

WITNESS this Agreement executed this 18th day of February, 2016, by and between Zero Mountain, Inc., a Corporation, with reference to the following described property located outside of the corporate limits of the City of Fort Smith, Arkansas, to wit:

Street No.	Street or Avenue	Legal Description
<u>8425 Hwy 45</u>	<u>Fort Smith, AR 72916</u>	

and the City of Fort Smith, Arkansas, acting by and through its Mayor, after resolution duly passed by the Board of Directors of the City:

1. In consideration of the payment of the sums set forth herein, the City of Fort Smith agrees to provide firefighting machinery and equipment, with the necessary firefighters to operate it, to combat fires at the above-described location; provided, however, that this contract shall be subject to the City's recognized superior and paramount right of refusal to respond or to limit its response to any call or fire alarm at such location if responding would endanger the lives or property of citizens of the City, in the sole judgment of the Chief of the Fort Smith Fire Department or his/her designee or in the sole judgment of the City Administrator of the City of Fort Smith. In exchange for such service, Zero Mountain, Inc. agrees to pay to the City an annual sum equal to the proportional cost of real and personal property tax that any business (or any other property classification) within the City would pay for the same services. (This "proportional cost" is derived from the percentage of the general fund revenue appropriated to the Fort Smith Fire Department in that given year.) For example, the annual fee

for such firefighting services shall be a sum based on the millage assessed on the business' real estate and personal property values (established by the Sebastian County Tax Assessor) times the proportional cost for firefighting services available to businesses within the City, which proportional cost figure is currently twenty-eight percent (28%) (e.g., twenty-eight percent of five mills (.005 x 28%)). The annual fee will be recalculated each year, beginning August 15, 2016, and thereafter on or before the 15th day of each August for the duration of this Agreement; the effective date of any changes in the annual fee shall be the first of January of the following year. In addition to the aforementioned annual sum, an amount equal to the City's one mill tax assessment for fire pensions shall be added to the annual firefighting fee – this sum shall be dedicated and paid into the Arkansas Local Police and Fire Retirement System (LOPFI) Contribution Fund. Using the aforementioned formula for determining the annual fee, the parties recognize the possibility of an increase or a decrease of that annual payment during the years 2016 and 2017 (either based on changes in appraised real estate or personal property values or based on changes in the percentage of proportional cost of providing firefighting services within the City) – in such event, the increase or the decrease for those years shall only be one-third of that increase or decrease for the respective year, with full implementation of the formula as it relates to any increase to be in effect for the contract year beginning January 1, 2018; however, for the purposes of determining if a decrease of the annual payment is appropriate, the formula shall become effective upon completion of the initial term of the contract.

Zero Mountain, Inc. agrees to pay to the City the annual contract sum, payable in advance, in equal monthly installments. The payments are to be made through the City's Finance Department.

2. Zero Mountain, Inc. agrees that the Fort

Smith City Fire Marshal, Fire Chief and other public safety officials may, at reasonable times, enter upon and inspect all portions of the above described premises and make recommendations for the elimination of fire hazards, the compliance with all such recommendations to be a condition of the future furnishing of firefighting equipment and personnel by the City; furthermore, Zero Mountain, Inc. agrees to provide full information to the City Administrator and to the City Fire Chief regarding the location of all water hydrants and connections for its sprinkling systems, if any, or other firefighting apparatus which may, from time to time, be available to the property.

3. Either party may terminate this Agreement on thirty (30) days' written notice to the other. In the event that the City exercises its right to terminate this Agreement, the City shall repay a pro rata portion of the annual fee agreement paid in advance by Zero Mountain, Inc. In the event that Zero Mountain, Inc. terminates this Agreement, there shall be no refund of the fees already paid. Any notices required under this Agreement shall be sent to the following:

To the Corporation:

Zero Mountain, Inc.
8425 Hwy 45
Fort Smith AR 72916

To the City:

City of Fort Smith, Arkansas
City Administrator
P.O. Box 1908
Fort Smith, AR 72902

4. Zero Mountain, Inc. may assign this Agreement to another party that becomes the tenant or owner of the above described real property after providing at least fourteen (14) days' prior written notice to the City Administrator. However, the City Administrator shall have the absolute right to disapprove the assignment and/or to cancel this Agreement.

5. Zero Mountain, Inc. recognizes and acknowledges that

the City of Fort Smith and its employees are, pursuant to A.C.A. § 21-9-301, immune from liability and from suit for damages, except to the extent that they may be covered by liability insurance. Furthermore, the parties intend this Agreement to be for their sole benefit and do not confer any benefit, right, or remedy upon any person or entity other than the parties hereto.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the date first set forth above.

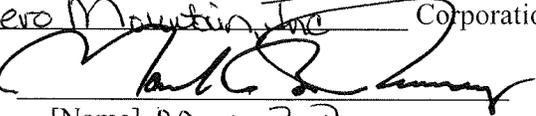
City of Fort Smith, Arkansas

By: _____
Mayor

Attest:

City Clerk

Zero Mountain, Inc Corporation

By: 

[Name] MARK B. Rumsey
[Title] Chairman of the Board

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING EXECUTION OF A CONTRACT WITH RHEEM FOR FIREFIGHTING ASSISTANCE ON AN ANNUAL BASIS

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF FORT SMITH, ARKANSAS, THAT:

Section 1. The Contract for Firefighting Assistance on an Annual Basis between the City of Fort Smith and Rheem, substantially in the form attached hereto, providing for the terms and conditions of firefighting assistance, is hereby approved.

Section 2. The Mayor, his signature being attested by the City Clerk, is hereby authorized to execute the Contract for Firefighting Assistance on an Annual Basis approved by Section 1.

THIS RESOLUTION ADOPTED this ____ day of _____ 2016.

APPROVED:

Mayor

ATTEST:

Sherri Gard, City Clerk

Approved as to form:



City Attorney
No Publication Required

**CONTRACT FOR FIREFIGHTING ASSISTANCE
ON AN ANNUAL BASIS**

WITNESS this Agreement executed this 9th day of MARCH, 2016, by
and between Rheem, a Corporation, with
reference to the following described property located outside of the corporate limits of the City of
Fort Smith, Arkansas, to wit:

Street No.	Street or Avenue	Legal Description
<u>5600</u>	<u>Old Greenwood ROAD, FORT SMITH, AR</u>	

and the City of Fort Smith, Arkansas, acting by and through its Mayor, after resolution duly
passed by the Board of Directors of the City:

1. In consideration of the payment of the sums set forth herein, the City of Fort Smith
agrees to provide firefighting machinery and equipment, with the necessary firefighters to operate
it, to combat fires at the above-described location; provided, however, that this contract shall be
subject to the City's recognized superior and paramount right of refusal to respond or to limit its
response to any call or fire alarm at such location if responding would endanger the lives or
property of citizens of the City, in the sole judgment of the Chief of the Fort Smith Fire
Department or his/her designee or in the sole judgment of the City Administrator of the City of
Fort Smith. In exchange for such service, Rheem agrees to
pay to the City an annual sum equal to the proportional cost of real and personal property tax that
any business (or any other property classification) within the City would pay for the same
services. (This "proportional cost" is derived from the percentage of the general fund revenue
appropriated to the Fort Smith Fire Department in that given year.) For example, the annual fee

for such firefighting services shall be a sum based on the millage assessed on the business' real estate and personal property values (established by the Sebastian County Tax Assessor) times the proportional cost for firefighting services available to businesses within the City, which proportional cost figure is currently twenty-eight percent (28%) (e.g., twenty-eight percent of five mills (.005 x 28%)). The annual fee will be recalculated each year, beginning August 15, 2016, and thereafter on or before the 15th day of each August for the duration of this Agreement; the effective date of any changes in the annual fee shall be the first of January of the following year. In addition to the aforementioned annual sum, an amount equal to the City's one mill tax assessment for fire pensions shall be added to the annual firefighting fee – this sum shall be dedicated and paid into the Arkansas Local Police and Fire Retirement System (LOPFI) Contribution Fund. Using the aforementioned formula for determining the annual fee, the parties recognize the possibility of an increase or a decrease of that annual payment during the years 2016 and 2017 (either based on changes in appraised real estate or personal property values or based on changes in the percentage of proportional cost of providing firefighting services within the City) – in such event, the increase or the decrease for those years shall only be one-third of that increase or decrease for the respective year, with full implementation of the formula as it relates to any increase to be in effect for the contract year beginning January 1, 2018; however, for the purposes of determining if a decrease of the annual payment is appropriate, the formula shall become effective upon completion of the initial term of the contract.

Rheem agrees to pay to the City the annual contract sum, payable in advance, in equal monthly installments. The payments are to be made through the City's Finance Department.

2. Rheem agrees that the Fort

Smith City Fire Marshal, Fire Chief and other public safety officials may, at reasonable times, enter upon and inspect all portions of the above described premises and make recommendations for the elimination of fire hazards, the compliance with all such recommendations to be a condition of the future furnishing of firefighting equipment and personnel by the City; furthermore, Rheem agrees to provide full information to the City Administrator and to the City Fire Chief regarding the location of all water hydrants and connections for its sprinkling systems, if any, or other firefighting apparatus which may, from time to time, be available to the property.

3. Either party may terminate this Agreement on thirty (30) days' written notice to the other. In the event that the City exercises its right to terminate this Agreement, the City shall repay a pro rata portion of the annual fee agreement paid in advance by Rheem. In the event that Rheem terminates this Agreement, there shall be no refund of the fees already paid. Any notices required under this Agreement shall be sent to the following:

To the Corporation:

Rheem Corporation
5600 Old Greenwood Rd.
Fort Smith, AR 72917-7010
ATW

To the City:

City of Fort Smith, Arkansas
City Administrator
P.O. Box 1908
Fort Smith, AR 72902

4. Rheem may assign this Agreement to another party that becomes the tenant or owner of the above described real property after providing at least fourteen (14) days' prior written notice to the City Administrator. However, the City Administrator shall have the absolute right to disapprove the assignment and/or to cancel this Agreement.

5. Rheem recognizes and acknowledges that

the City of Fort Smith and its employees are, pursuant to A.C.A. § 21-9-301, immune from liability and from suit for damages, except to the extent that they may be covered by liability insurance. Furthermore, the parties intend this Agreement to be for their sole benefit and do not confer any benefit, right, or remedy upon any person or entity other than the parties hereto.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the date first set forth above.

City of Fort Smith, Arkansas

By: _____
Mayor

Attest:

City Clerk

Rheem Corporation
By: Amy Johnson, Director of Operation
[Name]
[Title]

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING EXECUTION OF A CONTRACT WITH HARRY G. BARR CO. FOR FIREFIGHTING ASSISTANCE ON AN ANNUAL BASIS

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF FORT SMITH, ARKANSAS, THAT:

Section 1. The Contract for Firefighting Assistance on an Annual Basis between the City of Fort Smith and Harry G. Barr Co., substantially in the form attached hereto, providing for the terms and conditions of firefighting assistance, is hereby approved.

Section 2. The Mayor, his signature being attested by the City Clerk, is hereby authorized to execute the Contract for Firefighting Assistance on an Annual Basis approved by Section 1.

THIS RESOLUTION ADOPTED this ____ day of _____ 2016.

APPROVED:

Mayor

ATTEST:

Sherri Gard, City Clerk

Approved as to form:



City Attorney
No Publication Required

**CONTRACT FOR FIREFIGHTING ASSISTANCE
ON AN ANNUAL BASIS**

WITNESS this Agreement executed this 24th day of FEBRUARY, 2016, by and between HARRY G. BARR Co., a Corporation, with reference to the following described property located outside of the corporate limits of the City of Fort Smith, Arkansas, to wit:

Street No.	Street or Avenue	Legal Description
6500	S. ZERO ST.	A PART OF LOT 2 OF THE NW 1/4 OF SECTION 1, TOWNSHIP 7 NORTH, RANGE 32 WEST, SEBASTIAN COUNTY, ARKANSAS

and the City of Fort Smith, Arkansas, acting by and through its Mayor, after resolution duly passed by the Board of Directors of the City:

1. In consideration of the payment of the sums set forth herein, the City of Fort Smith agrees to provide firefighting machinery and equipment, with the necessary firefighters to operate it, to combat fires at the above-described location; provided, however, that this contract shall be subject to the City's recognized superior and paramount right of refusal to respond or to limit its response to any call or fire alarm at such location if responding would endanger the lives or property of citizens of the City, in the sole judgment of the Chief of the Fort Smith Fire Department or his/her designee or in the sole judgment of the City Administrator of the City of Fort Smith. In exchange for such service, HARRY G. BARR Co. agrees to pay to the City an annual sum equal to the proportional cost of real and personal property tax that any business (or any other property classification) within the City would pay for the same services. (This "proportional cost" is derived from the percentage of the general fund revenue appropriated to the Fort Smith Fire Department in that given year.) For example, the annual fee

for such firefighting services shall be a sum based on the millage assessed on the business' real estate and personal property values (established by the Sebastian County Tax Assessor) times the proportional cost for firefighting services available to businesses within the City, which proportional cost figure is currently twenty-eight percent (28%) (e.g., twenty-eight percent of five mills (.005 x 28%)). The annual fee will be recalculated each year, beginning August 15, 2016, and thereafter on or before the 15th day of each August for the duration of this Agreement; the effective date of any changes in the annual fee shall be the first of January of the following year. In addition to the aforementioned annual sum, an amount equal to the City's one mill tax assessment for fire pensions shall be added to the annual firefighting fee – this sum shall be dedicated and paid into the Arkansas Local Police and Fire Retirement System (LOPFI) Contribution Fund. Using the aforementioned formula for determining the annual fee, the parties recognize the possibility of an increase or a decrease of that annual payment during the years 2016 and 2017 (either based on changes in appraised real estate or personal property values or based on changes in the percentage of proportional cost of providing firefighting services within the City) – in such event, the increase or the decrease for those years shall only be one-third of that increase or decrease for the respective year, with full implementation of the formula as it relates to any increase to be in effect for the contract year beginning January 1, 2018; however, for the purposes of determining if a decrease of the annual payment is appropriate, the formula shall become effective upon completion of the initial term of the contract.

HARRY C. BARR Co. agrees to pay to the City the annual contract sum, payable in advance, in equal monthly installments. The payments are to be made through the City's Finance Department.

2. HARRY C. BARR Co. agrees that the Fort

Smith City Fire Marshal, Fire Chief and other public safety officials may, at reasonable times, enter upon and inspect all portions of the above described premises and make recommendations for the elimination of fire hazards, the compliance with all such recommendations to be a condition of the future furnishing of firefighting equipment and personnel by the City; furthermore, HARRY G. BARR Co. agrees to provide full information to the City Administrator and to the City Fire Chief regarding the location of all water hydrants and connections for its sprinkling systems, if any, or other firefighting apparatus which may, from time to time, be available to the property.

3. Either party may terminate this Agreement on thirty (30) days' written notice to the other. In the event that the City exercises its right to terminate this Agreement, the City shall repay a pro rata portion of the annual fee agreement paid in advance by HARRY G. BARR Co. In the event that HARRY G. BARR Co. terminates this Agreement, there shall be no refund of the fees already paid. Any notices required under this Agreement shall be sent to the following:

To the Corporation:

HARRY G. BARR Co.
6500 S. ZERO
FORT SMITH, AR 72903

To the City:

City of Fort Smith, Arkansas
City Administrator
P.O. Box 1908
Fort Smith, AR 72902

4. HARRY G. BARR Co. may assign this Agreement to another party that becomes the tenant or owner of the above described real property after providing at least fourteen (14) days' prior written notice to the City Administrator. However, the City Administrator shall have the absolute right to disapprove the assignment and/or to cancel this Agreement.

5. HARRY G. BARR Co. recognizes and acknowledges that

the City of Fort Smith and its employees are, pursuant to A.C.A. § 21-9-301, immune from liability and from suit for damages, except to the extent that they may be covered by liability insurance. Furthermore, the parties intend this Agreement to be for their sole benefit and do not confer any benefit, right, or remedy upon any person or entity other than the parties hereto.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the date first set forth above.

City of Fort Smith, Arkansas

By: _____
Mayor

Attest:

City Clerk

HARRY B. BARR Co. Corporation

By: Johnnie Frederick
[Name] JOHNNIE FREDERICK
[Title] TREASURER

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING EXECUTION OF A CONTRACT WITH WEATHERFORD INTERNATIONAL, LLC FOR FIREFIGHTING ASSISTANCE ON AN ANNUAL BASIS

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF FORT SMITH, ARKANSAS, THAT:

Section 1. The Contract for Firefighting Assistance on an Annual Basis between the City of Fort Smith and Weatherford International. LLC, substantially in the form attached hereto, providing for the terms and conditions of firefighting assistance, is hereby approved.

Section 2. The Mayor, his signature being attested by the City Clerk, is hereby authorized to execute the Contract for Firefighting Assistance on an Annual Basis approved by Section 1.

THIS RESOLUTION ADOPTED this ____ day of _____ 2016.

APPROVED:

Mayor

ATTEST:

Sherri Gard, City Clerk

Approved as to form:



City Attorney
No Publication Required

**CONTRACT FOR FIREFIGHTING ASSISTANCE
ON AN ANNUAL BASIS**

WITNESS this Agreement executed this 24 day of February, 2016, by and between Weatherford International, LLC, a ~~Corporation~~ ^{company} with reference to the following described property located outside of the corporate limits of the City of Fort Smith, Arkansas, to wit:

Street No.	Street or Avenue	Legal Description
8220	Hwy 271 South Fort Smith 72908	

and the City of Fort Smith, Arkansas, acting by and through its Mayor, after resolution duly passed by the Board of Directors of the City:

1. In consideration of the payment of the sums set forth herein, the City of Fort Smith agrees to provide firefighting machinery and equipment, with the necessary firefighters to operate it, to combat fires at the above-described location; provided, however, that this contract shall be subject to the City's recognized superior and paramount right of refusal to respond or to limit its response to any call or fire alarm at such location if responding would endanger the lives or property of citizens of the City, in the sole judgment of the Chief of the Fort Smith Fire Department or his/her designee or in the sole judgment of the City Administrator of the City of Fort Smith. In exchange for such service, Weatherford agrees to pay to the City an annual sum equal to the proportional cost of real and personal property tax that any business (or any other property classification) within the City would pay for the same services. (This "proportional cost" is derived from the percentage of the general fund revenue appropriated to the Fort Smith Fire Department in that given year.) For example, the annual fee

for such firefighting services shall be a sum based on the millage assessed on the business' real estate and personal property values (established by the Sebastian County Tax Assessor) times the proportional cost for firefighting services available to businesses within the City, which proportional cost figure is currently twenty-eight percent (28%) (e.g., twenty-eight percent of five mills (.005 x 28%)). The annual fee will be recalculated each year, beginning August 15, 2016, and thereafter on or before the 15th day of each August for the duration of this Agreement; the effective date of any changes in the annual fee shall be the first of January of the following year. In addition to the aforementioned annual sum, an amount equal to the City's one mill tax assessment for fire pensions shall be added to the annual firefighting fee – this sum shall be dedicated and paid into the Arkansas Local Police and Fire Retirement System (LOPFI) Contribution Fund. Using the aforementioned formula for determining the annual fee, the parties recognize the possibility of an increase or a decrease of that annual payment during the years 2016 and 2017 (either based on changes in appraised real estate or personal property values or based on changes in the percentage of proportional cost of providing firefighting services within the City) – in such event, the increase or the decrease for those years shall only be one-third of that increase or decrease for the respective year, with full implementation of the formula as it relates to any increase to be in effect for the contract year beginning January 1, 2018; however, for the purposes of determining if a decrease of the annual payment is appropriate, the formula shall become effective upon completion of the initial term of the contract.

Weatherford agrees to pay to the City the annual contract sum, payable in advance, in equal monthly installments. The payments are to be made through the City's Finance Department.

2. Weatherford agrees that the Fort

Smith City Fire Marshal, Fire Chief and other public safety officials may, at reasonable times, enter upon and inspect all portions of the above described premises and make recommendations for the elimination of fire hazards, the compliance with all such recommendations to be a condition of the future furnishing of firefighting equipment and personnel by the City; furthermore, Weatherford agrees to provide full information to the City Administrator and to the City Fire Chief regarding the location of all water hydrants and connections for its sprinkling systems, if any, or other firefighting apparatus which may, from time to time, be available to the property.

3. Either party may terminate this Agreement on thirty (30) days' written notice to the other. In the event that the City exercises its right to terminate this Agreement, the City shall repay a pro rata portion of the annual fee agreement paid in advance by Weatherford. In the event that Weatherford terminates this Agreement, there shall be no refund of the fees already paid. Any notices required under this Agreement shall be sent to the following:

To the Corporation:

Weatherford International
PO Box 010310
8220 Hwy 271 South
Fort Smith AR 72908

To the City:

City of Fort Smith, Arkansas
City Administrator
P.O. Box 1908
Fort Smith, AR 72902

4. Weatherford may assign this Agreement to another party that becomes the tenant or owner of the above described real property after providing at least fourteen (14) days' prior written notice to the City Administrator. However, the City Administrator shall have the absolute right to disapprove the assignment and/or to cancel this Agreement.

5. Weatherford recognizes and acknowledges that

the City of Fort Smith and its employees are, pursuant to A.C.A. § 21-9-301, immune from liability and from suit for damages, except to the extent that they may be covered by liability insurance. Furthermore, the parties intend this Agreement to be for their sole benefit and do not confer any benefit, right, or remedy upon any person or entity other than the parties hereto.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the date first set forth above.

City of Fort Smith, Arkansas

By: _____
Mayor

Attest:

City Clerk

Weatherford International, LLC Corporation
By: Charity R. Koll, Vice President
[Name] Charity R. Koll
[Title] Vice President

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING EXECUTION OF A CONTRACT WITH HOGBACK EXPLORATION, INC. FOR FIREFIGHTING ASSISTANCE ON AN ANNUAL BASIS

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF FORT SMITH, ARKANSAS, THAT:

Section 1. The Contract for Firefighting Assistance on an Annual Basis between the City of Fort Smith and Hogback Exploration, Inc., substantially in the form attached hereto, providing for the terms and conditions of firefighting assistance, is hereby approved.

Section 2. The Mayor, his signature being attested by the City Clerk, is hereby authorized to execute the Contract for Firefighting Assistance on an Annual Basis approved by Section 1.

THIS RESOLUTION ADOPTED this ____ day of _____ 2016.

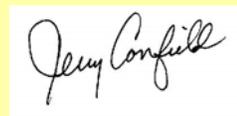
APPROVED:

Mayor

ATTEST:

Sherri Gard, City Clerk

Approved as to form:



City Attorney
No Publication Required

**CONTRACT FOR FIREFIGHTING ASSISTANCE
ON AN ANNUAL BASIS**

WITNESS this Agreement executed this 30 day of December, 2015, by and between Hogback Exploration, Inc., a Corporation, with reference to the following described property located outside of the corporate limits of the City of Fort Smith, Arkansas, to wit:

Street No.	Street or Avenue	Legal Description
<u>10101</u>	<u>Hiway 253,</u>	<u>Fort Smith</u>

and the City of Fort Smith, Arkansas, acting by and through its Mayor, after resolution duly passed by the Board of Directors of the City:

1. In consideration of the payment of the sums set forth herein, the City of Fort Smith agrees to provide firefighting machinery and equipment, with the necessary firefighters to operate it, to combat fires at the above-described location; provided, however, that this contract shall be subject to the City's recognized superior and paramount right of refusal to respond or to limit its response to any call or fire alarm at such location if responding would endanger the lives or property of citizens of the City, in the sole judgment of the Chief of the Fort Smith Fire Department or his/her designee or in the sole judgment of the City Administrator of the City of Fort Smith. In exchange for such service, Hogback Exploration, Inc. agrees to pay to the City an annual sum equal to the proportional cost of real and personal property tax that any business (or any other property classification) within the City would pay for the same services. (This "proportional cost" is derived from the percentage of the general fund revenue appropriated to the Fort Smith Fire Department in that given year.) For example, the annual fee

for such firefighting services shall be a sum based on the millage assessed on the business' real estate and personal property values (established by the Sebastian County Tax Assessor) times the proportional cost for firefighting services available to businesses within the City, which proportional cost figure is currently twenty-eight percent (28%) (e.g., twenty-eight percent of five mills (.005 x 28%)). The annual fee will be recalculated each year, beginning August 15, 2016, and thereafter on or before the 15th day of each August for the duration of this Agreement; the effective date of any changes in the annual fee shall be the first of January of the following year. In addition to the aforementioned annual sum, an amount equal to the City's one mill tax assessment for fire pensions shall be added to the annual firefighting fee – this sum shall be dedicated and paid into the Arkansas Local Police and Fire Retirement System (LOPFI) Contribution Fund. Using the aforementioned formula for determining the annual fee, the parties recognize the possibility of an increase or a decrease of that annual payment during the years 2016 and 2017 (either based on changes in appraised real estate or personal property values or based on changes in the percentage of proportional cost of providing firefighting services within the City) – in such event, the increase or the decrease for those years shall only be one-third of that increase or decrease for the respective year, with full implementation of the formula as it relates to any increase to be in effect for the contract year beginning January 1, 2018; however, for the purposes of determining if a decrease of the annual payment is appropriate, the formula shall become effective upon completion of the initial term of the contract.

Hogback Exploration, Inc. agrees to pay to the City the annual contract sum, payable in advance, in equal monthly installments. The payments are to be made through the City's Finance Department.

2. Hogback Exploration, Inc. agrees that the Fort

Smith City Fire Marshal, Fire Chief and other public safety officials may, at reasonable times, enter upon and inspect all portions of the above described premises and make recommendations for the elimination of fire hazards, the compliance with all such recommendations to be a condition of the future furnishing of firefighting equipment and personnel by the City; furthermore, Hogback Exploration, Inc. agrees to provide full information to the City Administrator and to the City Fire Chief regarding the location of all water hydrants and connections for its sprinkling systems, if any, or other firefighting apparatus which may, from time to time, be available to the property.

3. Either party may terminate this Agreement on thirty (30) days' written notice to the other. In the event that the City exercises its right to terminate this Agreement, the City shall repay a pro rata portion of the annual fee agreement paid in advance by Hogback Exploration, Inc. In the event that Hogback Exploration, Inc. terminates this Agreement, there shall be no refund of the fees already paid. Any notices required under this Agreement shall be sent to the following:

To the Corporation:

Hogback Exploration, Inc.
P.O. Box 180368
Ft. Smith, AR 72918

To the City:

City of Fort Smith, Arkansas
 City Administrator
 P.O. Box 1908
 Fort Smith, AR 72902

4. Hogback Exploration, Inc. may assign this Agreement to another party that becomes the tenant or owner of the above described real property after providing at least fourteen (14) days' prior written notice to the City Administrator. However, the City Administrator shall have the absolute right to disapprove the assignment and/or to cancel this Agreement.

5. Hogback Exploration, Inc. recognizes and acknowledges that

the City of Fort Smith and its employees are, pursuant to A.C.A. § 21-9-301, immune from liability and from suit for damages, except to the extent that they may be covered by liability insurance. Furthermore, the parties intend this Agreement to be for their sole benefit and do not confer any benefit, right, or remedy upon any person or entity other than the parties hereto.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the date first set forth above.

City of Fort Smith, Arkansas

By: _____
Mayor

Attest:

City Clerk

Hogback Exploration, Inc. Corporation

By: Gerald W. Lundy
[Name] Gerald W. Lundy
[Title] President

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING EXECUTION OF A CONTRACT WITH WAL-MART STORES, INC. FOR FIREFIGHTING ASSISTANCE ON AN ANNUAL BASIS

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF FORT SMITH, ARKANSAS, THAT:

Section 1. The Contract for Firefighting Assistance on an Annual Basis between the City of Fort Smith and Wal-Mart Stores, Inc. substantially in the form attached hereto, providing for the terms and conditions of firefighting assistance, is hereby approved.

Section 2. The Mayor, his signature being attested by the City Clerk, is hereby authorized to execute the Contract for Firefighting Assistance on an Annual Basis approved by Section 1.

THIS RESOLUTION ADOPTED this ____ day of _____ 2016.

APPROVED:

Mayor

ATTEST:

Sherri Gard, City Clerk

Approved as to form:



City Attorney
No Publication Required

**CONTRACT FOR FIREFIGHTING ASSISTANCE
ON AN ANNUAL BASIS**

WITNESS this Agreement executed this ___ day of March, 2016, by
and between Wal-Mart Stores, Inc. ("Wal-Mart"), a Delaware
corporation, with reference to the following described property located outside of the corporate
limits of the City of Fort Smith, Arkansas, to wit:

Street No.	Street or Avenue	Legal Description
8100	S. Zero	Exhibit "A"

and the City of Fort Smith, Arkansas, acting by and through its Mayor, after resolution duly
passed by the Board of Directors of the City:

1. In consideration of the payment of the sums set forth herein, the City of Fort Smith
agrees to provide firefighting machinery and equipment, with the necessary firefighters to operate
it, to combat fires at the above-described location; provided, however, that this contract shall be
subject to the City's recognized superior and paramount right of refusal to respond or to limit its
response to any call or fire alarm at such location if responding would endanger the lives or
property of citizens of the City, in the sole judgment of the Chief of the Fort Smith Fire
Department or his/her designee or in the sole judgment of the City Administrator of the City of
Fort Smith. In exchange for such service, Wal-Mart agrees to
pay to the City an annual sum equal to the proportional cost of real and personal property tax that
any business (or any other property classification) within the City would pay for the same
services. (This "proportional cost" is derived from the percentage of the general fund revenue
appropriated to the Fort Smith Fire Department in that given year.) For example, the annual fee

for such firefighting services shall be a sum based on the millage assessed on the business' real estate and personal property values (established by the Sebastian County Tax Assessor) times the proportional cost for firefighting services available to businesses within the City, which proportional cost figure is currently twenty-eight percent (28%) (e.g., twenty-eight percent of five mills (.005 x 28%)). The annual fee will be recalculated each year, beginning August 15, 2016, and thereafter on or before the 15th day of each August for the duration of this Agreement; the effective date of any changes in the annual fee shall be the first of January of the following year. In addition to the aforementioned annual sum, an amount equal to the City's one mill tax assessment for fire pensions shall be added to the annual firefighting fee – this sum shall be dedicated and paid into the Arkansas Local Police and Fire Retirement System (LOPFI) Contribution Fund. Using the aforementioned formula for determining the annual fee, the parties recognize the possibility of an increase or a decrease of that annual payment during the years 2016 and 2017 (either based on changes in appraised real estate or personal property values or based on changes in the percentage of proportional cost of providing firefighting services within the City) – in such event, the increase or the decrease for those years shall only be one-third of that increase or decrease for the respective year, with full implementation of the formula as it relates to any increase to be in effect for the contract year beginning January 1, 2018; however, for the purposes of determining if a decrease of the annual payment is appropriate, the formula shall become effective upon completion of the initial term of the contract.

Wal-Mart agrees to pay to the City the annual contract sum, payable in advance, in equal monthly installments. The payments are to be made through the City's Finance Department.

2. Wal-Mart agrees that the Fort

Smith City Fire Marshal, Fire Chief and other public safety officials may, at reasonable times, enter upon and inspect all portions of the above described premises and make recommendations for the elimination of fire hazards, the compliance with all such recommendations to be a condition of the future furnishing of firefighting equipment and personnel by the City; furthermore, Wal-Mart agrees to provide full information to the City Administrator and to the City Fire Chief regarding the location of all water hydrants and connections for its sprinkling systems, if any, or other firefighting apparatus which may, from time to time, be available to the property.

3. Either party may terminate this Agreement on thirty (30) days' written notice to the other. In the event that the City exercises its right to terminate this Agreement, the City shall repay a pro rata portion of the annual fee agreement paid in advance by Wal-Mart.

In the event that Wal-Mart terminates this Agreement, there shall be no refund of the fees already paid. Any notices required under this Agreement shall be sent to the following:

To the Corporation:

Wal-Mart Stores, Inc
2001 S.E. 10th Street
Bentonville, AR 72712 -5525
Attn: Realty Management

To the City:

City of Fort Smith, Arkansas
City Administrator
P.O. Box 1908
Fort Smith, AR 72902

4. Wal-Mart may assign this Agreement to another party that becomes the tenant or owner of the above described real property after providing at least fourteen (14) days' prior written notice to the City Administrator. However, the City Administrator shall have the absolute right to disapprove the assignment and/or to cancel this Agreement.

5. Wal-Mart recognizes and acknowledges that

the City of Fort Smith and its employees are, pursuant to A.C.A. § 21-9-301, immune from liability and from suit for damages, except to the extent that they may be covered by liability insurance. Furthermore, the parties intend this Agreement to be for their sole benefit and do not confer any benefit, right, or remedy upon any person or entity other than the parties hereto.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the date first set forth above.

City of Fort Smith, Arkansas

By: _____
Mayor

Attest:

City Clerk

Wal-Mart Stores, Inc

By: ^{DocuSigned by:} *Darryl J Spinks*

F3F3F8800B194E3...
Darryl Spinks
Sr. Realty Manager II

EXHIBIT A

BOOK 517 PAGE 352

The following described real property located in Sebastian County, Arkansas, to wit:

Part of the NW/4 of Section 6, Township 7 North, of Range 31 West, as follows: Beginning at the Southeast Corner of said NW/4; thence North 88 degrees 28 minutes West 2350 feet on and along the South line of said NW/4; thence North 50 degrees 51 minutes 25 seconds West 232.76 feet; thence North 50 degrees 33 minutes 08 seconds East 400 feet; thence North 50 degrees 07 minutes 38 seconds East 400 feet; thence North 51 degrees 56 minutes 18 seconds East 400 feet; thence North 01 degrees 38 minutes 13 seconds East 376.0 feet; thence North 04 degrees 09 minutes 08 seconds East 424 feet; thence North 23 degrees 34 minutes 38 seconds East 397 feet; thence North 36 degrees 24 minutes East 449.09 feet to a point on the South right-of-way line of Arkansas Highway 59 (22T); thence South 77 degrees 38 minutes East 531.32 feet on and along said right-of-way line; thence North 12 degrees 22 minutes East 30 feet on and along said right-of-way line; thence South 77 degrees 38 minutes East 680.4 feet on and along said right-of-way line to an intercept with the East line of said NW/4; thence South 01 degrees 28 minutes West 2261.6 feet on and along said East line to the point of beginning, except public roads, oil and gas and subject to existing easements, rights of way and restrictions of record, containing 96.5 acres,

EXCEPT: The surface of a 1.07 acre lot out of Lot 1 of the Northwest Quarter (NW 1/4) of Section 6, Township 7 North, Range 31 West, Sebastian County, Arkansas, being more particularly described as follows:

Beginning at a point 891.2 feet South 01°08' East, and 15.0 feet North 80°56' West of the Northeast corner of said Lot 1 of the Northwest Quarter (NW 1/4) of said Section 6, said point being a 1 inch iron pin on the South right-of-way line of Arkansas Highway 255; THENCE South 01°08' East, 208.7 feet to a 1 inch iron pin; THENCE South 88°52' West, crossing an existing Arkansas-Oklahoma Gas Corporation pipeline at 25.0 feet, in all 205.4 feet to a 1 inch iron pin; THENCE North 01°08' West, 245.7 feet to a 1 inch iron pin on the South right-of-way line of Arkansas Highway 255; THENCE South 80°56' West along said South right-of-way line, crossing an existing Arkansas-Oklahoma Gas Corporation pipeline at 183.7 feet, in all 208.7 feet to the point of beginning, containing 1.07 acres, more or less; and

EXCEPT: A seventy (70') foot right of way adjacent to and parallel with the east line of the Northwest Quarter, Section 6, T-7-N, R-31-W. The east line of said seventy (70') foot right of way being described as follows:

Commencing at the center of said Section 6 thence N 01 degrees 28 minutes E along the east line of said Northwest Quarter a distance of 470.24' to the point of beginning that point being the centerline of an existing gas pipeline thence north continuing on the same bearing a distance of 1587.25 feet more or less to a point of termination on the south line extended of a 1.07 acre lot in the northeast corner of a tract of land described in Book 297 Page 2336 Sebastian

EXHIBIT "A"
(1 of 3 pages)

County records. Less and except an existing twenty (20') foot right of way described herein: A permanent right of way and easement twenty (20') feet in width near the east side of the Sebastian County Park; being further defined as being ten (10') feet either side of a line described as follows: Beginning at a point which is North 88 degrees 28 minutes West 42.5 feet from the Southeast corner of the NW/4 of Section 6, Township 7 North, Range 31 West, thence North 01 degrees 28 minutes East 2262 feet to the South right of way line of Arkansas State Highway 59 (formerly Arkansas Highway 22-T) all in Sebastian County, Arkansas, Book 328 Page 544 Sebastian County Records.

The right of way lines are to be extended or shortened so as to terminate at the property lines and pipelines.

Also a twenty (20') foot temporary construction right of way adjacent to the west side of said right of way, excluding permanent structures; and

EXCEPT: Part of the Southeast Quarter Northwest Quarter of Section 6, Township 7 North, Range 31 West, Sebastian County, Arkansas, more particularly described as follows:

Beginning at the Southeast Corner of said Southeast Quarter Northwest Quarter, thence North 01 degree 28 minutes East, along the East line of said Forty, 325.01 feet to the point of beginning, thence North 88 degrees 32 minutes West 208.71 feet, thence North 01 degree 28 minutes East 208.71 feet, thence South 88 degrees 32 minutes East 208.71 feet to the East line of said Forty, thence South 01 degree 28 minutes West, along said East line, 208.71 feet to the point of beginning, containing 1.00 acre more or less.

AND LESS AND EXCEPT the following described real property, to wit:

A part of Lots 1 and 2 of the Northwest Quarter (NW 1/4) of Section 6, Township 7 North, Range 31 West, Sebastian County, Arkansas. More particularly described as follows:

Beginning at the Southeast corner of said Lot 1; thence N-88°28'00"-W, 2350.00 feet along the south line of said Lots 1 and 2; thence N-50°51'25"-W, 232.76 feet; thence N-50°33'08"-E, 400.00 feet; thence N-50°07'38"-E, 400.00 feet; thence N-51°58'18"-E, 400.00 feet; thence N-01°38'13"-E, 376.00 feet; thence N-04°09'08"-E, 424.00 feet; thence N-23°34'38"-E, 397.00 feet; thence N-37°05'38"-E, 438.18 feet to the south right-of-way of Arkansas Highway 255; thence S-78°47'39"-E, 408.03 feet along said south right-of-way; thence S-04°02'16"-W, 487.80 feet; thence N-88°28'00"-W, 445.00 feet; thence S-04°02'16"-W, 1534.42 feet; thence S-88°28'00"-E, 704.42 feet; thence N-04°02'16"-E, 1534.42 feet; thence N-88°28'00"-W, 154.42 feet; thence N-04°02'16"-E, 489.82 feet to the south right-of-way of Arkansas Highway 255;

EXHIBIT "A"
(2 of 3 pages)

BOOK 517 PAGE 354

thence S-78°47'39"-E, 17.57 feet along said south right-of-way; thence N-13°15'34"-E, 29.47 feet along said south right-of-way; thence S-77°47'43"-E, 455.95 feet along said south right-of-way; thence S-01°32'50"-W, 245.70 feet; thence S-88°00'27"-E, 205.40 feet; thence N-01°28'00"-E, 208.70 feet to the south right-of-way of Arkansas Highway 255; thence S-77°47'43"-E, 15.00 feet along said south right-of-way to the east line of said Lot 1; thence S-01°28'00"-W, 2261.60 feet along said east line to the Point of Beginning. Containing 89.336 acres more or less.

SUBJECT TO all utility easements; subject to public roads and other existing roadway easements; and subject to existing pipeline rights of way and sewer line easements. Except all oil, gas, and other minerals, and subject to any existing oil and gas leases.

EXHIBIT "A"
(3 of 3 pages)



Fort Smith Fire Department

200 North 5th Street
Fort Smith, Ar. 72901
479-783-4052



Terry Bigler
Interim Fire Chief

Memo

To: Jeff Dingman, Acting City Administrator
From: Phil Christensen, Assistant Fire Chief
Date: March 30, 2016
Re: Firefighting Contracts Outside Fort Smith City Limits

The Fort Smith Fire Department (FSFD) currently provides firefighting assistance by contract to eight (8) commercial/industrial businesses located outside the corporate city limits of Fort Smith.

On October 20, 2015, the Board of Directors passed Ordinance No. 70-15, resulting in a new contract template that provides all current and future firefighting assistance contract customers a clear understanding of the basis of the contract fee and what services they can expect for that fee.

As of to date, we have received six (6) signed contracts with the new template. They are the following:

- Harry G. Barr Co.
- Weatherford
- Zero Mountain
- Rheem
- Wal-Mart
- Hogback Exploration

These contracts would need approval from the Board for the new rates to go into effect.

Cc: Terry Bigler, Interim Fire Chief

A RESOLUTION AUTHORIZING EXECUTION OF A MEMORANDUM OF UNDERSTANDING OF THE CITY OF FORT SMITH, ARKANSAS, WITH THE FEDERAL BUREAU OF INVESTIGATION, ARKANSAS STATE POLICE BOMB SQUAD, LITTLE ROCK FIRE DEPARTMENT BOMB SQUAD, LITTLE ROCK POLICE DEPARTMENT, NORTH LITTLE ROCK POLICE DEPARTMENT, CONWAY FIRE DEPARTMENT BOMB SQUAD, EL DORADO POLICE DEPARTMENT BOMB SQUAD, BENTONVILLE POLICE DEPARTMENT BOMB SQUAD, AND THE UNIVERSITY OF ARKANSAS POLICE DEPARTMENT REGARDING A MULTI-JURISDICTIONAL RESPONSE TO IMPROVISED EXPLOSIVE DEVICES

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF FORT SMITH, ARKANSAS, THAT:

Section 1. The Memorandum of Understanding of the City of Fort Smith with the Federal Bureau of Investigation, Arkansas State Police Bomb Squad, Little Rock Fire Department Bomb Squad, Little Rock Police Department, North Little Rock Police Department, Conway Fire Department Bomb Squad, El Dorado Police Department Bomb Squad, Bentonville Police Department Bomb Squad, and the University of Arkansas Police Department, substantially in the form attached hereto, providing for the terms, conditions, and mutual understandings for the multi-jurisdictional response to improvised explosive devices (“IEDs”), is hereby approved.

Section 2. The Mayor, his signature being attested by the City Clerk, is hereby authorized to execute the Memorandum of Understanding approved by Section 1.

THIS RESOLUTION ADOPTED this ____ day of _____ 2016.

APPROVED:

Mayor

ATTEST:

Sherri Gard, City Clerk

Approved as to form:



City Attorney
No Publication Required



Fort Smith Fire Department

200 North Fifth Street
Fort Smith, Arkansas 72901
479-783-4052



Terry Bigler
Interim Fire Chief

To: Jeff Dingman, Acting City Administrator

From: Terry Bigler, Interim Fire Chief

Date: March 10, 2016

Re: MOU between City of Fort Smith and the FBI

The Fort Smith Fire Department (FSFD) Bomb Squad, by the authority of the Federal Bureau of Investigations, has the responsibility of responding to any improvised explosive device incident in the statutory jurisdiction of west central Arkansas. The FSFD Bomb Squad was formed in 2005 and has been entirely funded through federal grants.

The purpose of this MOU is to formalize duties, responsibilities, and procedures on incidents that the FBI has primary jurisdiction and the threat requires assistance from certified bomb squads from outside their normal statutory jurisdiction.

The FSFD is recommending approval of this MOU to enhance interoperability and cooperation with all bomb squads throughout the State of Arkansas when public safety is at risk.

MEMORANDUM OF UNDERSTANDING BETWEEN THE FEDERAL BUREAU OF INVESTIGATION
AND
THE ARKANSAS STATE POLICE,
THE LITTLE ROCK FIRE DEPARTMENT,
THE LITTLE ROCK POLICE DEPARTMENT,
THE NORTH LITTLE ROCK POLICE DEPARTMENT,
THE CONWAY FIRE DEPARTMENT,
THE EL DORADO POLICE DEPARTMENT,
THE BENTONVILLE POLICE DEPARTMENT,
THE UNIVERSITY OF ARKANSAS POLICE DEPARTMENT,
AND
THE CITY OF FORT SMITH

MULTI-JURISDICTIONAL RESPONSE TO EXPLOSIVES AND
IMPROVISED EXPLOSIVE DEVICES

This Memorandum of Understanding (MOU) is being executed between the Little Rock Field Office of the Federal Bureau of Investigation (FBI), the Arkansas State Police, Little Rock Fire Department, Little Rock Police Department, North Little Rock Police Department, Conway Fire Department, El Dorado Police Department, Bentonville Police Department, University of Arkansas Police Department, and the Fort Smith Fire Department.

AUTHORITY

Authority for the FBI to enter into this agreement can be found at 28 U.S.C. & 533; 42 U.S.C. & 3771; and 28 C.F.R. & 0.85.

PURPOSE AND MISSION

The purpose of this MOU is to formalize duties, responsibilities and procedures to be addressed when a public safety risk from explosive materials, suspected Improvised Explosive Device(s) (IEDs) or other Weapon of Mass Destruction (WMD) is discovered on a terrorist related or other matter that the FBI has primary jurisdiction as part of its counter-terrorism

responsibility, and the threat(s) from such devices requires assistance from certified bomb squads or explosive K-9 units in Arkansas. This MOU formalizes the manner in which non-federal officers, certified as bomb technicians through the FBI Hazardous Devices School (HDS) and assigned to one of the six bomb squads within Arkansas or certified as an explosives K-9 handler and assigned to a law enforcement agency, will have deputized authority while acting under the direction and authority of the FBI outside their normal Arkansas statutory jurisdiction.

The mission of the collective participating agencies will be to share available personnel, equipment, resources, and expertise, conduct Render Safe Procedures (RSP) on suspected IEDs and explosives disposal, and in some instances, conduct investigation of explosive related incidents, as part of the counter terrorism initiative of the FBI.

In the event of a major terrorism attack outside Arkansas, under the direction of the Little Rock Field Office, this MOU also formalizes the guidelines under which the federally deputized members of the Little Rock Field Office bomb squads and/or explosives K-9 units may be called upon to assist outside their Arkansas statutory responsibilities on bomb/explosive related matters in which the FBI has primary federal jurisdiction.

COMPOSITION

The Little Rock Field Office will designate available qualified bomb technicians and K-9 handlers as circumstances and personnel assignments permit, to support this agreement. When the FBI requests that a participating agency supply personnel to respond outside their Arkansas statutory jurisdiction while operating under the federal deputation as outlined in

this MOU, each of the participating agencies reserves the right to refuse response of their personnel, when other duties prohibit.

DEPUTATIONS/CROSS DESIGNATIONS

Non-Federal officers participating under this MOU will be sworn in as Special Deputy United States Marshals for the purposes of enforcing United States Code, Title 18. This will provide authority for the officers to fully participate in all investigations and respond to bomb or explosive related threats upon the request of the Little Rock Field Office, anywhere in the United States. The Little Rock Field Office would only make such requests for personnel from participating agencies to respond outside the State of Arkansas when a request is made by another FBI Field Office.

These deputations are only in effect when the deputized officers are requested to respond outside their Arkansas statutory jurisdiction by the Little Rock Field Office, on bombing or explosives related matters in which the FBI has jurisdiction.

These deputations shall remain in effect for two years, as long as the participants are assigned duties consistent with the purposes of this MOU, or until the termination of this MOU, whichever comes first. Active participants must renew their deputations every two years.

SUPERVISION AND CONTROL

Overall direction of the personnel acting under Federal authority pursuant to this MOU shall be the responsibility of the Special Agent Bomb Technician (SABT) Coordinator of the Little Rock Field Office, who will be directed by the Special Agent in Charge (SAC) through the chain of command.

Responsibility for conduct, not under the direction of the FBI, of each participant, both personally and professionally, shall remain with the respective agency head and each agency shall be responsible for the actions of respective employees.

Each participant will be subject to the personnel rules, regulations, laws, and policies applicable to those of their respective agencies.

Nothing in this MOU modifies each participant's responsibility to report to his or her respective agency head for matters not detailed in this MOU.

EVIDENCE

Participants agree to conform to the FBI policies and procedures concerning evidence collection, processing, and storage. The FBI will maintain evidence collected during investigations conducted under the authority of this MOU.

PROSECUTIONS

Joint bombing/explosives related investigations conducted under this MOU will conform to the requirements for Federal prosecution, and will generally be prosecuted in Federal courts. A determination will be made on a case-by-case basis whether the prosecution of cases arising under this MOU will be at the State or Federal level. This determination will be based on the evidence obtained and a consideration of which level of prosecution would be of the greatest overall benefit to the objectives of criminal justice and national security.

LIABILITY

Unless specifically addressed by the terms of this MOU, the parties agree to be responsible, to the extent

allowed by applicable law, for the neglect or wrongful acts or omissions of their respective employees. Legal representation by the United States is determined by the Department of Justice (DOJ) on a case-by-case basis. The FBI cannot guarantee the United States will provide legal representation to any Federal or state law enforcement officer or employee.

Congress has provided that the exclusive remedy for the negligent or wrongful act or omission of an employee of the United States government, acting within the scope of his/her employment, shall be an action against the United States under the Federal Tort Claims Act (FTCA) , 28 U.S.C. Section 1346 (B), and Sections 2671-2680.

For the limited purpose of defending claims arising out of activity under this MOU, state/local officers who have been federally deputized and who are acting within the course and scope of their official duties and assignments pursuant to this MOU, may be considered an "employee" of the United States government as defined in the 28 U.S.C Section 2671. See 5 U.S.C. Section 3374 (c) (2).

Under the Federal Employees Liability Reform and Tort Compensation, Act of 1998 (commonly known as the Westfall Act), 28 U.S.C. , Section 2679 (b) (1), the Attorney General or his/her designee may certify that an individual defendant acted within the scope of his employment at the time of the incident giving rise to the suit. Id., 28 U.S.C. Section 2679 (d) (2). The United States can then be substituted for the employee as the sole defendant with respect to any tort claims. 28 U.S.C. defendant, the individual employee is thereby protected from suits in his/her official capacity.

If the Attorney General declines to certify that an employee was acting within the scope of employment, "the employee may at any time before trial petition the court to find and certify that the employee was acting within the scope of his office or employment." 28 U.S.C. Section 2679 (d) (3).

Liability for any negligent or willful acts of participating agency members, undertaken outside the terms of this MOU, will be the sole responsibility of the respective employee and agency involved.

Liability for violations of Federal constitutional law rests with the individual Federal Agent or officer pursuant to Bivens v. Six Unknown Named Agents of the Federal Bureau of Narcotics, 403 U.S. 388 (1971) or pursuant to 42 U.S.C. Section 1983 for state officers or cross-deputized Federal officers.

Both state and Federal officers enjoy qualified immunity from suit for constitutional torts, insofar as their conduct does not violate clearly established statutory or constitutional rights of which a reasonable person would have known. Harlow v. Fitzgerald, 457 U.S. 800 (1982).

Participating agency personnel may request representation by the U.S. Department of Justice for civil suits against them in their individual capacities for actions taken within the scope of employment, if and when civil actions are levied against them, pursuant to 28 C.F.R. Section 50.15 (a).

Deputized personnel's written request for representation should be directed to the Attorney General and provided to the Chief Division Counsel (CDC) of the Little Rock Field Office. The CDC will then forward the representation request to the FBI's

Office of General Counsel (OGC) together with a letterhead memorandum concerning the factual basis for the lawsuit. FBI/OGC will then forward the request to the Civil Division of DOJ together with an agency recommendation concerning scope of employment and Department representation. 28 C.F.R. Section 50.15 (a) (3).

If deputized personnel are found to be liable for a constitutional tort, he/she may request indemnification from DOJ to satisfy an adverse judgment rendered against the employee in his/her individual capacity. 28 C.F.R. Section 50.15 (c) (4). The criteria for payment are substantially similar to those used to determine whether a Federal employee is entitled to DOJ representation under 28 C.F.R. Section 501.15 (a).

INJURY

For purposes of this MOU Task Force Members are not considered detailed to the FBI per Intergovernmental Personnel Act (IPA), 5 U.S.C. '3374(d) and are therefore not covered by the Federal Employees' Compensation Act (FECA). Signatories to the MOU agree that employees injured while performing their duties pursuant to this MOU will be covered under their own Agencies workers compensation programs.

TRAINING

An additional goal of this agreement will be to facilitate co-training ventures among participants to ensure continuity of responses to incidents involving threats to public safety.

Participants of this agreement will meet routinely, as mutually agreed, to discuss and establish training

activities and venues, as well as other mutual concerns.

TRAVEL

An agency requested to send personnel out of state to assist the FBI under this MOU, will have all travel and per diem expenses reimbursed by the FBI.

PROPERTY

Property damaged or destroyed which was utilized in connection with authorized investigation and/or operations under this MOU will be the financial responsibility of the agency supplying said property. However, FBI Little Rock SABTs will assist with federal grant requests to lessen the burden on the responsible agency.

RECORDS, REPORTS, AND INFORMATION SHARING

All materials and investigative records created pursuant to this agreement, including this memorandum of understanding, originate with, belong to, and will be maintained by the FBI. All investigative reports will be prepared on FBI forms. Dissemination, access, or other use of these records will be in accordance with federal law, Executive Orders, and Department of Justice and FBI regulations and policy. As FBI records, they may be disclosed only with FBI permission and only in conformance with the provisions of federal laws and regulations, including the Freedom of Information Act, 5 U.S.C., Section 552, and the Privacy Act of 1974, 5 U.S.C., Section 552a, as well as applicable civil and criminal discovery privileges. They may not be disseminated pursuant to any state FOIA request that may be received by the non-federal parties to this agreement.

MEDIA

All media releases and statements related to activities under the purview of this MOU will be mutually agreed upon and jointly handled according to FBI and participating agency guidelines.

DURATION

The term of this MOU is five years from date of full execution, renewable upon written agreement by the participating agencies. The Parties will review the contents of this MOU annually to determine whether there is a need for the deletion, addition, or amendment of any provision. The MOU may be terminated at will by any Party, provided adequate written notice is provided to the other Parties of not less than thirty (30) days. Upon termination of the MOU, all equipment will be returned to the supplying agency. It is understood that the termination of this agreement by the FBI and/or the Participating Agency will have no effect on any agreements between the FBI and other participating agencies. Modifications of this MOU shall have no force and effect unless such modifications are reduced to writing and signed by an authorized representative of each participating agency.

SETTLEMENT OF DISPUTES

Disagreements between the participants arising under or relating to this MOU will be resolved only by consultation between the participants and will not be referred to a court of law or to any other person or entity for settlement. The final authority to resolve any disputes will be by a mutual discussion and agreement between the participating agencies heads involved in the dispute.

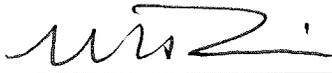
CONCLUSION

Nothing in this MOU is intended to create additional liabilities on the part of any participating

Little Rock Police Department

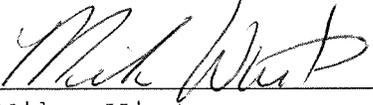
Kenton Buckner
Chief, Little Rock Police Department

North Little Rock Police Department

 2-8-16

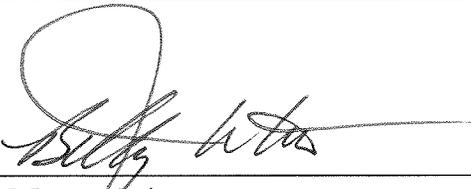
Mike Davis
Chief, North Little Rock Police Department

Conway Fire Department

 2-10-16

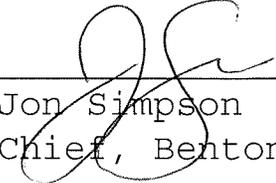
Mike Winter
Chief, Conway Fire Department

El Dorado Police Department

 2/23/16

Billy White
Chief, El Dorado Police Department

Bentonville Police Department

 2-11-16

Jon Simpson
Chief, Bentonville Police Department

University of Arkansas Police Department

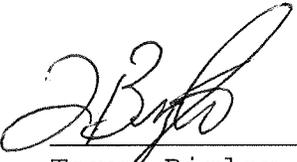
 2/11/2014

Steve Gahagans
Director, University of Arkansas Police Department



Timothy J. O'Donnell
Interim Vice Chancellor Finance & Administration Univ of Arkansas

City of Fort Smith



Terry Bigler Sandy Sanders, Mayor Sherri Gard, City Clerk
Chief, Fort Smith Fire Department



March 22, 2016

TO: Members of the Board of Directors
Members of the Planning Commission

RE: Appointments:

Mr. Michael Redd of the Planning Commission has resigned his position effective Monday, March 21, 2016. In accordance with Ordinance No. 2926 applications for this prospective vacancy are now being received. Applicants must be residents and registered voters in the City of Fort Smith.

Please submit applications to the city administrator's office no later than the close of business on April 13th, 2016. A list will be compiled for review by the Board of Directors. Applications are available on the City of Fort Smith website. Go to www.fortsmithar.gov and click on boards and commissions.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Dingman". The signature is stylized with a large, looped "J" and a long horizontal stroke at the end.

Jeff Dingman
Acting City Administrator

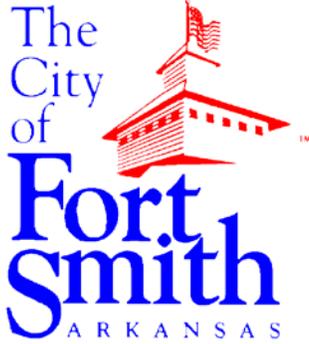
623 Garrison Avenue
P.O. Box 1908
Fort Smith, Arkansas 72902
(479) 785-2801
www.fortsmithar.gov

Printed on 100% Recycled Paper

April 2016

April 2016							May 2016						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
3	4	5	6	7	8	9	1	2	3	4	5	6	7
10	11	12	13	14	15	16	8	9	10	11	12	13	14
17	18	19	20	21	22	23	15	16	17	18	19	20	21
24	25	26	27	28	29	30	22	23	24	25	26	27	28
							29	30	31				

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Mar 27	28	29	30	31	Apr 1	2
3	4	5 11:30am Planning Com. Study Ses. (Creekmore) 6:00pm Board of Directors (FSM Public Schools)	6	7 6:00pm Historic District Com. (220 North 7 Street)	8	9
10	11 11:00am Property Owners Appeal Board (Planning Conf. Rm.) 6:00pm Ward 2 Neighborhood Meeting (Elm Grove Community)	12 12:00pm Board Study Session (Library) 5:30pm Planning Commission (Creekmore)	13 12:00pm Parks Commission (Creekmore)	14 12:15pm Oak Cemetery Com. (Creekmore)	15	16 11:00am City Wide Clean UP (April 16th - 23)
17	18	19 9:30am CBID (Area Agency) 4:30pm Library Bd. of Trustees (Library) 6:00pm Board of Directors (FSM Public Schools)	20	21	22	23
24	25	26 12:00pm Board Study Session (River Park) 4:00pm A & P Commission (Convention Center) 5:30pm Airport Commission (Airport)	27	28 11:30am Housing Authority Com. (Beckman Center) 5:30pm Historic District Study Ses. (220 North 7 Street)	29	30



Mayor – Sandy Sanders

Acting City Administrator – Jeff Dingman

City Clerk – Sherri Gard

Board of Directors

Ward 1 – Keith Lau

Ward 2 – Andre’ Good

Ward 3 – Mike Lorenz

Ward 4 – George Catsavis

At Large Position 5 – Tracy Pennartz

At Large Position 6 – Kevin Settle

At Large Position 7 – Don Hutchings

AGENDA ~ SUMMARY

Fort Smith Board of Directors

REGULAR MEETING

April 5, 2016 ~ 6:00 p.m.

**Fort Smith Public Schools Service Center
3205 Jenny Lind Road**

THIS MEETING IS BEING TELECAST LIVE ON THE GOVERNMENT ACCESS CHANNEL 214 AND ONLINE AT <http://www.ustream.tv/channel/city-of-fort-smith-board-of-directors-meetings>

INVOCATION & PLEDGE OF ALLEGIANCE

Reverend William Reeves, First United Methodist

ROLL CALL

- All present, except for Mayor Sandy Sanders and Director Pennartz
- Vice-Mayor Kevin Settle presiding

PRESENTATION BY MEMBERS OF THE BOARD OF DIRECTORS OF ANY ITEMS OF BUSINESS NOT ALREADY ON THE AGENDA FOR THIS MEETING

(Section 2-37 of Ordinance No. 24-10)

Information available by viewing rebroadcast of the meeting on the City Access Channel 214, the City website or <http://www.ustream.tv/channel/city-of-fort-smith-board-ofdirectors-meetings>

APPROVE MINUTES OF THE MARCH 15, 2016 REGULAR MEETING

APPROVED as written

ITEMS OF BUSINESS:

1. Public hearing and ordinance authorizing the issuance of Industrial Development Revenue Bonds to finance certain industrial facilities; authorizing the leasing of such facilities to Glatfelter Advanced Materials N.A., LLC; authorizing a trust indenture securing the bonds; authorizing the sale of the bonds; authorizing and prescribing other matters pertaining thereto; and declaring an emergency ♦
APPROVED 6 in favor, 0 opposed / Ordinance No. 21-16

2. Ordinance ordering the owners of a certain dilapidated and substandard structure to demolish same, authorizing the City Administrator to cause the demolition of such structure to occur, and for other purposes (*1916 North "J" Street & rear structure*) ♦
APPROVED 6 in favor, 0 opposed / Ordinance No. 22-16
3. Resolution authorizing Amendment No. 1 to the agreement with MAHG Architecture, Inc. for architectural services for renovation of the Library Annex Building for use as office space (\$9,956.79 / *Utility Department / Not Budgeted – 2014 Sales and Use Tax Bonds*) ♦ ●
APPROVED 4 in favor, 2 opposed (Lau & Catsavis) / Resolution No. R-42-16
4. Consent Agenda (*Any member of the Board may offer a motion, without necessity of a second or vote, to remove an item from the consent agenda for separate consideration*)
 - A. Resolution authorizing the offering of Water and Sewer Revenue Bonds to refund all or a portion of the City's outstanding Water and Sewer Revenue Bonds, Series 2007, and Water and Sewer Refunding and Construction Revenue Bonds, Series 2008; and prescribing other matters relating thereto
APPROVED 6 in favor, 0 opposed / Resolution No. R-43-16
 - B. Ordinance declaring an exceptional situation, waiving the requirement of competitive bidding and authorizing the Mayor to execute an agreement with the Fort Smith Housing Authority for certain services for inhabitants of the city of Fort Smith (\$33,000.00 / *Planning Department / Budgeted – Personnel & Operating Accounts*) ♦
APPROVED 6 in favor, 0 opposed / Ordinance No. 24-16
 - C. Resolution accepting the bid of and authorizing the Mayor to execute a contract with T-N-T Inc. for the Lake Fort Smith Water Transmission Line – Phase I, Retail Meter Relocations (\$816,940.50 / *Utility Department / Budgeted – 2012 and 2014 Sales and Use Tax*) ♦
APPROVED 6 in favor, 0 opposed / Resolution No. R-45-16
 - D. Ordinance declaring an exceptional situation requiring the waiving of the solicitation and review of written proposals for internet services and authorizing execution of service contracts between the City of Fort Smith, Arkansas, and AT&T Corporation (\$83,532.48 / *Police Department / Budgeted: Administration and Support Services*)
APPROVED 4 in favor, 1 opposed (Lau), 1 abstention (Settle) / Ordinance No. 23-16
 - E. Resolution authorizing execution of a contract with Zero Mountain, Inc. for firefighting assistance on an annual basis
APPROVED 6 in favor, 0 opposed / Resolution No. R-46-16

- F. Resolution authorizing execution of a contract with Rheem for firefighting assistance on an annual basis
APPROVED 6 in favor, 0 opposed / Resolution No. R-47-16
- G. Resolution authorizing execution of a contract with Harry G. Barr Company for firefighting assistance on an annual basis
APPROVED 6 in favor, 0 opposed / Resolution No. R-48-16
- H. Resolution authorizing execution of a contract with Weatherford International, LLC for firefighting assistance on an annual basis
APPROVED 6 in favor, 0 opposed / Resolution No. R-49-16
- I. Resolution authorizing execution of a contract with Hogback Exploration, Inc. for firefighting assistance on an annual basis
APPROVED 6 in favor, 0 opposed / Resolution No. R-50-16
- J. Resolution authorizing execution of a contract with Wal-Mart Stores, Inc. for firefighting assistance on an annual basis
APPROVED 6 in favor, 0 opposed / Resolution No. R-51-16
- K. Resolution authorizing execution of a memorandum of understanding of the City of Fort Smith, Arkansas, with the Federal Bureau of Investigation; Arkansas State Police Bomb Squad; Little Rock Fire Department Bomb Squad; Little Rock Police Department; North Little Rock Police Department; Conway Fire Department Bomb Squad; El Dorado Police Department Bomb Squad; Bentonville Police Department Bomb Squad; and, the University of Arkansas Police Department regarding a multi-jurisdictional response to improvised explosive devices
APPROVED 6 in favor, 0 opposed / Resolution No. R-52-16

OFFICIALS FORUM ~ presentation of information requiring no official action
(Section 2-36 of Ordinance No. 24-10)

➤ Mayor

➤ Directors

➤ City Administrator

Information available by viewing rebroadcast of the meeting on the City Access Channel 214, the City website or <http://www.ustream.tv/channel/city-of-fort-smith-board-ofdirectors-meetings>

ADJOURN

6:28 p.m.

MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING

TUESDAY ~ APRIL 5, 2016 ~ 6:00 P.M.

FORT SMITH PUBLIC SCHOOLS SERVICE CENTER

The meeting was called to order by Vice-Mayor Kevin Settle, presiding. Invocation was given by Reverend William Reeves of First United Methodist Church, followed by the Pledge of Allegiance.

On roll call, the following members of the Board were present: Directors Keith Lau, Andre' Good, Mike Lorenz, George Catsavis, Kevin Settle, Don Hutchings; absent – Director Tracy Pennartz. The Vice-Mayor declared a quorum present.

Vice-Mayor Settle inquired if any Board member had any item of business to present that was not already on the agenda. There was none presented.

The minutes of the March 15, 2016 regular meeting were presented for approval. Hutchings, seconded by Lorenz, moved approval of the minutes as written. The members present all voting aye, the Mayor declared the motion carried.

Vice-Mayor Settle announced Mayor Sandy Sanders and Acting City Administrator Jeff Dingman are out of town; therefore, he will preside and Director of Development Services Wally Bailey will serve as the administrative official for the meeting.

Vice-Mayor Settle announced this was the time and place set for a public hearing regarding the issuance of Industrial Development Revenue Bonds for Glatfelter Advanced Materials N.A., LLC. Notice of the public hearing had been duly published as required by law. Following the public hearing, consideration of an ordinance authorizing same would be given (Item No. 1 - ♦ *Future Fort Smith item*).

Mr. Bailey briefed the Board on the item advising the proposed ordinance authorizes the issuance of up to \$75 million in Industrial Development Revenue Bonds on behalf of Glatfelter

April 5, 2016 Regular Meeting

Advanced Materials N.A., LLC to acquire property, renovate an existing structure and install manufacturing equipment at 8201 Chad Colley Boulevard. Along with the capital investment, Glatfelter Advanced Materials N.A., LLC has indicated that such is anticipated to create eighty-three (83) full-time jobs with an average wage of \$25 per hour within three (3) years. Glatfelter Advanced Materials N.A., LLC will be solely responsible for the debt service payments of the bonds; therefore, the City maintains no obligation to make the bond payments. Approval of such supports the Board's stated priorities and economic development objectives included within the City of Fort Smith Comprehensive Plan; therefore, he recommended approval.

There being no individual present to address the Board, Vice-Mayor Settle closed the public hearing.

Lau, seconded by Hutchings, moved to suspend the rule to allow the three (3) full readings of the ordinance to be by caption and for the readings to occur on the same date. The members present all voting affirmatively, the Vice-Mayor declared the motion carried; therefore, the City Clerk read the ordinance by caption for its readings. Lau, seconded by Lorenz, moved adoption of the ordinance. The members present all voting affirmatively, the Vice-Mayor declared the motion carried. Hutchings, seconded by Lau, moved adoption of Section 12 the emergency clause. The members present all voting affirmatively, the Vice-Mayor declared the motion carried and the ordinance and emergency clause were adopted and given Ordinance No. 21-16.

Item No. 2 was an ordinance ordering the owners of a certain dilapidated and substandard structure to demolish same, authorizing the City Administrator to cause the demolition of such structure to occur, and for other purposes (*1916 North "J" Street & rear structure*) ♦ *Future Fort Smith item*

April 5, 2016 Regular Meeting

Mr. Bailey briefed the Board on the item advising the subject structure has been determined to be unsafe and detrimental to the public welfare; therefore, he recommended approval of the proposed ordinance. Upon approval, the property owners will have thirty (30) days to demolish the structure. Staff has been in contact with the property owner's son, who has indicated they do not have the financial means to bring the property into compliance.

Catsavis, seconded by Hutchings, moved adoption of the ordinance. The motion included suspending the rule to allow the three (3) full readings of the ordinance to be by caption and for the readings to occur on the same date.

Prior to the vote, Director Hutchings requested Building Official Jimmie Deer provide a brief explanation of the subject process.

Mr. Deer advised once the Neighborhood Services Division of Code Enforcement is made aware of the issue and the structure is determined to be in violation, the property is posted and the property owners, as well as all other parties that maintain a legal interest in the property, are notified by certified mail. The letter and notice contains information concerning the appeal procedure, which specifies they must file any appeal within fifteen (15) days from the date of service and a total of thirty (30) days is provided to bring the property into compliance. If no appeal is received and no action is initiated to bring the property into compliance, an ordinance authorizing the demolition of the structure is then presented to the Board for consideration.

Director Good inquired if the property owner has responded to the City regarding the subject action.

Mr. Deer advised he spoke with the property owner's son on February 22, 2016 whereby he advised the family does not have the financial means to bring the property into

April 5, 2016 Regular Meeting

compliance or to demolish the structure. Due to such, no objection was conveyed with the City moving forward with the proposed demolition.

The motion remaining on the floor, the City Clerk read the ordinance by caption for it readings. The members present all voting affirmatively, the Vice-Mayor declared the motion carried. Lorenz, seconded by Good, moved adoption of Section 5 the emergency clause. The members present all voting affirmatively, the Vice-Mayor declared the motion carried and the ordinance and emergency clause were adopted and given Ordinance No. 22-16.

Item No. 3 was a resolution authorizing Amendment No. 1 to the agreement with MAHG Architecture, Inc. for architectural services for renovation of the Library Annex Building for use as office space (\$9,956.79 / Utility Department / Not Budgeted – 2014 Sales and Use Tax Bonds) ♦ *Future Fort Smith item* • *Consent Agenda item*

Deputy Director of Utilities Lance McAvoy briefed the Board on the item advising such amendment is to authorize the inclusion of four (4) additional items not originally included in MAHG agreement. The items are as follows:

1. Certain secure areas required a fire rated safety corridor which separated work areas and allowed the building and renovation to come to Code.
2. Originally the renovations area contained approximately two-hundred-sixty (260) old style fluorescent lights. The number of light fixtures will be cut in half and replaced with energy efficient lighting.
3. Addition of handicap accessible restrooms on the first floor.
4. The original estimate was based on providing a data/communications outlet at each workstation and three (3) data/communications outlets in each office. After review, the ITS Department requested a second data cable to each workstation. Such would alleviate the need to pull additional cable in the future to accommodate new technology.

Lau, seconded by Hutchings moved adoption of the resolution.

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Prior to the vote, Director Lau inquired if the compensation of ten and one-half percent (10.5%) of the cost of construction is a fair rate and why the first three (3) additional items were not included in the original estimate.

Mr. McAvoy advised such is the industry standard and was based on the Arkansas Building Authority minimum standards and such criteria is utilized throughout the State for government projects. The compensation is based on the dollar amount associated with the overall project and certain areas of the project that may add overruns. The compensation originally came in at eight and one-half percent (8.5%); however, due to the age of the structure, additional testing was necessary whereby asbestos was found. Due to such, the State allows for a two-percent (2%) addition to the compensation. He further advised the addition of the items requested is necessary because the original design had to change after identifying the necessity for additional security needs.

The motion remaining on the floor, the members present voted as follows: ayes- Good, Lorenz, Settle and Hutchings; nays – Lau and Catsavis. The Vice-Mayor declared the motion carried and the resolution was adopted and given Resolution No. 42-16.

The Consent Agenda (Item No. 4) was introduced for consideration, the items being as follows:

- A. Resolution authorizing the offering of Water and Sewer Revenue Bonds to refund all or a portion of the City's Outstanding Water and Sewer Revenue Bonds, Series 2007, and Water and Sewer Refunding and Construction Revenue Bonds, Series 2008; and prescribing other matters relating thereto
- B. Ordinance declaring an exceptional situation, waiving the requirement of competitive bidding and authorizing the Mayor to execute an agreement with the Fort Smith Housing Authority for certain services for inhabitants of the city of Fort Smith (\$33,000.00 / Planning Department / Budgeted – Personnel & Operating Accounts) ♦ Future Fort Smith item

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- C. Resolution accepting the bid of and authorizing the Mayor to execute a contract with T-N-T Inc. for the Lake Fort Smith Water Transmission Line – Phase I, Retail Meter Relocations (\$816,940.50 / Utility Department / Budgeted – 2012 and 2014 Sales and Use Tax) ♦ Future Fort Smith item
- D. Ordinance declaring an exceptional situation requiring the waiving of the solicitation and review of written proposals for internet services and authorizing execution of service contracts between the City of Fort Smith, Arkansas, and AT&T Corporation (\$83,532.48 / Police Department / Budgeted: Administration and Support Services)
- E. Resolution authorizing execution of a contract with Zero Mountain, Inc. for firefighting assistance on an annual basis
- F. Resolution authorizing execution of a contract with Rheem for firefighting assistance on an annual basis
- G. Resolution authorizing execution of a contract with Harry G. Barr Company for firefighting assistance on an annual basis
- H. Resolution authorizing execution of a contract with Weatherford International, LLC for firefighting assistance on an annual basis
- I. Resolution authorizing execution of a contract with Hogback Exploration, Inc. for firefighting assistance on an annual basis
- J. Resolution authorizing execution of a contract with Wal-Mart Stores, Inc. for firefighting assistance on an annual basis
- K. Resolution authorizing execution of a memorandum of understanding of the City of Fort Smith, Arkansas, with the Federal Bureau of Investigation; Arkansas State Police Bomb Squad; Little Rock Fire Department Bomb Squad; Little Rock Police Department; North Little Rock Police Department; Conway Fire Department Bomb Squad; El Dorado Police Department Bomb Squad; Bentonville Police Department Bomb Squad; and, the University of Arkansas Police Department regarding a multi-jurisdictional response to improvised explosive devices

Regarding Items No. 4E through 4J, the following individual was present to address the

Board:

- David Harris
Fort Smith, AR

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Re: Noted the subject businesses are located outside the city limits; therefore, they do not pay the same rate of property taxes or franchise fees as those located within city limits. Due to such, they should not be afforded the same benefits without equal financial contribution as those located within the city limits.

Hutchings, seconded by Lorenz, moved adoption of all consent agenda items.

Prior to the vote and regarding Item No. 4D, Director Lau questioned the circumstances constituting an exceptional situation.

Interim Police Chief Dean Pitts advised the Police and ITS Departments both have existing contracts with AT&T. The Police Department's current contract with AT&T expired on March 8, 2016; therefore, approval of such would allow them to avoid paying substantially higher rates, as well as align with long-term Board goals to merge internet services.

The motion remaining on the floor, the members present voted affirmatively on all items with the exception of Item No. 4D whereby Director Settle abstained and Director Lau voted "no". The Vice-Mayor declared the motion carried and the ordinances and resolutions were adopted with ordinances given Ordinance No. 23-16 and 24-16, and the resolutions given Resolution No. R-43-16 through R-52-16, respectively.

Vice-Mayor Settle opened the Officials Forum with the following comments offered:

➤ Vice-Mayor Settle

Re: 1. Requested the below items be placed on a future study session:

- Discussion regarding the condition of railroad crossings and cleanup or possible relocation of the railroad maintenance yard located at North "A" and "B" Streets
- Review feasibility of closing a portion of North "A" Street between Riverfront Drive and North 2nd Street

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The request included that City staff contact railroad representatives and request they be present at the subject study session. Director Lorenz noted concurrence with the request. Placement of items on a future meeting requires the concurrence of two (2) directors; therefore, the items will be scheduled as requested.

2. Congratulated Pernod-Ricard on the launch of Smithworks Vodka, which is made with water from Lake Fort Smith and bottled in Fort Smith.
3. Reminded all that a Town Hall meeting will be held immediately following adjournment of the regular meeting.

➤ Mr. Bailey

Re: Reminded all of the spring city-wide cleanup, which is scheduled for Saturday, April 16 through Saturday, April 23, 2016. There will be one (1) dumpster located in each ward and the sites will be open from 11:00 a.m. – 7:00 p.m.

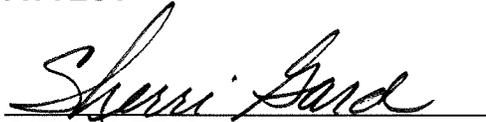
There being no further business to come before the Board, Hutchings moved that the meeting adjourn. The motion was seconded by Catsavis, and the members present all voting aye, the Vice-Mayor declared the motion carried and the meeting stood adjourned at 6:28 p.m.

APPROVED



MAYOR

ATTEST



CITY CLERK