

ORDINANCE NO. _____

**AN ORDINANCE ESTABLISHING THE INDIAN HILLS LAKEFRONT
PROPERTY URBAN SERVICE DISTRICT NO. 1 OF NORTH LITTLE
ROCK, ARKANSAS; DECLARING AN EMERGENCY; AND FOR
OTHER PURPOSES.**

WHEREAS, there has been filed with the City Clerk of the City of North Little Rock, Arkansas, a petition (the "Petition") purporting to be signed by more than twenty-five percent (25%) of the electors to be affected and situated within the territory described in Exhibit A which is attached hereto and incorporated herein by this reference (the "Property"), asking that an urban service district be established for the purposes set forth hereinbelow; and

WHEREAS, after due notice as required by law, the City Council of the City of North Little Rock, Arkansas (the "City Council") has heard all parties desired to be heard.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF NORTH LITTLE ROCK, ARKANSAS:

SECTION 1: That more than twenty-five percent (25%) of the electors located within the Property signed the Petition (attached as Exhibit A), and there is hereby established an urban service district (the "District") under Chapter 95 of Title 14, Subtitle 5 of the Arkansas Code of 1987 Annotated (the "Act") within the Property, for the purposes of maintaining, operating, repairing and replacing any common area improvement and recreational services in and around the two (2) Indian Hills Lakes and two (2) dams in North Little Rock, Arkansas as well as obtaining insurance and paying necessary administrative expenses. These common areas improvements include but are not limited to: the two (2) lakes and two (2) dams located within the Indian Hills Subdivision; and all real properties owned by the Indian Hills Community Club; and any current or future structures thereof.

That a map containing the boundaries of the District is marked Exhibit B and affixed hereto. It is substituted for the original Exhibit B which erroneously included 6505 Curry Court which is not lakefront property and is not included in the proposed USD. That the legal descriptions of the real property in the District are marked as Exhibit A-1 and A-2 and are affixed hereto also. These exhibits are attached to the Petition.

The District shall be known as "Indian Hills Lakefront Property Urban Service District No. 1 of North Little Rock, Arkansas."

That Sherry Little, 6200 Blackhawk Drive, North Little Rock, AR 72116, Karen Hall 2620 Kellogg Acres Road, Sherwood, AR 72120, Steve Ringgold, #9 Edenwood, North Little Rock, AR 72116, Dave Ross, #2 Edenwood, North Little Rock, AR 72116 and Carolyn Lasiter, 7001 Pontiac Drive, North Little Rock, AR 72116, are hereby appointed as the initial members of an administrative board (the "Administrative Board") to aid the city in the administration of the District as provided in the Petition, that the successors to the initial Administrative Board shall be selected as set forth in the Petition.

SECTION 2: That a service charge shall be made to the households within the District which shall be an equal amount for each individual residential household; that each year the Administrative Board shall meet to determine the aggregate amount needed to achieve the above mentioned purposes of the District; that the billing frequency for service charges shall be monthly; that the aggregate amount needed will be divided by the total number of households located inside the District (there are 54 households in the Proposed District), to determine the yearly service charge for each household; that the yearly service charge shall then be divided by twelve (12) to determine the monthly service charge applicable to each individual household within the District.

That the estimated annual cost of the services provided by the District is \$19,440.00 It is estimated that each household within the District shall, therefore, initially be assessed an annual service charge of \$360.00, payable monthly in the sum of \$30.00 each month (calculated as \$19,440.00 divided by 54 = \$360.00 divided by 12 = \$30.00).

That the service charges shall be collected by the City of North Little Rock through agreement with Central Arkansas Water and shall be an addition to the monthly water and sewer bill collected by Central Arkansas Water and then remitted to the City of North Little Rock to be allocated to a fund for the exclusive benefit of the District, to begin as soon as administratively feasible following the passage of this ordinance and in accordance with the Act; and that the Mayor of the City of North Little Rock is authorized to execute such agreement or agreements with Central Arkansas Water.

That the service charges shall be levied for a period often (10) years from the date of the adoption of this Ordinance establishing the District and will not continue thereafter except upon a new petition from electors in the District and by passage of a new authorizing ordinance by the City of North Little Rock pursuant to the provisions of the Act.

SECTION 3: Any ordinance or parts of ordinances that are in conflict herewith are hereby repealed to the extent they conflict with this ordinance.

SECTION 4: It has been found, and it is hereby declared, by the City Council that there is an immediate need within the City of North Little Rock, Arkansas, for the improvements described above in this Ordinance and that the levy of the annual charge for the assessments by the District is the only means whereby these improvements may be accomplished; THEREFORE, an emergency is declared, and this Ordinance, being necessary for the preservation of public peace, health and safety, shall be in full force and effect upon its passage and approval.

PASSED:

APPROVED:

Mayor Terry C. Hartwick

SPONSORS:

Council Member Vincent Insalaco III

Council Member Scott Fowler

APPROVED AS TO FORM:

Amy Fields, City Attorney

PREPARED BY STUART VESS, ATTORNEY/FORMATTED BY THE
OFFICE OF THE CITY ATTORNEY

ATTEST:

Diane Whitney, City Clerk

FILED _____ A.M. ____ P.M.

By _____

DATE _____

**Diane Whitbey, City Clerk and Collector
North Little Rock, Arkansas**

RECEIVED BY _____

NOTICE

YOUR SIGNATURE HEREON
SHOWS THAT YOU FAVOR
THE ESTABLISHMENT OF AN
URBAN SERVICE DISTRICT. IF
THE DISTRICT IS FORMED
YOU MAY BE CHARGED FOR
THE COST OF THE SERVICE.

In RE: Indian Hills Lakefront Property Urban Service
District No. 1 of North Little Rock, Arkansas

PETITION FOR THE FORMATION OF AN URBAN SERVICE DISTRICT
TO THE CITY COUNCIL FOR THE CITY OF NORTH LITTLE ROCK, ARKANSAS:

The undersigned ("the Petitioners") are more than twenty-five percent (25%) of the
electors located within the proposed Lakefront Property Subdivision Urban Service

PETITION FOR THE FORMATION OF INDIAN HILLS LAKEFRONT PROPERTY

Urban Service District 1 of North Little Rock, Arkansas

No. 1 of North Little Rock, Arkansas ("Proposed District"), and the Petitioners do hereby petition the City Council for the City of North Little Rock, Arkansas ("Council"), under Chapter 95 of Title 14, Subtitle 5 of the Arkansas Code of 1987 Annotated (the Act), to lay off into an urban service district the real property described in Exhibits "A-1" and "A-2", attached hereto and incorporated herein by reference. Exhibit "B", attached hereto and incorporated herein by reference, is a map of the area of the Proposed District.

The Proposed District shall be organized for the purpose of maintaining, operating, repairing and replacing any common area improvements and recreational services in and around the two (2) Indian Hills lakes and two (2) dams in North Little Rock, Arkansas as well as obtaining insurance and paying necessary administrative expenses. These common area improvements could include but are not limited to: the two (2) lakes and two (2) dams located within the Indian Hills Subdivision; any and all real properties owned by the Indian Hills Community Club; and any current or future structures thereof. These common area improvements are necessary to maintain property values of residential properties located around the Indian Hills lakes and dams, ensure the safety, maintenance and upkeep of the real properties owned by the Indian Hills Community Club, and improve the appearance of the neighborhood overall within the Proposed District desired by the residents located therein.

The Petitioners petition the City Council to appoint an administrative board ("the Administrative Board") to aid the city in the administration of the Proposed District and consisting of the following, each of whom is a member of the Indian Hills Community Club Board of Directors:

Sherry Little, 6200 Blackhawk Drive, North Little Rock, AR 72116
Karen Hall, 2620 Kellogg Acres Road, Sherwood, AR 72120
Steve Ringgold, #9 Edenwood, North Little Rock, AR 72116
Dave Ross, #2 Edenwood, North Little Rock, AR 72116
Carolyn Lasiter, 7001 Pontiac Drive, North Little Rock, AR 72116

The Administrative Board will consult with the members of Ward 4 of the City Council or the Mayor of North Little Rock to determine how to best use any service charges collected by the Proposed District and will also be responsible for locating, obtaining insurance and paying necessary administrative costs and contracting with, and supervising any landscapers and contractors necessary to achieve the purposes of the Proposed District and shall act as disbursing agent for expenditure of the service charges received by the City of North Little Rock for the Proposed District.. Each member of the Administrative Board shall serve for a period of two (2) years, or until his or her successor is elected, provided that initially one of the initial members of the Administrative Board will serve for three (3) years, or until his or her successor is elected, and that member shall be selected by the Administrative Board. Subsequent members of the Administrative Board elected to replace a member whose term has expired, resigned or is no longer qualified to serve, shall be elected by a majority vote of a meeting of the electors within the Proposed District called by the Administrative Board upon at least ten (10) days written notice given to the said electors. All members of the Administrative Board shall be a member of the Indian Hills Community Club Board of Directors for at least three (3) months prior to being elected to the Administrative Board and shall remain a member of the Indian Hills Community Club Board of Directors during their time serving on the Administrative Board. Failure by any Administrative Board member to remain a member of the Indian Hills Community Club Board of Directors in accordance with the Indian Hills Community Club By-Laws shall result in the immediate removal and replacement of said member on the Administrative Board.

The Petitioners petition that a service charge shall be made to the households within the Proposed District, which shall be an equal amount for each individual residential household. Each year, the Administrative Board shall meet to determine the aggregate amount needed to achieve the above-mentioned purposes of the Proposed District. The billing frequency for service

charges shall be monthly. The aggregate amount needed will be divided by the number of households located inside the Proposed District (there are 54 households in the Proposed District) to determine the yearly service charge for each household. The yearly service charge shall then be divided by twelve (12) to determine the monthly service charge applicable to each individual household within the Proposed District. For Example, if the aggregate amount needed in 2025 is \$19,440.00, then the owner of each household would owe \$360.00 for the year 2025, which would be divided into monthly payments of \$30.00 (calculated as $\$19,440.00 \div 54 = \360.00 divided by 12 = \$30.00). At this time, the estimated cost of obtaining general liability insurance paying other necessary maintenance expenses, maintenance of the dams and lakes and other improvements and payments into an escrow fund for future dredging of the two (2) lakes is \$19,440.00 which would amount to \$360.00 per household each year. The service charges shall be collected by the city of North Little Rock through agreement with Little Rock through agreement with Central Arkansas Water and shall be an addition to the monthly water and sewer bills collected by Central Arkansas Water and then remitted to the City of North Little Rock to be allocated to a fund for the exclusive benefit of the Proposed District, to begin as soon as administratively feasible following the passage of an ordinance establishing the Proposed District. The service charges shall be levied for a period of ten (10) years from the date of the establishment of the Proposed District and will not continue thereafter except upon a new petition from electors in the Proposed District and by passage of a new authorizing ordinance by the City of North Little Rock pursuant to the provisions of the Act. The Petitioners petition the City Council to select as the Proposed District's name "Indian Hills Lakefront Property Urban Service District No. I of North Little Rock, Arkansas.

{Signatures of the Petitioners are on multiple counterparts following page five (5).}

I, the petitioner below, am in favor of the Indian Hills Lakefront Property Urban Service District No. 1 of North Little Rock, Arkansas as described in the forgoing document. I am a legal elector registered to vote in the proposed district in North Little Rock, Pulaski County, Arkansas and have read or had read to me the notice on page one in front of the affiant collecting my signature.

Evelyn Coleman
Signature of Petitioner

Evelyn Coleman
Printed name of Petitioner

6512 Curry Court
Street Address

N. Little Rock, AR 72116
City, State and zip code

8/14/25
Date

David W. Ross
Signature of Petitioner

David W. Ross
Printed name of Petitioner

2 EDENWOOD LN
Street Address

NORTH LITTLE ROCK, AR 72116
City, State and zip code

8/14/25
Date

I, the petitioner below, am in favor of the Indian Hills Lakefront Property Urban Service District No. 1 of North Little Rock, Arkansas as described in the forgoing document. I am a legal elector registered to vote in the proposed district in North Little Rock, Pulaski County, Arkansas and have read or had read to me the notice on page one in front of the affiant collecting my signature.

Julia Bonner
Signature of Petitioner

Julia Bonner
Printed name of Petitioner

6604 Curry Ct
Street Address

N. Little Rock AR 72116
City, State and zip code

8-13-25
Date

Vicki Gonterman
Signature of Petitioner

Vicki Gonterman
Printed name of Petitioner

7008 Flintrock Rd.
Street Address

North Little Rock, AR 72116
City, State and zip code

8/14/2015
Date

I, the petitioner below, am in favor of the Indian Hills Lakefront Property Urban Service District No. 1 of North Little Rock, Arkansas as described in the forgoing document. I am a legal elector registered to vote in the proposed district in North Little Rock, Pulaski County, Arkansas and have read or had read to me the notice on page one in front of the affiant collecting my signature.


Signature of Petitioner

Chris Gonterman
Printed name of Petitioner

7008 Flintrock Rd
Street Address
North Little Rock 72116
City, State and zip code

8/14/25
Date


Signature of Petitioner

Carole Hoffman
Printed name of Petitioner

43 Coronado Cir.
Street Address
No. Little Rock, AR
City, State and zip code

8.14.25
Date



I, the petitioner below, am in favor of the Indian Hills Lakefront Property Urban Service District No. 1 of North Little Rock, Arkansas as described in the forgoing document. I am a legal elector registered to vote in the proposed district in North Little Rock, Pulaski County, Arkansas and have read or had read to me the notice on page one in front of the affiant collecting my signature.

Elizabeth R McCormick
Signature of Petitioner

Elizabeth McCormick
Printed name of Petitioner

6807 Pontiac Dr
Street Address

North Little Rock, AR 72116
City, State and zip code

8/14/25
Date

[Signature]
Signature of Petitioner

David McCormick
Printed name of Petitioner

6807 Pontiac Dr.
Street Address

North Little Rock, AR 72116
City, State and zip code

8/14/25
Date

SUR

I, the petitioner below, am in favor of the Indian Hills Lakefront Property Urban Service District No. 1 of North Little Rock, Arkansas as described in the forgoing document. I am a legal elector registered to vote in the proposed district in North Little Rock, Pulaski County, Arkansas and have read or had read to me the notice on page one in front of the affiant collecting my signature.

Susan J. Balest
Signature of Petitioner

SUSAN J. BALEST
Printed name of Petitioner

6504 CURRY COURT
Street Address

NO. LITTLE ROCK, AR 72116
City, State and zip code

8/14/2025
Date

Philip J. Balest
Signature of Petitioner

PHILIP J. BALEST
Printed name of Petitioner

6504 CURRY CT.
Street Address

NORTH LITTLE ROCK, AR 72116
City, State and zip code

8-14-2025
Date

SLR

I, the petitioner below, am in favor of the Indian Hills Lakefront Property Urban Service District No. 1 of North Little Rock, Arkansas as described in the forgoing document. I am a legal elector registered to vote in the proposed district in North Little Rock, Pulaski County, Arkansas and have read or had read to me the notice on page one in front of the affiant collecting my signature.

Farris Carl Cullum
Signature of Petitioner

FARRIS CARL CULLUM
Printed name of Petitioner

4700 FLINT ROCK RD.
Street Address

NLR AR 72116
City, State and zip code

8-14-25
Date

Barbara J. Hale
Signature of Petitioner

Barbara J. Hale
Printed name of Petitioner

7012 Flintrock
Street Address

N.L.R. AR. 72116
City, State and zip code

Aug. 14, 2025
Date

I, the petitioner below, am in favor of the Indian Hills Lakefront Property Urban Service District No. 1 of North Little Rock, Arkansas as described in the forgoing document. I am a legal elector registered to vote in the proposed district in North Little Rock, Pulaski County, Arkansas and have read or had read to me the notice on page one in front of the affiant collecting my signature.

Michael H. Hale

Signature of Petitioner

Michael H. Hale

Printed name of Petitioner

7012 Flintrock Rd.

Street Address

N.L.R. AR 72116

City, State and zip code

8-14-2015

Date

Jonah Pulliam

Signature of Petitioner

Jonah Pulliam

Printed name of Petitioner

6809 Pontiac Dr.

Street Address

North Little Rock, AR, 72116

City, State and zip code

8/14/2015

Date

I, the petitioner below, am in favor of the Indian Hills Lakefront Property Urban Service District No. 1 of North Little Rock, Arkansas as described in the forgoing document. I am a legal elector registered to vote in the proposed district in North Little Rock, Pulaski County, Arkansas and have read or had read to me the notice on page one in front of the affiant collecting my signature.

Britni Pulliam
Signature of Petitioner

Britni Pulliam
Printed name of Petitioner

6809 Pontiac Drive
Street Address

North Little Rock, AR 72116
City, State and zip code

08/14/25
Date

Branton Pulliam
Signature of Petitioner

Branton Pulliam
Printed name of Petitioner

6809 Pontiac Dr.
Street Address

N Little Rock, AR 72116
City, State and zip code

8/14/25
Date

SUR

I, the petitioner below, am in favor of the Indian Hills Lakefront Property Urban Service District No. 1 of North Little Rock, Arkansas as described in the forgoing document. I am a legal elector registered to vote in the proposed district in North Little Rock, Pulaski County, Arkansas and have read or had read to me the notice on page one in front of the affiant collecting my signature.

John Carr
Signature of Petitioner

John Carr
Printed name of Petitioner

7013 Pontiac Dr.
Street Address

NLR Ar 72116
City, State and zip code

8-14-25
Date

Eugene F Simon
Signature of Petitioner

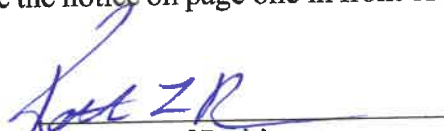
Eugene F Simon
Printed name of Petitioner

4 Edenwood Lane
Street Address

No. Little Rock 72116 AR
City, State and zip code

8-19-25
Date

I, the petitioner below, am in favor of the Indian Hills Lakefront Property Urban Service District No. 1 of North Little Rock, Arkansas as described in the forgoing document. I am a legal elector registered to vote in the proposed district in North Little Rock, Pulaski County, Arkansas and have read or had read to me the notice on page one in front of the affiant collecting my signature.


Signature of Petitioner

KATHLEEN LAURA REA
Printed name of Petitioner

7101 PONTIAC DR
Street Address

NORTH LITTLE ROCK AR 72116
City, State and zip code

8/19/25
Date


Signature of Petitioner

TIM AOOD
Printed name of Petitioner

7101 PONTIAC DR.
Street Address

NLR, AR. 72116
City, State and zip code

8/19/25
Date

I, the petitioner below, am in favor of the Indian Hills Lakefront Property Urban Service District No. 1 of North Little Rock, Arkansas as described in the forgoing document. I am a legal elector registered to vote in the proposed district in North Little Rock, Pulaski County, Arkansas and have read or had read to me the notice on page one in front of the affiant collecting my signature.

Charisse Green

Signature of Petitioner

Charisse Y. Green

Printed name of Petitioner

10 Edenwood Lane

Street Address

North Little Rock, Ar 72116

City, State and zip code

August 19, 2025

Date

Luther Green Jr.

Signature of Petitioner

Luther Green Jr.

Printed name of Petitioner

10 Edenwood Lane

Street Address

North Little Rock, AR 72116

City, State and zip code

08/19/2025

Date

EXHIBIT A - 1

INDIAN HILLS LAKEFRONT PROPERTY URBAN SERVICE DISTRICT No. 1

All property in 12-2N-12W

DESCRIPTION

EDENWOOD LANE

Lots 23-32, Block 20, Indian Hills, 2N, City of North Little Rock, Pulaski County, Arkansas

FLINTROCK DRIVE

Lots 17A, 17B, Block 20, Indian Hills, 2N, City of North Little Rock, Pulaski County, Arkansas

Lots 33, 33A, 33B, 33D, 33E, 33F, and 33G Block 20, Indian Hills, 2N, City of North Little Rock, Pulaski County,

Lot C/20 belongs to the Indian Hills Community Club

OSAGE DRIVE

Lots 33H, 33I and 33J, Block 20, Indian Hills, 2N, City of North Little Rock, Pulaski County, Arkansas

Lot D/20 is drainage for the City of North Little Rock

PONTIAC DRIVE

Lots 39-48, Block 20, Indian Hills, 2N, City of North Little Rock, Pulaski County, Arkansas

Lots 48A, 48B, 48C and 48D, Block 20, Indian Hills, 2N, City of North Little Rock, Pulaski County, Arkansas

Lots 49-51, Block 20, Indian Hills, 2N, City of North Little Rock, Pulaski County, Arkansas

CORONADO CIRCLE

Lots 52 - 58 and Lot 58A, Block 20, Indian Hills, 2N, City of North Little Rock, Pulaski County, Arkansas

CURRY COURT

Lots 10, 12, 13, 14, 15, 16 and 17, Block 20, Indian Hills, 2N, City of North Little Rock, Pulaski County, Arkansas

EXHIBIT A-2

Indian Hills Lakefront Property Urban Service District No. 1

DESCRIPTION

(Real estate and lakes owned by the Indian Hills Community Club in North Little Rock)

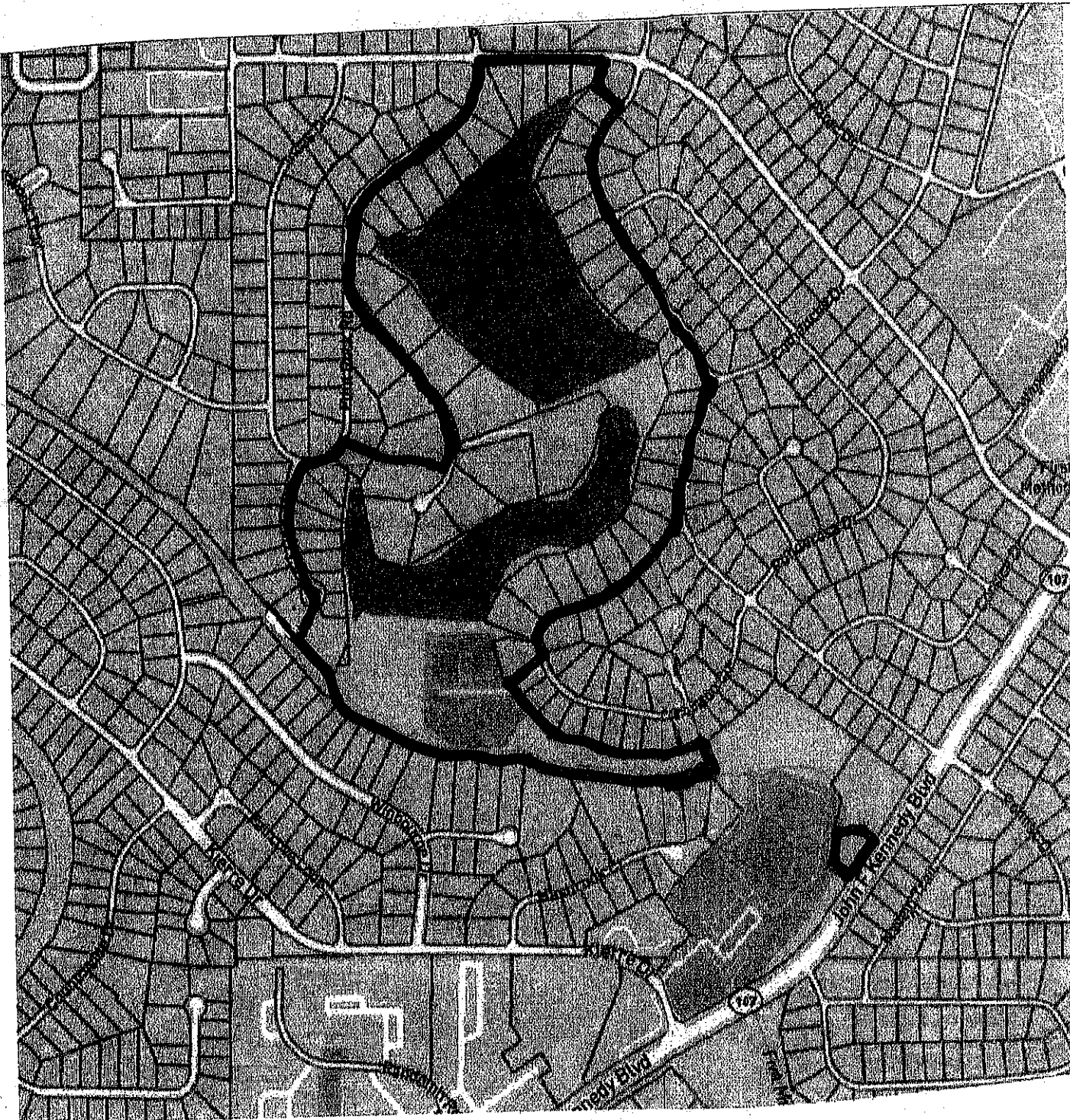
More fully described as:

Legal

Description:

UNPLATTED PT W1/2 SEC 12-2N-12 BEG SE COR LT 89 BLK 20 INDIAN HILLS. FOLLOW THE CONTOURS OF BACK LOT LINES OF LOTS TO NW COR LT 88 BLK 20 THAL CONTOURS OF BACK LOT LINES OF LOT D BLK 20 TO SE COR LT 28 BLK 20 TH N 72° E 243.25' S 25° E 62.70' S 88° W 13.30' TO NE COR LT 28 BLK 20 THAL CONTOURS OF BACK LOT LINES TO SW COR LT 11 BLK 20 S 88° E 42' E 147' S 87° E 110.18' S 70° E 408.65' N 87° E 233.96' E 196.2' S 81° E 276.8' N 84° E 354.8' N 120.49' TO POB & BEG SE COR TR X INDIAN HILLS N 81° W 88' N 84° W 111' S 117' S 81° E 84' TO N/R/W HWY 6TH NELY AL HWY TO POB INCLUDED IN THIS LEGAL IS WASTELAND & LAKES C/O 387' E X E N P T 12-2N 12W LESS AND EXCEPT COMMENCING AT THE NORTHWEST CORNER OF THE SW 1/4 SW 1/4, SECTION 12, THENCE N 00° 28' W 139.76 FEET TO THE COMMON REAR CORNER OF LOTS 6 & 7, BLOCK 20, INDIAN HILLS, PHASE I AS RECORDED IN PLAT BOOK 20, PAGE 96 IN THE PULASKI COUNTY RECORDS; THENCE S 41° 18' E AND ALONG THE REAR LINES OF LOTS 7, 8, 9 AND 10, SAID BLOCK 20, 964 FEET; THENCE S 44° 43' E AND ALONG THE REAR LOT LINES OF LOT 10 & 11, BLOCK 20, 183.84 FEET; THENCE S 89° 58' E 71.63 FEET TO A POINT ON THE EASTERLY LINE OF SAID LOT 11, BLOCK 20 AND THE POINT OF BEGINNING; THENCE N 24° 00' E AD ALONG THE SAID EASTERLY LINE OF LOT 11, BLOCK 20, 98.02 FEET; THENCE S 00° 04' W 89.59 FEET; THENCE N 89° 58' W 98.77 FEET TO THE POINT OF BEGINNING, CONTAINING 1781.6 FEET, MORE OR LESS

EXHIBIT B



PETITION FOR THE FORMATION OF THE INDIAN HILLS LAKEFRONT PROPERTY
Urban Service District NO. 1 of North Little Rock, Arkansas

EXHIBIT C

BILLING SERVICES AGREEMENT

This Billing Services Agreement ("Agreement") is made and entered into this ____ day of _____, 2025, by and between Central Arkansas Water ("CAW") and the City of North Little Rock, Arkansas for the use and benefit of the Indian Hills Lakefront Property Urban Service District No. 1 of North Little Rock, Arkansas ("District 1").

WITNESSETH

WHEREAS, CAW performs meter reading, billing and collection services (collectively, and as more accurately described below, "Billing Services") under the name of Utility Billing Services;

WHEREAS, District 1 desires to engage CAW to perform certain Billing Services on the behalf of District 1 pursuant to the terms and provisions hereof;

NOW THEREFORE, for and in consideration of the promises and covenants contained herein, and other good and valuable consideration, the parties hereto hereby agree as follows:

1. Definitions. The following are definitions of certain terms used in this Agreement:

- a. "CAW" means Central Arkansas Water, a public body corporate and politic organized and existing under the laws of the State of Arkansas, including, particularly, the Consolidated Waterworks Authorization Act of 2001, Act 982 of the 83rd General Assembly of the State of Arkansas, codified at Arkansas Code Annotated §§2520-301 et seq. (2002 Repl.).
- b. "Customer" or "Customers" means all households within the boundaries of the Indian Hills Lakefront Property Service District No. 1 of North Little Rock, Arkansas, as described on Exhibit A-1 and A-2 , affixed hereto and by this reference made a part hereof.
- c. "Customer Bills" means the monthly statements prepared and delivered by CAW to Customers for monthly service charges for services provided by District 1. Materials to be furnished by CAW with each Customer Bill includes the prepared bill, mailing envelopes, postage and enclosed return envelopes.
- d. "Rates" means the amount to be charged each Customer as determined in accordance with paragraph 8 hereof.
- e. "District 1" means the City of North Little Rock, Arkansas for the use and benefit of the Indian Hills Lakefront Property Urban Service District No. 1 of North Little Rock, Arkansas.

- f. "District 1 Proceeds" means monies received from Customers and allocated to pay District 1 Receivables in accordance with the terms of this Agreement.
- h. "Write-Off Accounts" means District 1 Receivables adjusted on the books of CAW, in accordance with CAW's standard accounting practice of classifying accounts as uncollectable 90 days after account becomes inactive.
- g. "District 1 Receivables" means the dollar amount of Customer Bills submitted by CAW to Customers for payment on each Customer Bill for the benefit of District 1.

2. Billing Services Agreement. During the term of this Agreement, CAW shall provide Billing Services for District 1.

3. Supervision and Control. CAW shall have sole and exclusive supervision and control over its operations under this Agreement, including but not limited to the method of preparing the Customer Bills and making the collections thereunder; the selection, design and use of forms and changes thereto; the selection and use of data processing equipment, office machinery, and other equipment for reading of meters and preparation of Customer Bills; and the hiring and management of employees for the performance of this Agreement. CAW's decisions with respect to any and all aspects of its Billing Services shall be final and conclusive. District 1 agrees that CAW may make changes in its Billing Services procedures during the term of this Agreement, and in the equipment required therefore.

4. Description of Billing Services. Pursuant to and in accordance with the terms of this Agreement, CAW shall furnish the labor, services, materials and equipment required to perform the "Billing Services," which shall include the following:

- a. Determine the appropriate District 1 bill in accordance with the Rates for each Customer;
- b. Submit Customer Bills to the Customers on CAW's normal billing cycle (in most instances, the Customer Bills will be included on CAW's bill for water services);
- c. Maintain Customers' records;
- d. Collect, as agent for District 1, all funds on behalf of the District 1 for which CAW has performed billing; and remit to District 1 amounts collected on a monthly basis by the 15th of the following month.

5. Accounting for and Distribution of District 1 Proceeds. Customers may pay Customer Bills by mail to CAW or in person at CAW designated locations. Other bill payment options may be offered from time to time.

6. CAW Service Charges. CAW shall receive \$0. 1 per bill sent out by CAW on behalf of the District 1 (the "Base Rate"). Beginning on _____, 20____, the service charge shall be annually adjusted on _____ 1 each year by the previous year's change in the Consumer Price Index - All Urban Consumers (case year 1982-84 = 100) as published by the Bureau of Labor Statistics, United States Department of Labor. Major upgrades, expenditures or changes to CAW's billing system may require renegotiation of the Base Rate.

7. Credit Cards. It is contemplated that consumer demands will necessitate the acceptance of credit cards for payment at some future date. Because this cost element is not factored into the Base Rate, as made final in accordance with paragraph 6 hereof, District 1 agrees to pay its pro rata share of any fees assessed by the credit card companies or credit card processing company for customer credit card usage in addition to the Base Rate, as made final in accordance with paragraph 6 hereof.

8. Rates. Customer Billings will be the amount of \$ _____ per year per Customer within the boundaries of District 1 (or \$ _____ per Customer per month), as amended, not more often than once each year by written notice from the Mayor of the City of North Little Rock to CAW.

9. Reports. As part of the Billing Service and upon request, CAW will generate such reports as reasonably requested by the District 1 and which are reasonably capable of being generated by CAW.

10. Communications from District 1. All requests by District 1 to add, delete, modify or in any way change its Rates or to obtain information concerning individual accounts or groups of accounts or any other data shall be made in writing to CAW. Rate changes require sixty (60) days advance notice in writing and calculation methodology changes require six (6) months advance notice in writing. Charges incurred by CAW for changes from the software vendor will be passed onto District 1 at cost.

11. Call Center. CAW will maintain a call center to accommodate customers regarding account balance and status questions. Debt Service specific questions will be referred to a telephone number provided by District 1.

12. Cooperation. Parties agree to cooperate and share information in good faith to make appropriate adjustments and to provide information to ensure correctness in billing, collection and report generation.

13. Term. The initial term of this Agreement shall begin on _____, 20____, for a period ending _____, 20____ ("Initial Term") and shall automatically renew for additional 1 year periods ("Renewal Term") thereafter unless either party gives written notice to the other party of its intent not to renew at least two (2) months prior to expiration of the Initial Term or any Renewal Term. Termination of this Agreement shall not affect District 1's liability, as provided herein, to pay the cost of Billing Services which have been rendered by CAW pursuant to this Agreement prior to the date of termination, provided, however, in any event, the term of this Agreement shall not extend beyond _____

14. CAW's Right to Terminate Water Service. It is understood and agreed that this Agreement shall in no way restrict or limit CAW's right to terminate water service to any Customer for nonpayment of billed charges or other permissible reason. The parties expressly agree that CAW shall have no liability whatsoever for any reduction in Customer Bills or District 1 revenue due to a termination of water service.

15. Waiver. The waiver by either party of a breach by the other of any provision of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of either the same or a different provision of this Agreement.

16. Severability. Should any part of this Agreement be declared by a final decision by a court or tribunal of competent jurisdiction to be unconstitutional, invalid, or beyond the authority of either party to enter into or carry out, such decision shall not affect the validity of the remainder of this Agreement, which shall continue in full force and effect, provided that the remainder of the Agreement, absent the excised portion, can be reasonably interpreted to give effect to the intentions of the parties.

17. Amendment. This Agreement is not subject to modification or amendment except as provided on paragraph 15 hereof or by a writing executed by both CAW and District 1, which writing shall expressly state that it is intended by the parties to amend the terms and conditions of this Agreement.

18. Entire Agreement. Except as expressly provided herein, this Agreement constitutes the entire understanding and agreement of the parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

19. Binding Effect. This Agreement shall be binding on the parties hereto and their successors and assigns.

20. Condition of CAW's Obligations. This Agreement is expressly conditioned upon and shall become effective upon the City of North Little Rock, Arkansas, adopting an ordinance pursuant to which granting Central Arkansas Water specific authority to discontinue water services in the event of non-payment of service fees of any urban service district collected by Central Arkansas Water for the benefit of urban service districts organized by the City of North Little Rock.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the day and year first written above.

City of North Little Rock, Arkansas

By: _____
Terry Hartwick, Mayor

Central Arkansas Water
P.O. Box 1789
Little Rock, AR 72203

By: _____