

NEW ISSUE

NOT RATED

BOOK-ENTRY ONLY

*In the opinion of Bond Counsel, under existing law and assuming compliance with certain covenants described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes, (ii) interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, (iii) with respect to certain corporations, interest on the Bonds will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations, (iv) the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code, (v) interest on the Bonds is exempt from State of Arkansas income tax, and (vi) the Bonds are not subject to property taxes in the State of Arkansas. See, **LEGAL MATTERS, Tax Exemption**, herein.*

\$3,975,000

**CITY OF WHITE HALL, ARKANSAS
HOTEL AND RESTAURANT GROSS RECEIPTS TAX
REFUNDING REVENUE BONDS
SERIES 2017**

Dated: Date of Delivery

Due: As shown on the inside front cover

The Bonds will not be general obligations of the City of White Hall, Arkansas (the "City") but will be special obligations, solely secured by a pledge of and payable from revenues derived from the collections of the City's 2% tax upon the gross receipts or gross proceeds from motels, hotels, restaurants, cafes, cafeterias and similar establishments within the City (the "Tax") levied by the City under the authority of Title 26, Chapter 75, Subchapter 6 of the Arkansas Code of 1987 Annotated, and Ordinance No. 253 of the City adopted May 19, 1997 (the "Levy Ordinance"). The Bonds are being issued pursuant to and in full compliance with Amendment 65, Arkansas Code Annotated Title 14, Chapter 164, Subchapter 3 (the "Authorizing Legislation"), and Ordinance No. 504 of the City adopted November 20, 2017 (the "Authorizing Ordinance").

The Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory debt limitation or restriction. The issuance of the Bonds shall not directly, indirectly or contingently obligate the City to levy or pledge any taxes whatsoever or to make any appropriation for the payment of the Bonds, except as described herein with respect to the Tax. See THE BONDS, Security.

The Bonds are issuable as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, to which principal and interest payments on the Bonds will be made so long as Cede & Co. is the registered owner of the Bonds. Individual purchases of the Bonds will be made only in book-entry form, in the denominations of \$5,000 or any integral multiple thereof. Individual purchasers of the Bonds ("Beneficial Owners") will not receive physical delivery of bond certificates.

Interest on the Bonds is payable semiannually on June 1 and December 1, commencing June 1, 2018. All such interest payments shall be payable to the person in whose name such Bonds are registered on the bond registration books maintained by Simmons Bank, Pine Bluff, Arkansas, as Trustee (the "Trustee"). Disbursement of such payments to DTC participants is the responsibility of DTC, and disbursement of such payments to Beneficial Owners is the responsibility of DTC participants or indirect participants, as more fully described herein.

The Bonds mature, bear interest, and are priced to yield as shown on the inside cover of this Official Statement. The Bonds are subject to redemption prior to maturity as is more fully described in **REDEMPTION** herein.

This cover page contains information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued and received by the Underwriter named below, subject to approval as to legality by Wright, Lindsey & Jennings, LLP, Bond Counsel, and subject to satisfaction of certain other conditions. Certain legal matters will be passed upon for the City by its counsel, Tom Owens. It is expected that the Bonds will be available for delivery in New York, New York on or about December 29, 2017.

Dated December 8, 2017

Stephens Inc.

\$3,975,000
CITY OF WHITE HALL, ARKANSAS
HOTEL AND RESTAURANT GROSS RECEIPTS TAX
REFUNDING REVENUE BONDS

MATURITIES, AMOUNTS, PRICES AND INTEREST RATES

The Bonds mature, bear interest and are priced to yield as follows:

\$445,000 1.950% Term Bonds¹ Due December 1, 2021: Yield 1.950%: CUSIP* 963818 AS8
\$360,000 2.500% Term Bonds¹ Due December 1, 2024: Yield 2.500%: CUSIP* 963818 AT6
\$375,000 2.875% Term Bonds¹ Due December 1, 2027: Yield 2.875%: CUSIP* 963818 AU3
\$420,000 3.125% Term Bonds¹ Due December 1, 2030: Yield 3.125%: CUSIP* 963818 AV1
\$460,000 3.375% Term Bonds¹ Due December 1, 2033: Yield 3.375%: CUSIP* 963818 AW9
\$505,000 3.500% Term Bonds¹ Due December 1, 2036: Yield 3.500%: CUSIP* 963818 AX7
\$765,000 3.625% Term Bonds¹ Due December 1, 2040: Yield 3.625%: CUSIP* 963818 AY5
\$645,000 3.625% Term Bonds¹ Due December 1, 2043: Yield 3.670%: CUSIP* 963818 AZ2

¹ Term Bond, subject to mandatory sinking fund redemption.

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No dealer, broker, salesman, or other person has been authorized by the City or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or other solicitation of an offer to buy, nor shall there be any offer, solicitation, or sale of the Bonds, by or to any persons in any state in which it is unlawful for such person to make such offer, solicitation, or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City since the date hereof.

The information set forth herein under the captions “THE CITY AND THE COUNTY” and “OUTSTANDING DEBT OF THE CITY” has been furnished by the City, except where otherwise noted. All other information set forth herein has been obtained from the City or from sources other than the City that are believed to be reliable, but the adequacy, accuracy, or completeness of such information is not guaranteed by, and it is not to be construed as a representation by, the City or Bond Counsel. The information and expressions of opinion herein are subject to change without notice. Neither the delivery of this Official Statement nor the sale of any of the Bonds implies that there has been no change in the matters described herein since the date hereof or that the information herein is correct as of any time subsequent to its date.

The Bonds have not been registered under the Securities Act of 1933, as amended, nor have the Authorizing Ordinance or Indenture described herein been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions in such laws from such registration and qualification.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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CITY OF WHITE HALL, ARKANSAS

City Council

Noel Foster	Mayor
Ellen Welch	City Clerk/Treasurer
Andy Lunsford	Alderman
Ken Smith	Alderman
Scott Ray	Alderman
Beaver Johnson	Alderman
David Beck	Alderman
Joel Foster	Alderman

Advertising and Promotion Commission

James Morgan	Chairman
Scott Ray	Member
Larry Cranford	Member
Wayne Rasor	Member
James (Buddy) Pittillo	Member
Ken Smith	Member
David Beck	Member

SIMMONS BANK, N.A.
Pine Bluff, Arkansas
Trustee and Paying Agent

WRIGHT LINDSEY & JENNINGS LLP
Little Rock, Arkansas
Bond Counsel

STEPHENS INC.
Little Rock, Arkansas
Underwriter

OFFICIAL STATEMENT

\$3,975,000

CITY OF WHITE HALL, ARKANSAS HOTEL AND RESTAURANT GROSS RECEIPTS TAX REFUNDING REVENUE BONDS

INTRODUCTION TO THE OFFICIAL STATEMENT

This Introduction is subject in all respects to the more complete information contained in this Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement, including the cover page hereof and exhibits hereto. A full review should be made of the entire Official Statement, as well as the Trust Indenture relating to the Bonds to be dated as of December 29, 2017 between the City of White Hall, Arkansas, as issuer, and Simmons Bank, N.A., as trustee (the "Indenture").

This Official Statement is provided to furnish certain information in connection with the issuance by the City of White Hall, Arkansas (the "City"), of its \$3,975,000 principal amount of Hotel and Restaurant Gross Receipts Tax Refunding Revenue Bonds, Series 2017 (the "Series 2017 Bonds" or the "Bonds"). The Bonds are being issued for the purpose of providing a portion of the funds needed for advance refunding \$3,860,000 outstanding principal amount of the City's Hotel and Restaurant Gross Receipts Tax Capital Improvement Bonds, Series 2013 (the "Refunded Bonds") and paying certain expenses of the City and expenses in connection with the issuance of the Bonds. The Refunded Bonds were originally issued to acquire, construct, equip and furnish a community center, including a gymnasium, walking track, classroom and meeting facilities, aquatic facilities and related improvements for the use and benefit of the citizens of the City. See **THE REFUNDING**.

The City is a city of the first class organized under the laws of the State of Arkansas (the "State") located in Jefferson County, Arkansas, which is in southeast Arkansas. The City is authorized and empowered under the laws of the State, including particularly Title 14, Chapter 164, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation"), to issue revenue bonds and to expend the proceeds thereof for the intended purposes, and the improvements financed with the proceeds of the Refunded Bonds are part of a tourist-oriented facility within the meaning of Title 26, Chapter 75, Subchapter 6 of the Arkansas Code of 1987 Annotated (the "Tax Legislation"). See **THE CITY AND THE COUNTY**.

The Bonds are not general obligations of the City, but are special obligations payable solely from the revenues derived from the collections of the City's 2% tax upon the gross receipts or gross proceeds from motels, hotels, restaurants, cafes, cafeterias and similar establishments within the City (the "Tax") levied by the City under the authority of the Tax Legislation and Ordinance No. 253 of the City adopted May 19, 1997 (the "Levy Ordinance"). See **THE TAX**.

The Bonds are being issued pursuant to and in full compliance with the Constitution and laws of the State, particularly the Authorizing Legislation and the Tax Legislation. The issuance of the indebtedness represented by the Bonds and the pledging of all revenues from and collections of the Tax by the City (together with interest earned thereon, the "Tax Receipts") to the Bonds was approved at a special election held in the City on May 14, 2013, and by Ordinance No. 504 of the City adopted on November 20, 2017 (the "Authorizing Ordinance").

The Bonds are issuable only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, to which principal, premium, if any, and interest payments on the Bonds will be made so long as Cede & Co. is the registered owner of the Bonds. Individual purchases of the Bonds will be made only in book-entry form, in denominations of \$5,000 or integral multiples thereof. Individual purchasers ("Beneficial Owners") of Bonds will not receive physical delivery of bond certificates. See **BOOK-ENTRY ONLY SYSTEM**.

Interest is payable June 1, 2018, and semiannually thereafter on each June 1 and December 1. Principal is payable at the principal office of Simmons Bank, N.A., Pine Bluff, Arkansas, as trustee and paying agent (the "Trustee"). Interest is payable by check mailed by the Trustee to the registered owners as of the record date for each interest payment date. The record date for payment of interest on the Bonds shall be the fifteenth day of the calendar month next preceding each

interest payment date. A Bond may be transferred, in whole or in part (in integral multiples of \$5,000), but only upon delivery of the Bond, together with a written instrument of transfer, to the Trustee. See **THE BONDS, Generally**.

The Bonds are subject to optional redemption from any source on and after December 1, 2022. The Bonds shall be subject to optional redemption in the maximum annual amount of up to \$60,000 from and to the extent of Surplus Tax Receipts. The Term Bonds shown on the inside front cover of this Official Statement are also subject to mandatory sinking fund redemption as described herein. The Trustee shall give at least thirty (30) days' notice of redemption (except in the case of mandatory sinking fund redemption, for which no notice shall be given) and shall redeem Bonds in inverse order of maturity (and by lot within a maturity) in such manner as the Trustee may determine. See **THE BONDS, Redemption**.

Under existing law and assuming compliance with certain covenants described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes, (ii) interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, (iii) with respect to certain corporations, interest on the Bonds will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations, (iv) the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and certain financial institutions may be allowed to exclude their interest expense to carry the Bonds from their interest expense disallowance calculation, and (v) the Bonds are exempt from all Arkansas state, county, and municipal taxes. See **LEGAL MATTERS, Tax Exemption**.

It is expected that the Bonds will be available for delivery on or about December 29, 2017, through the facilities of The Depository Trust Company, in New York, New York.

The City and the Trustee have entered into a Continuing Disclosure Agreement in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Continuing Disclosure Agreement"). See **CONTINUING DISCLOSURE AGREEMENT**.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of the Indenture and the Continuing Disclosure Agreement summarized herein are available upon request from Stephens Inc., 111 Center Street, Little Rock, Arkansas 72201, Attention: Public Finance.

BOOK-ENTRY ONLY SYSTEM

When the Bonds are issued, ownership interests will be available to purchasers through a book-entry only system ("Book-Entry Only System") maintained by the Depository Trust Company ("DTC"), New York, New York, or its successor. DTC will act as securities depository for the Bonds. The Bonds will each be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate for each maturity of the Bonds will be issued in the aggregate principal amount of the maturity, and will be deposited with DTC of the Trustee as its "FAST" agent.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers,

banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants” and, collectively with a Direct Participant, the “Participants”). DTC has a Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (the “Beneficial Owner”) is, in turn, to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the Book-Entry Only System for the Bonds is discontinued.

So long as Cede & Co., as nominee of DTC, is the registered owner of any of the Bonds, the Beneficial Owners of such Bonds will not receive or have the right to receive physical delivery of the Bonds, and references herein to the registered owners of such Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of such Bonds.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to DTC. If fewer than all of the Bonds are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

So long as any Bond is registered in the name of DTC’s nominee, all principal, interest, and premium, if any, payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the City or Trustee, on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest, and premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered. The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

The information concerning DTC and DTC's Book-Entry Only System set forth above has been obtained from DTC. Neither the Underwriter nor the City makes any representation or warranty regarding the accuracy or completeness thereof.

So long as the Bonds are in book-entry only form, Cede & Co., as nominee for DTC, will be treated as the sole owner of the Bonds for all purposes under the Indenture, including receipt of all principal of and interest on the Bonds, receipt of notices, voting and requesting or directing the Trustee to take or not to take, or consenting to, certain actions under the Indenture. The City and the Trustee have no responsibility or obligation to the Participants or the Beneficial Owners with respect to (i) the accuracy of any records maintained by DTC or any Participant; (ii) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal of and interest on the Bonds; (iii) the delivery or timeliness of delivery by any Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Indenture to be given to owners of Bonds; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (v) other action taken by DTC or Cede & Co. as owner of the Bonds.

THE BONDS

Generally. The Bonds will be initially dated as of their date of delivery and will bear interest payable semiannually on December 1 and June 1 of each year, commencing June 1, 2018, at the rates set forth on the inside cover page hereof. The Bonds will mature on December 1 in the years and in the principal amounts set forth on the inside cover page hereof.

The Bonds are issuable only in the form of fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, to which principal, premium, if any, and interest payments on the Bonds will be made so long as Cede & Co. is the registered owner of the Bonds. Individual purchases of the Bonds will be made only in book-entry form, in denominations of \$5,000 or integral multiples thereof. Individual purchasers ("Beneficial Owners") of Bonds will not receive physical delivery of bond certificates. See the caption "**BOOK-ENTRY ONLY SYSTEM**" herein.

All interest payments on the Bonds shall be payable to the persons in whose name such Bonds are registered on the bond registration books maintained by the Trustee, as of the fifteenth day of the calendar month next preceding the applicable interest payment date. Principal of and premium, if any, on the Bonds shall be payable upon presentation and surrender thereof at the principal corporate trust office of the Trustee. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bonds to the extent of the sum or sums so paid. So long as DTC or its nominee is the registered owner of the Bonds, disbursement of such payments to DTC Participants is the responsibility of DTC, and the disbursement of such payments to Beneficial Owners is the responsibility of DTC Participants or Indirect Participants, as more fully described herein.

Redemption. The Bonds shall be subject to optional and mandatory sinking fund redemption as follows:

(1) *Optional Redemption.* The Bonds are subject to redemption at the option of the City from funds from any source, in whole at any time or in part on any interest payment date on and after December 1, 2022, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date. If fewer than all of the Bonds shall be called for redemption, the particular maturities of the Bonds to be redeemed shall be selected by the City in its discretion. If fewer than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portion thereof to be redeemed from such maturity shall be selected by lot by the Trustee.

(2) *Optional Redemption from Surplus Tax Receipts.* The Bonds shall be subject to optional redemption from Surplus Tax Receipts in an annual amount to not to exceed \$60,000 on any interest payment date at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date. If fewer than all of the Bonds shall be called for redemption, the particular maturities of the Bonds to be redeemed shall be selected by the City in its discretion. If fewer than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portion thereof to be redeemed from such maturity shall be selected by lot by the Trustee. "Surplus Tax Receipts" are defined in the Indenture as receipts from the Tax in excess of the amount necessary to insure the prompt payment of the principal of, interest on, and Trustee's fees and expenses and other administrative charges in connection with the Bonds and pay any arbitrage rebate due under Section 148(f) of the Code.

(3) *Mandatory Sinking Fund Redemption.* To the extent not previously redeemed, the Bonds maturing on December 1 in the years 2021, 2024, 2027, 2030, 2033, 2036, 2040, and 2043 (collectively, the “Term Bonds”) are subject to mandatory sinking fund redemption by lot in such manner as the Trustee shall determine, on December 1 in the years and in the amounts set forth below, at a redemption price equal to the principal amount being redeemed plus accrued interest to the date of redemption:

Series 2017 Bonds Maturing December 1, 2021

<u>Years</u>	<u>Principal Amounts</u>
2018	\$115,000
2019	105,000
2020	110,000
2021 ¹	115,000

Series 2017 Bonds Maturing December 1, 2024

<u>Years</u>	<u>Principal Amounts</u>
2022	\$115,000
2023	120,000
2024 ¹	125,000

Series 2017 Bonds Maturing December 1, 2027

<u>Years</u>	<u>Principal Amounts</u>
2025	120,000
2026	125,000
2027 ¹	130,000

Series 2017 Bonds Maturing December 1, 2030

<u>Years</u>	<u>Principal Amounts</u>
2028	\$135,000
2029	140,000
2030 ¹	145,000

Series 2017 Bonds Maturing December 1, 2033

<u>Years</u>	<u>Principal Amounts</u>
2031	\$145,000
2032	155,000
2033 ¹	160,000

Series 2017 Bonds Maturing December 1, 2036

<u>Years</u>	<u>Principal Amounts</u>
2034	\$160,000
2035	170,000
2036 ¹	175,000

Series 2017 Bonds Maturing December 1, 2040

<u>Years</u>	<u>Principal Amounts</u>
2037	\$180,000
2038	190,000
2039	195,000
2040 ¹	200,000

Series 2017 Bonds Maturing December 1, 2043

<u>Years</u>	<u>Principal Amounts</u>
2041	\$205,000
2042	215,000
2043 ¹	225,000

¹ Final Maturity.

The provisions for mandatory sinking fund redemption of the Bonds are subject to the provisions of the Indenture which permit the City to receive credit for Bonds previously redeemed or for Bonds acquired by the City and surrendered to the Trustee.

At least five (5) days before the date fixed for redemption the City shall deposit with, or otherwise make available to, the Trustee for deposit into the Bond Fund, moneys sufficient to pay the principal of, and premium, if any, and interest on, the Bonds to be redeemed on the redemption date.

The portion of any Bonds to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof; provided that, in selecting Bonds for redemption, the Trustee shall treat each Bond as representing that number of the Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

So long as the Bonds are issued in book-entry only form, if fewer than all of a particular maturity of the Bonds are to be called for redemption, the particular Bonds to be redeemed will be selected pursuant to the procedures established by The Depository Trust Company ("DTC"). If the Bonds are no longer held pursuant to the Book-Entry Only System, and if fewer than all of a particular maturity of the Bonds then outstanding shall be called for redemption, the Bonds or portions of Bonds to be redeemed within such maturity of the Bonds shall be selected by the Trustee by lot in such manner as the Trustee shall determine appropriate.

With respect to any notice of optional or mandatory redemption of the Bonds, unless upon the giving of such notice such Bonds shall be deemed to have been paid within the meaning of the Indenture, such notice may state that such redemption shall be conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of money sufficient to pay the Redemption Price of and interest on the Bonds to be redeemed, and that if such money shall not have been so received, said notice shall be of no force and effect, and the City shall not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such money is not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such money was not so received and that such redemption was not made.

Notice of any mandatory or optional redemption of the Bonds (other than Mandatory Sinking Fund Redemption, for which no notice shall be given), shall be given by the Trustee in accordance with the provisions of the Indenture. The Trustee also shall mail a copy of such notice to DTC by registered or certified mail or overnight delivery service or transmit via telecopier, for receipt not less than two Business Days prior to sending such notice to the owners, in the manner set forth in the DTC Letter of Representations, or such other notice address as is subsequently provided by DTC; provided, however, that such mailing shall not be a condition precedent to such redemption and failure to so mail any such notice shall not affect the validity of any proceedings for the redemption of the Bonds. While the Bonds are being held by DTC under the book-entry system, notice of redemption will be sent only to DTC. See the caption "**BOOK-ENTRY ONLY SYSTEM**" herein.

Purposes for the Bonds. The Bonds are being issued for the purpose of providing a portion of the funds needed for advance refunding \$3,860,000 outstanding principal amount of the City's Hotel and Restaurant Gross Receipts Tax Capital Improvement Bonds, Series 2013 (the "Refunded Bonds") and paying certain expenses of the City and expenses in connection with the issuance of the Bonds. See **THE REFUNDING**.

Security. The Bonds are not general obligations of the City but are special obligations, payable solely from and secured by a pledge of revenues derived from the collections of the City’s 2% tax upon the gross receipts or gross proceeds from motels, hotels, restaurants, cafes, cafeterias, and similar establishments within the City (the “Tax”) levied by the City under the authority of the Tax Legislation and the Levy Ordinance. As authorized by the Tax Legislation, the Authorizing Legislation, the Levy Ordinance, and the Authorizing Ordinance, all revenues from and collections of the Tax by the City (together with interest earned thereon, the “Tax Receipts”) have been pledged to secure the payment of debt service on the Bonds pursuant to the Indenture. The Advertising and Promotion Commission of the City (the “Commission”) has approved such pledge as required by statute. The collections of the Tax commenced June, 1997.

Historical annual receipts of the Tax are as follows:

<u>Calendar Year</u>	<u>Total Collections</u>
2007	\$211,015
2008	245,186
2009	254,142
2010	269,316
2011	280,393
2012	287,517
2013	298,897
2014	285,966
2015	354,417
2016	388,797

The City has covenanted in the Indenture that, for so long as there are Bonds outstanding, the Tax will not be repealed and the current tax rate of 2.00% will not be reduced. In addition, the City has covenanted that all necessary action will be taken, from time to time, to collect the Tax in the full amount due and to apply the receipts from the Tax in the manner provided in the Indenture. The Indenture provides that the proceeds from the Tax shall first be applied to satisfy the City’s obligations with respect to the Bonds, including mandatory redemption of the Bonds to the extent required. Following satisfaction of the City’s aforementioned obligations, remaining receipts of the Tax may be used for any lawful purpose permitted by the Tax Legislation and as determined by the Advertising and Promotion Commission of the City (the “Commission”).

For a description of further provisions regarding the application of Revenues, see the caption “**THE INDENTURE**” herein.

Additional Bonds. No additional Bonds may be issued by the City secured by a pledge of the Tax Receipts.

Transfer or Exchange. Any Bond may, in accordance with its terms, be transferred upon the registration books required to be kept by the Trustee, by the person in whose name such Bond is registered, in person or by a duly authorized attorney, upon surrender of such Bond for cancellation. Bonds may be exchanged at the principal corporate trust office of the Trustee for a like aggregate principal amount of fully-registered Bonds of the same subseries and maturity and in authorized denominations. The City and the Trustee shall not be required to issue, register the transfer of, or exchange any Bond during a period beginning at the opening of business fifteen (15) days before the date of the mailing of any notice of redemption of Bonds selected for redemption and ending at the close of business on the date of such mailing.

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SOURCES AND USES OF FUNDS

The proceeds of the Bonds are to be used as follows:

Sources of Funds

Par Amount of Series 2017 Bonds	\$3,975,000.00
Transfer from Series 2013 Debt Service Reserve Fund	128,646.25
Transfer from Series 2013 Debt Service Funds	1,413.08
Original Issue Discount	<u>(4,843.95)</u>
Total Sources:	\$4,100,215.38

Uses of Funds

Refunding Escrow for Series 2013A Bonds	\$3,965,494.42
Costs of Issuance and Underwriter’s Discount	134,484.24
Rounding Amount	<u>236.72</u>
Total Uses:	\$4,100,215.38

THE CITY AND THE COUNTY

General. The City of White Hall is in Jefferson County, Arkansas, and is a city of the first class organized and existing under the laws of the State of Arkansas. The City is located in the south central part of the State and is approximately 40 miles south of Little Rock, Arkansas.

Governmental Organization. The City operates under the Mayor/ Council form of municipal government. The City is divided into three wards and the City Council consists of six aldermen. All officials are elected on a City-wide basis; every four years a Mayor and City Clerk/Treasurer are elected, and every two years six council members are elected. The City Attorney, Police Chief, and Fire Chief are appointed by the Mayor.

The current members of the City of White Hall City Council are as follows:

<u>Name</u>	<u>Term Expiration</u>	<u>Office</u>
Noel Foster	December 31, 2018	Mayor
Ellen Welch	December 31, 2018	City Clerk/Treasurer
Andy Lunsford	December 31, 2018	Alderman
Ken Smith	December 31, 2018	Alderman
Scott Ray	December 31, 2018	Alderman
Beaver Johnson	December 31, 2018	Alderman
David Beck	December 31, 2018	Alderman
Joel Foster	December 31, 2018	Alderman

The principal executive officers of the City include:

Mayor	Noel Foster
City Clerk/Treasurer	Ellen Welch
City Attorney	Tom Owens

The City provides a range of municipal services, including: Police, Volunteer Fire, Public Works, and White Hall Water Department. Boards and Commissions of the City of White Hall include the Advertising and Promotion Commission and the Planning Commission. Committees of the City of White Hall include the Fire/Police/Parks/Ordinance/Personnel Committee, the Street/Water/Sewer Committee, the Finance Committee, and the Museum Committee.

For comparative purposes the economic data of the Pine Bluff – Jefferson County Metropolitan Statistical Area (the "MSA") of which the City is a part, is shown along with economic data for Jefferson County (the "County"), the State of Arkansas, and, in certain instances, the United States. Following are selected indices and financial information:

Land Use/Population. Population of the City and the County since 1990 is indicated below:

<u>Year</u>	<u>City</u>	<u>County</u>
1990	3,849	85,487
2000	4,732	84,278
2010	5,526	77,435
2011	5,447	75,974
2012	5,413	74,723
2013	5,310	73,084
2014	5,251	72,297
2015*	5,177	71,565
2016*	5,079	70,016

* Estimate

Source: U.S. Bureau of the Census

The land area of the County is approximately 870.75 square miles.

Income. Per capita income figures for the Pine Bluff MSA and Jefferson County are as follows:

Per Capita Income

<u>Year</u>	<u>Jefferson County</u>	<u>Pine Bluff MSA</u>
2006	\$25,519	\$24,688
2007	\$26,417	\$25,783
2008	\$27,249	\$26,471
2009	\$28,352	\$27,260
2010	\$28,718	\$27,638
2011	\$30,067	\$28,689
2012	\$31,059	\$29,876
2013	\$31,285	\$30,561
2014	\$31,609	\$30,975
2015	\$32,189	\$31,377

Source: University of Arkansas at Little Rock, Arkansas Economic Development Institute citing the Bureau of Economic Analysis for Per Capita Personal Income.

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Employment. The civilian labor force in the Pine Bluff MSA, the State of Arkansas, and the United States and its employment has been as follows:

<u>Year</u>	<u>Civilian Labor Force (in thousands)</u>			<u>Number Employed (in thousands)</u>		
	<u>Pine Bluff MSA*</u>	<u>Arkansas</u>	<u>United States</u>	<u>Pine Bluff MSA*</u>	<u>Arkansas</u>	<u>United States</u>
2006	45,898	1,365	151,428	42,370	1,294	144,427
2007	44,802	1,369	153,124	41,506	1,296	146,047
2008	44,484	1,375	154,287	41,129	1,300	145,362
2009	44,660	1,358	154,142	40,337	1,252	139,877
2010	42,562	1,353	153,889	38,259	1,242	139,064
2011	42,393	1,362	153,617	37,867	1,249	139,869
2012	40,793	1,342	154,975	36,868	1,240	142,469
2013	38,564	1,307	155,389	34,725	1,212	143,929
2014	36,834	1,304	155,922	33,709	1,224	146,305
2015	36,709	1,330	157,130	34,137	1,260	146,834

Source: University of Arkansas at Little Rock, Arkansas Economic Development Institute citing the Bureau of Labor Statistics
*Pine Bluff MSA is not stated in thousands; this represents the true number of the civilian labor force and number employed.

The annual average unemployment rates for the Pine Bluff MSA, the State, and the United States for 2006 – 2015 are as follows:

<u>Year</u>	<u>Unemployment Rate %</u>		
	<u>Pine Bluff MSA</u>	<u>Arkansas</u>	<u>United States</u>
2006	7.7	5.2	4.6
2007	7.4	5.3	4.6
2008	7.5	5.5	5.8
2009	9.7	7.8	9.3
2010	10.1	8.2	9.6
2011	10.7	8.3	8.9
2012	9.6	7.6	8.1
2013	10.0	7.3	7.4
2014	8.5	6.1	6.2
2015	7.0	5.2	5.3

Source: University of Arkansas at Little Rock, Arkansas Economic Development Institute citing the Bureau of Labor Statistics

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Financial Institution Deposits. The total deposits of banks with principal offices within Jefferson County as of the end of each year have been as follows:

<u>Year</u>	<u>Total Bank Deposits¹</u>
2006	\$902,187
2007	873,989
2008	974,889
2009	969,817
2010	1,094,758
2011	1,142,063
2012	1,162,387
2013	1,125,794
2014	1,075,904
2015	1,230,486

Source: University of Arkansas at Little Rock, Arkansas Economic Development Institute.

¹ Number is expressed in the thousands (.000).

Major Employers. The City’s economy is comprised of a diverse mix of financial, commercial, industrial, government, health, and educational sectors. This diversity helps maintain a relatively stable employment environment in the City. The ten (10) largest employers within the boundaries of the City as of November 30, 2017, are as follows:

	<u>Employer</u>	<u>Product/Service</u>	<u>Number of Employees</u>
1.	White Hall School District	K-12 Public School Education	364
2.	White Hall Nursing Home and Rehabilitation Center	Rehabilitation services and nursing home facility	130
3.	McDonald’s	Fast food restaurant	65
4.	City of White Hall	Government	47
5.	Cranford’s Fresh World Grocery	Grocery store	40
6.	Pine Bluff Sand and Gravel	Construction materials	30
7.	Taco Bell	Fast food restaurant	29
8.	Popeye’s	Fast food restaurant	28
9.	Dollar General Store	Retail general goods store	22
10.	Smart Honda	Automobile sales	20

Source: City of White Hall, individual companies.

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Principal Taxpayers. The principal taxpayers within the boundaries of the City based on the 2016 assessment are as follows:

<u>Taxpayer</u>	<u>2016 Assessed Valuation*</u>	<u>Taxes Paid</u>
Entergy Arkansas Inc.	658,280	35,448.38
McGeorge Contracting Co.	924,710	49,795.63
White Hall Nursing Home	609,870	32,841.50
Southwestern Bell Telephone	364,630	19,635.33
Kumar Enterprises, LLC	403,110	21,937.75
Pine Bluff Sand & Gravel	448,330	24,142.57
Cellco Partnership	124,340	6,695.71
Big Jims/Big Red, LLC	310,966	16,745.52
Ronnie Reynolds	60,050	3,233.69
AT&T Mobility	201,160	10,832.47
Terry and Donna Boone	188,650	9,816.41
Fred' Store	139,200	7,495.92
Friendship Cable of Arkansas	216,130	11,638.60
Cranford's Fresh World, Inc.	291,070	15,674.12

* Assessed at 20% of present market value.

Source: Jefferson County Assessor

School Enrollment. Public school enrollment in the White Hall School District, within whose boundaries the City is located, has been as follows:

<u>School Year</u>	<u>Enrollment</u>
2009	2,995
2010	3,013
2011	2,952
2012	2,966
2013	2,958
2014	2,944
2015	2,880
2016	2,808
2107	2,850

Sources: White Hall School District, Arkansas Department of Education.

Higher Education. A number of local higher educational institutions are located near the City, including the University of Arkansas at Pine Bluff (six miles from the City), Southeast Arkansas College (six miles from the City), the University of Arkansas at Little Rock (forty miles from the City), the University of Arkansas at Monticello (sixty miles from the City), and the University of Arkansas for Medical Sciences (forty miles from the City). The following is a list of colleges and universities located within relatively short commutes of the City with approximate on-campus enrollments for the 2016 fall academic semester:

University of Arkansas at Pine Bluff (UAPB)	2,821
Southeast Arkansas College (SEARK)	1,391
University of Arkansas at Little Rock (UALR)	11,261
University of Arkansas at Monticello (UAM)	3,925
University of Arkansas for Medical Sciences (UAMS)	2,870

Source: Registrar Offices of UAPB, SEARK, UALR, UAM, and UAMS.

Medical Facilities. Jefferson Regional Medical Center is a not-for-profit, private regional hospital, licensed by the Arkansas State Health Department and accredited by the Joint Commission on Accreditation of Healthcare Organizations. It is located in the adjoining city of Pine Bluff, Arkansas. It has a 471 bed capacity.

City Employees. The City of White Hall does not participate in collective bargaining with organized labor. The City Fire Department is an all-volunteer department. Sandy Castleberry is the Fire Chief and Bill Beadle is Fire Marshall.

As of November 21, 2017, the City employment was as follows:

Source: City of White Hall

OUTSTANDING DEBT OF THE CITY

Authorized and Outstanding Debt. Other than the Refunded Bonds, the City has no outstanding long term or short term debt.

Defaults. No general obligation or revenue securities of the City have been in default as to principal or interest payments or in any other material respect at any time.

THE TAX

Generally. The Tax Legislation provides that taxes levied pursuant thereto, such as the Tax, shall be collected on (i) the gross receipts or gross proceeds from renting, leasing, or otherwise furnishing hotel, motel, or short-term condominium rental accommodations for sleeping, meeting, or party room facilities for profit in such city or town, but such accommodations shall not include the rental of lease of such accommodations for periods of thirty (3) days or more, and (ii) the portion of the gross receipts or gross proceeds received by restaurants, cafes, cafeterias, delicatessens, drive-in restaurants, carry-out restaurants, concession stands, convenience stores, grocery store-restaurants, or similar businesses from the sale of prepared food and beverages for on-premises or off-premises consumption.

The Tax Legislation and the Levy Ordinance provide that the Tax shall be collected by the Commission and the Tax Receipts shall be deposited into the Revenue Fund (as hereinafter defined). Payment of the Tax by affected taxpayers may be judicially enforced by the Commission in the Jefferson County Circuit Court pursuant to the Tax Legislation and the Levy Ordinance. The Arkansas Department of Finance and Administration has no authority under the Tax Legislation or the Levy Ordinance to administer or collect the Tax.

THE REFUNDING

The Bonds are being issued for the purpose of providing a portion of the funds needed for advance refunding \$3,860,000 outstanding principal amount of the City's Hotel and Restaurant Gross Receipts Tax Capital Improvement Bonds, Series 2013 (the "Refunded Bonds") and paying certain expenses of the City and expenses in connection with the issuance of the Bonds. The Refunded Bonds were originally issued to acquire, construct, equip, and furnish a community center, including a gymnasium, walking track, classroom and meeting facilities, aquatic facilities, and related improvements for the use and benefit of the citizens of the City.

Proceeds from the sale of the Bonds will be remitted to the Trustee of the Refunded Bonds on the date of issuance of the Bonds in an amount sufficient to redeem all Refunded Bonds on December 1, 2018. Such proceeds will be invested by the Trustee of the Refunded Bonds in Treasury Securities-State and Local Government Securities, and applied to redeem the Refunded Bonds on the redemption date. The Refunded Bonds will be deemed defeased as of the date of issuance of the Bonds.

THE INDENTURE

The Bonds are being issued and secured pursuant to a Trust Indenture between the City and Trustee dated as of the date of issuance of the Bonds (the "Indenture"), to which reference may be had in its entirety for a detailed statement of its provisions, the description set forth below being a summary of certain provisions. The City has covenanted as set forth below in the Indenture.

Covenants Concerning the Tax.

The City covenants that the Tax Receipts will produce revenues at least sufficient to pay principal of and interest on all outstanding bonds. The City covenants that, for so long as there are Bonds outstanding, the Tax will not be repealed and the current tax rate of 2.00% will not be reduced. In addition, the City has covenanted that all necessary action will be taken, from time to time, to collect the Tax in the full amount due and to apply the receipts from the Tax in the manner provided in the Indenture.

Funds and Application of the Tax Receipts.

(a) As provided in the Levy Ordinance, all Tax Receipts shall be paid into a special fund of the Commission created by the Levy Ordinance and designated as the "White Hall Advertising and Promotion Fund" (the "Revenue Fund"). Moneys in the Revenue Fund shall be transferred to the Trustee and applied to the payment of the principal of and interest on the Bonds and otherwise as described in the Indenture.

(b) There shall first be paid from the Revenue Fund into a special fund created and held by the Trustee designated "Series 2017 Refunding Revenue Bond Fund" (the "Bond Fund") on or before the 25th day of each month, commencing in December, 2018, until all outstanding Bonds, with interest thereon, have been paid in full or provision made for such payment, a sum equal to 1/6 of the next installment of interest due on the Bonds and 1/12 of the next installment of principal due on the Bonds, together with sums as necessary to provide for the Trustee's fees and expenses. During the period commencing in January, 2018, through November, 2018, there shall be paid from the Revenue Fund into the Bond Fund on or before the 25th day of each month, a sum equal to 1/5 of the next installment of interest due on the Bonds and 1/11 of the next installment of principal due on the Bonds, together with sums as necessary to provide for the Trustee's fees and expenses.

(c) The City shall also pay from the Revenue Fund to the Trustee for deposit into the Rebate Fund such sums as necessary to provide for any arbitrage rebate payment due to be paid to the United States Treasury under Section 148 (f) of the Internal Revenue Code of 1986, as amended (the "Code").

(d) There shall next be paid from the Revenue Fund into the Bond Fund the amounts necessary to pay principal of and interest on any Bonds for which the City has given notice to be redeemed pursuant to optional redemption from Surplus Tax Receipts on the applicable redemption date.

(e) Any surplus in the Revenue Fund after making all disbursements and providing for all funds and payments described above may be used, at the option of the City, for any lawful purpose permitted pursuant to the Tax Legislation and the Levy Ordinance, and authorized by the City and the Commission.

Application of Bond Proceeds. Proceeds of the Bonds will be applied as follows:

(a) The amount necessary to finance the costs of refunding the Refunded Bonds shall be transferred to the Trustee of the Refunded Bonds.

(b) The amount of the proceeds of the Bonds necessary to pay the costs of issuing the Bonds shall be applied by the Trustee to such costs as described in the Delivery Instructions of the City provided to the Trustee at the closing of the Bonds.

(c) Any remaining proceeds of the Bonds shall be deposited to the credit of the Bond Fund.

Parity Bonds. So long as any of the Bonds are outstanding, the City shall not issue or attempt to issue any bonds secured by a lien on the Tax Receipts.

Accounts and Records. The City will keep proper books of accounts and records (separate from all other records and accounts) in which complete and correct entries shall be made of all transactions relating to the Tax, and such books shall be available for inspection by the Trustee and registered owner of any of the Bonds at reasonable times and under reasonable circumstances.

Defeasance. Any Bond shall be deemed to be paid within the meaning of the Indenture when payment of the principal of and interest on such Bond (whether at maturity or upon redemption, or otherwise), either (1) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment (1) cash fully insured by the FDIC and/or fully collateralized sufficient to make such payment and/or (2) direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America ("Government Securities") (provided that such deposit will not affect the tax exempt status of the interest on any of the Bonds or cause any of the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code), maturing as to principal and interest in such amounts and at such times as will provide sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee.

On the payment of any Bonds within the meaning of the Indenture, the Trustee shall hold in trust, for the benefit of the owners of such Bonds, all such moneys and/or Government Securities.

When all the Bonds shall have been paid within the meaning of the Indenture, if the Trustee has been paid its fees and expenses and if any arbitrage rebate due the United States Treasury under Section 148(f) of the Code has been paid or provided for to the satisfaction of the Trustee, the Trustee shall take all appropriate action to cause (i) the pledge and lien of the Indenture to be discharged and cancelled, and (ii) all moneys held by it pursuant to the Indenture and which are not required for the payment of such Bonds to be paid over or delivered to or at the direction of the City.

Default and Remedies. If there be any default in the payment of the principal of or interest on any of the Bonds, or if the City defaults in any Bond Fund requirement or in the performance of any of the other covenants contained in the Indenture, the Trustee may, and upon the written request of the registered owners of not less than ten percent (10%) in principal amount of the Bonds then outstanding shall, by proper suit, compel the performance of the duties of the officials of the City under the laws of Arkansas. And in the case of a default in the payment of the principal of and interest on any of the Bonds, the Trustee may, and upon the written request of registered owners of not less than ten percent (10%) in principal amount of the Bonds then outstanding shall, apply in a proper action to a court of competent jurisdiction for the appointment of a receiver to administer the Tax Receipts on behalf of the City and the registered owners of the Bonds with power to charge and collect or by mandatory injunction or otherwise to cause to be charged and collected revenues from the Tax sufficient to provide for the payment of the Bonds and interest outstanding and to apply the Tax Receipts in conformity with the laws of Arkansas and with the Indenture. When all defaults in principal and interest payments have been cured, the custody and use of the Tax Receipts shall revert to the City.

No registered owner of any of the outstanding Bonds shall have any right to institute any suit, action, mandamus, or other proceeding in equity or at law for the protection or enforcement of any power or right unless such owner previously shall have given to the Trustee written notice of the default on account of which such suit, action, or proceeding is to be taken, and unless the registered owners of not less than ten percent (10%) in principal amount of the Bonds then outstanding shall have made written request of the Trustee after the right to exercise such power or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted to the Trustee, or to institute such action, suit or proceeding in its name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are, at the option of the Trustee, conditions precedent to the execution of any remedy. No one or more registered owners of the Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Indenture, or to enforce any right thereunder except in the manner described in the Indenture. All proceedings at law or in equity shall be instituted, had and maintained in the manner herein described and for the benefit of all registered owners of the outstanding Bonds.

No remedy conferred upon or reserved to the Trustee or to the registered owners of the Bonds is intended to be exclusive of any other remedy or remedies, and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Indenture or by any law or by the Constitution of the State of Arkansas.

The Trustee may, and upon the written request of the registered owners of not less than a majority in principal amount of the Bonds then outstanding shall, waive any default which shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted under the provisions of the Indenture or before the completion of the enforcement of any other remedy, but no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

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

Amendment of Indenture. The terms of the Indenture constitute a contract between the City and the owners of the Bonds and no variation or change in the undertaking set forth in the Indenture shall be made while any of the Bonds are outstanding, except as hereinafter set forth below.

The Trustee may consent to any variation or change in the Indenture without the consent of the owners of the outstanding Bonds (a) in order to cure any ambiguity, defect or omission therein or to correct or supplement any defective or inconsistent provisions contained therein as the City may deem necessary or desirable and not inconsistent therewith or (b) in order to make any other variation or change which the Trustee determines shall not adversely affect the interests of the owners of the Bonds.

The owners of not less than two-thirds in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to consent to and approve the adoption by the City of a supplement thereto as shall be necessary or desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any supplemental indenture; provided, however, that nothing contained in the Indenture shall permit or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Bond, or (b) a reduction in the principal amount of any Bond or the rate of interest thereon, or (c) the creation of a lien or pledge superior to the lien and pledge created by the Indenture, 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.

The Trustee. The Trustee shall only be responsible for the exercise of good faith and reasonable prudence in the execution of its trust. The Trustee shall not be required to take any action as Trustee unless it shall have been requested to do so in writing by the registered owners of not less than ten percent (10%) in principal amount of the Bonds then outstanding and shall have been offered reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby. The Trustee may resign at any time by giving sixty (60) days' notice in writing to the City Clerk, the registered owners of the Bonds, and the City or the majority in value of the registered owners of the outstanding Bonds, at any time, with or without cause, may remove the Trustee. In the event of a vacancy in the office of Trustee, either by resignation or by removal, the City shall forthwith designate a new Trustee by a written instrument filed in the office of the City Clerk. Every successor Trustee shall be a trust company or bank in good standing, duly authorized to exercise trust powers and subject to examination by federal or state authority. The original Trustee and any successor Trustee shall file a written acceptance and agreement to execute the trusts imposed upon it or them but only upon the terms and conditions set forth in the Indenture and subject to the provisions of the Indenture, to all of which the respective registered owners of the Bonds agree. Any successor Trustee shall have all the powers granted to the original Trustee.

Investments. (a) Moneys held for the credit of all funds created by the Indenture may be invested and reinvested in Permitted Investments.

(b) Obligations purchased as an investment of any fund or account shall be deemed at all times a part of such fund. Any profit or loss realized on investments of moneys in any fund shall be charged to said fund.

(c) The Trustee shall so invest and reinvest pursuant to the direction of the City and in the Trustee's discretion in the absence of any direct instructions from the City.

(d) "Permitted Investments" are defined to mean:

(1) Direct or fully guaranteed obligations of the United States of America ("Government Securities");

(2) Obligations guaranteed as a payment of principal and interest by the United States of America ("Government Guaranteed Securities");

(3) Cash (insured at all times by the FDIC or otherwise collateralized with obligations described in clauses (1) or (2) above;

(4) Time deposits or certificates of deposit of banks, including the Trustee, which are insured by the FDIC, or if in excess of insurance coverage, collateralized by Government Securities, Government Guaranteed Securities or other securities authorized by State law to secure public funds.

Permitted investments shall mature, or shall be subject to redemption by the holder thereof, at the option of such holder, not later than the payment date for interest or principal and interest in the case of the Bond Fund. The Trustee shall follow any investment instructions of the City which are not inconsistent with the foregoing provisions of this paragraph.

(e) Moneys held for the credit of any other fund shall be continuously invested and reinvested in Permitted Investments or other investments as may, from time to time, be permitted by law, which shall mature, or which shall be subject to redemption by the holder thereof, at the option of such holder, not later than the date or dates when the moneys held for the credit of the particular fund will be required for purposes intended.

CONTINUING DISCLOSURE AGREEMENT

During the past four years, the City has been a party to two continuing disclosure agreements entered into in connection with the Refunded Bonds and the City's Public Utility Refunding Revenue Bonds, Series 2013 (which as of May 30, 2014, are no longer outstanding). Each of those agreements required the City to file an annual report with the Municipal Securities Rulemaking Board on its Electronic Municipal Market Access system ("EMMA") within the time periods set forth in the respective agreement. The following summarizes a non-exhaustive discussion of the City's compliance with its continuing disclosure obligations over the past four years.

With respect to the continuing disclosure agreement relating to the Refunded Bonds, the City was obligated to file annual financial information concerning the historical receipts of the Tax no later than one hundred eighty (180) days after the end of the City's fiscal year and audited financial statements no later than thirty (30) days after receipt thereof by the City. Annual financial information was timely filed for fiscal year ending December 31, 2013, 2014, 2015 and 2016. Audits of the City were timely filed for fiscal years ending December 31, 2013 and 2014. Audits for fiscal year ending December 31, 2015 was filed 88 days late.

With respect to the continuing disclosure agreement relating to the City's Public Utility Refunding Revenue Bonds, Series 2013, the City was obligated to file certain annual information and operating data concerning the City's water and sewer system no later than one hundred eighty (180) days after the end of the City's fiscal year and audited financial statements no later than thirty (30) days after receipt thereof by the City. The City has materially complied with these obligations.

The continuing disclosure agreement relating to the City's Public Utility Refunding Revenue Bonds, Series 2013, also obligated the City to file a notice of the occurrence of any event listed in the Securities and Exchange Commission, Rule 15c2-12-(b)(5). Included in the list of events are bond calls. During the past four years, the City failed to file with the Municipal Securities Rulemaking Board on its Electronic Municipal Market Access system ("EMMA") one notice concerning the mandatory redemption of certain 2013 Bonds from surplus tax collections. A notice concerning such failure was not filed on Emma.

Set forth below is a summary of certain portions of the Continuing Disclosure Agreement. This summary does not purport to be comprehensive and reference is made to the full text of the Continuing Disclosure Agreement for a

complete description of its provisions.

Purpose of the Continuing Disclosure Agreement. A Continuing Disclosure Agreement is being executed and delivered by the City for the benefit of the Beneficial Owners of the Bonds in order to assist the Underwriter in complying with, and constitutes the written undertaking for the benefit of the Beneficial Owners of the Bonds required by, subsection (i) of the Securities and Exchange Commission, Rule 15c2-12(b)(5).

Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in the Continuing Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, the Continuing Disclosure Agreement.

"Beneficial Owner" shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean the Trustee, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule.

"Listed Events" shall mean any of the events listed hereunder.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Provision of Annual Report. (a) The City shall, or cause the Dissemination Agent to, not later than one hundred eighty (180) days after the end of the City's fiscal year (presently December 31), commencing with the report after the end of the 2017 fiscal year, provide to the MSRB through its continuing disclosure service portal provided through EMMA at <http://www.ernma.msrb.org> or any similar system acceptable to the Securities and Exchange Commission, an Annual Report which is consistent with the requirements of the Continuing Disclosure Agreement. The Annual Report shall be in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in the Continuing Disclosure Agreement; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date, but, in such event, such audited financial statements shall be submitted within thirty (30) days after receipt thereof by the City. If the City's fiscal year changes, it shall give notice of such change in the manner as for a Listed Event.

(b) No later than fifteen (15) days prior to the date specified in subsection (a) for providing the Annual Report to MSRB, the City shall provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). If by such date, the Trustee has not received a copy of the Annual Report, the Trustee shall contact the City and the Dissemination Agent to determine if the City is in compliance with the first sentence of this subsection (b).

(c) If the Trustee is unable to verify that an Annual Report (containing the information set forth in 1 and 2 under Content of Annual Reports, below) has been provided to the MSRB by the date required in subsection (a), the Trustee shall send a notice to MSRB.

Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

1. Information of the type set forth in this Official Statement under the caption **THE TAX, Historical Receipts**.

2. The annual audit of the City prepared in accordance with generally accepted government auditing standards.

Any or all of the items above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's internet website or filed with the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so incorporated by reference.

Reporting of Significant Events. (a) This caption describes the giving of notices of the occurrence of any of the following events:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security.
7. Modifications to rights of security holders, if material.
8. Bond calls (excluding mandatory sinking fund redemptions), if material.
9. Defeasances and tender offers.
10. Release, substitution, or sale of property securing repayment of the securities, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership, or similar event of the obligated person.
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) After the occurrence of a Listed Event (excluding an event described in (a)8 above), the City shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence.

(c) After the occurrence of a Listed Event (excluding an event described in (a)8 above), whether by notice from the Trustee or otherwise, the City shall file (or shall cause the Dissemination Agent to file), in a timely manner not in excess of ten (10) business days after the occurrence of such Listed Event, a notice of such occurrence with the MSRB, through its continuing disclosure service portal provided through EMMA at <http://www.emma.msrb.org> or any other similar system that is acceptable to the Securities and Exchange Commission, with a copy to the Trustee (if the Trustee is not the Dissemination Agent). Each notice of the occurrence of a Listed Event shall be captioned "Notice of Listed Event" and shall be filed in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB. In the event of a Listed Event described in (a)8 above, the Trustee shall make the filing in a timely manner not in excess of ten (10) business days after the occurrence of such Listed Event.

Termination of Reporting Obligation. The City's obligations under the Continuing Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all the Bonds.

Dissemination Agent. The City may, from time to time, appoint or engage a successor Dissemination Agent to assist it in carrying out its obligations under the Continuing Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to the Continuing Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent. The initial Dissemination Agent shall be the Trustee.

Amendment; Waiver. Notwithstanding any other provision of the Continuing Disclosure Agreement, the City and the Trustee may amend the Continuing Disclosure Agreement, and any provisions of the Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the requirements for providing an Annual Report, to the contents of the Annual Report or the reporting of Listed Events, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Beneficial Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Beneficial Owners, or (ii) does not, in the opinion of the Trustee, materially impair the interests of the Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of the Continuing Disclosure Agreement, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason of the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Additional Information. Nothing in the Continuing Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in the Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by the Continuing Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by the Continuing Disclosure Agreement, the City shall have no obligation under the Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Default. In the event of a failure of the City or the Trustee to comply with any provision of the Continuing Disclosure Agreement, the Trustee, the City or any Beneficial Owner may (and the Trustee, at the request of the Underwriter or the Beneficial Owners of at least 25% aggregate principal amount of outstanding Bonds, shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City or the Trustee, as the case may be, to comply with its obligations under the Continuing Disclosure Agreement. A default under the Continuing Disclosure Agreement shall not be deemed a default under the Indenture, and the sole remedy under the Continuing Disclosure Agreement in the event of any failure of the City or the Trustee to comply with the Continuing Disclosure Agreement shall be an action to compel performance.

Duties of Trustee and Dissemination Agent and Right of Indemnity. The Dissemination Agent (if other than the Trustee) and the Trustee in its capacity as Dissemination Agent shall have only such duties as are specifically set forth in the Continuing Disclosure Agreement, and the City agrees to indemnify and save the Dissemination Agent and the Trustee, their officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's or the Trustee's negligence or willful misconduct.

Beneficiaries. The Continuing Disclosure Agreement shall inure solely to the benefit of the City, the Trustee, the Dissemination Agent, the Underwriter, and the Beneficial Owners and shall create no rights in any other person or entity.

DEBT SERVICE COVERAGE

The following table shows the estimated amount of the Tax Receipts available for debt service on the Bonds, the maximum amount of annual debt service, and the extent to which debt service is covered by such funds:

Tax Receipts Available for Debt Service ⁽¹⁾	\$388,797
Maximum Annual Debt Service on Bonds	236,344
Debt Service Coverage ⁽²⁾	1.645X

⁽¹⁾ Based on Tax Receipts during the 12 months ending December 31, 2016.

⁽²⁾ Assumes Tax Receipts continue to be collected in an annual amount equal to those received during the 12 months ending December 31, 2016.

THERE IS NO GUARANTEE THAT ANY OF THESE ESTIMATES OR ASSUMPTIONS WILL REMAIN TRUE.

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DEBT SERVICE REQUIREMENTS

Set forth below are the debt service requirements for the Bonds:

Date (December 1)	Principal ¹	Interest	Total Debt Service
2018	\$115,000.00	\$116,104.32	\$231,104.32
2019	105,000.00	123,653.76	228,653.76
2020	110,000.00	121,606.26	231,606.26
2021	115,000.00	119,461.26	234,461.26
2022	115,000.00	117,218.76	232,218.76
2023	120,000.00	114,343.76	234,343.76
2024	125,000.00	111,343.76	236,343.76
2025	120,000.00	108,218.76	228,218.76
2026	125,000.00	104,768.76	229,768.76
2027	130,000.00	101,175.00	231,175.00
2028	135,000.00	97,437.50	232,437.50
2029	140,000.00	93,218.76	233,218.76
2030	145,000.00	88,843.76	233,843.76
2031	145,000.00	84,312.50	229,312.50
2032	155,000.00	79,418.76	234,418.76
2033	160,000.00	74,187.50	234,187.50
2034	160,000.00	68,787.50	228,787.50
2035	170,000.00	63,187.50	233,187.50
2036	175,000.00	57,237.50	232,237.50
2037	180,000.00	51,112.50	231,112.50
2038	190,000.00	44,587.50	234,587.50
2039	195,000.00	37,700.00	232,700.00
2040	200,000.00	30,631.26	230,631.26
2041	205,000.00	23,381.26	228,381.26
2042	215,000.00	15,950.00	230,950.00
2043	<u>225,000.00</u>	<u>8,156.26</u>	<u>233,156.26</u>
Total:	\$3,975,000	\$2,056,044.46	\$6,031,044.46

¹ Assumes mandatory sinking fund redemption of Term Bonds.

LEGAL MATTERS

Legal Proceedings. There is no litigation pending seeking to restrain or enjoin the issuance or delivery of the Bonds, or questioning or affecting the legality of the Tax or the Bonds or the proceedings and authority under which the Bonds are to be issued, or questioning the right of the City to adopt the Authorizing Ordinance, execute and deliver the Indenture, the levy and pledge the Tax, or to issue the Bonds.

Legal Opinions. Legal matters incident to the authorization and issuance of the Bonds are subject to the unqualified approving legal opinion of Wright, Lindsey & Jennings, LLP, Little Rock, Arkansas, Bond Counsel. Certain matters will be passed upon for the City by its counsel, Tom Owens.

Tax Exemption. In the opinion of Wright, Lindsey & Jennings LLP, Bond Counsel, under existing law the interest on the Bonds is exempt from all Arkansas state, county, and municipal tax.

In the opinion of Bond Counsel, interest on the Bonds under existing law is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, however, it should be noted that with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax. The opinions set forth in the preceding sentence are subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that

interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. These requirements generally relate to arbitrage, the use of the proceeds of the Bonds and the facilities financed thereby. Failure to comply with certain of such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The City has covenanted to comply with all such requirements in the Authorizing Ordinance.

Prospective purchasers of the Bonds should be aware that (i) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by fifteen percent (15%) of the sum of certain items, including interest on the Bonds, (ii) interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (iii) passive investment income including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income, and (iv) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account in determining gross income, receipts, or accruals of interest on the Bonds.

Prospective purchasers of the Bonds should be further aware that Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Bonds, except with respect to certain financial institutions (within the meaning of Section 265(b)(5) of the Code). An exception allows a deduction of eighty percent (80%) of interest expense allocable to "qualified tax-exempt obligations." Under the Code, the term includes any obligation which (1) is not a "private activity bond" within the meaning of the Code (excluding from that term "qualified 501(c)(3) bonds"), (2) is issued by an issuer (and subordinate entities) which reasonably anticipates to issue not more than ten million dollars (\$10,000,000) of tax-exempt obligations (other than private activity bonds (excluding from that term "qualified 501(c)(3) bonds" under Section 145 of the Code) during the calendar year, and (3) is so designated by the issuer.

The City has designated the Bonds as "qualified tax-exempt obligations" and has (1) covenanted not to use the Projects in a manner which would cause the Bonds to be "private activity bonds," and (2) represented that the City and its subordinate entities have not and will not issue more than ten million dollars (\$10,000,000) of such tax-exempt obligations during calendar year 2017.

As shown on the cover page of this Official Statement, certain of the Bonds are being sold at an original issue discount (collectively; the "Discount Bonds"). The difference between the initial public offering prices, as set forth on the cover page, of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated as interest which is excluded from gross income for federal income tax purposes, as described above.

The amount of original issue discount which is treated as having accrued with respect to such Discount Bond is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption, or payment at maturity). Amounts received upon disposition of such Discount Bond which are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days which are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to the product of (i) the yield of maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount which would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less the amount of any interest payable for such Discount Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts which have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount which would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of the Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond.

Current or future legislative proposals, if enacted into law, may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent holders of the Bonds from realizing the full current benefit of the tax status of such interest. Recent legislative proposals include provisions that would limit the amount of exclusions (including tax-exempt interest) and deductions available to certain high income taxpayers. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. The introduction or enactment of any such legislative proposals may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

It is not an event of default on the Bonds if legislation is enacted reducing or eliminating the exclusion of interest on state and local government bonds from gross income for federal or state income tax purposes.

MISCELLANEOUS

Enforceability of Remedies. Rights of the registered owners of the Bonds and the enforceability of the remedies available under the Indenture may depend on judicial action and may be subject to the valid exercise of the constitutional powers of the United States of America and of the sovereign police powers of the State or other governmental units having jurisdiction, and to the application of federal bankruptcy laws or other debtor relief or moratorium laws in general. Therefore, enforcement of those remedies may be delayed or limited, or the remedies may be modified or unavailable, subject to the exercise of judicial discretion in accordance with general principles of equity. Bond Counsel expresses no opinion as to any effect upon any right, title, interest or relationship created by or arising under the Indenture resulting from the application of state or federal bankruptcy, insolvency, reorganization, moratorium or similar debtor relief laws affecting creditors' rights which are presently or may from time to time be in effect.

Underwriting. Under a Bond Purchase Agreement (the "Agreement") entered into by and between the City, as issuer, and Stephens Inc., as underwriter (the "Underwriter"), the Bonds are being purchased at a price of \$3,910,531.05 (principal amount, less original issue discount of \$4,843.95, less Underwriter's discount of \$59,625.00). The Agreement provides that the Underwriter will purchase all of the Bonds if any are purchased. The obligation of the Underwriter to accept delivery of the Bonds is subject to various conditions contained in the Agreement, including the absence of pending or threatened litigation questioning the validity of the Bonds or any proceedings in connection with the issuance thereof, and the absence of material adverse changes in the financial or business condition of the City.

The Underwriter intends to offer the Bonds to the public initially at the offering prices set forth on the inside front cover page of this Official Statement, which prices may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering price.

The City has agreed to indemnify the Underwriter against certain civil liabilities in connection with the offering and sale of the Bonds, including certain liabilities under federal securities laws.

Mark C. Doramus, Chief Financial Officer of Stephens Inc., the Underwriter, serves on the Board of Directors of the Trustee.

Information in the Official Statement. Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or owners of any of the Bonds.

The information contained in this Official Statement has been taken from sources considered to be reliable, but is not guaranteed. To the best of the knowledge of the undersigned the Official Statement does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

