

City Council Agenda Items
and
Contracts, Leases or Agreements

November 1, 2011

City Council Meeting Date
Agenda Items Only

Paul A Becker
Submitted By

Finance and Internal Services
Division

Finance and Internal Services
Department

Action Required:

This is a request to approve a bond ordinance authorizing the issuance of Parking Revenue Improvement Bonds, in a face amount not to exceed \$6,500,000, the proceeds of which would be used to finance the construction of a parking facility in the Entertainment District.

N/A	\$ -	
Cost of this request	Category / Project Budget	Program Category / Project Name
	\$ -	
Account Number	Funds Used to Date	Program / Project Category Name
	\$ -	
Project Number	Remaining Balance	Fund Name

Budgeted Item

Budget Adjustment Attached

Paul A. Becker
Department Director

10-18-2011
Date

Previous Ordinance or Resolution # _____

[Signature]
City Attorney

10-20-2011
Date

Original Contract Date: _____

Original Contract Number: _____

Paul A. Becker
Finance and Internal Services Director

10-20-2011
Date

Received in City Clerk's Office 10-20-11 11:09 RCVD
[Signature]

[Signature]
Chief of Staff

10-20-11
Date

Received in Mayor's Office
ENTERED
11/1/11
[Signature]

[Signature]
Mayor

Date

Comments:

left on first reading at the 11/1/11 CC mtg.

CITY COUNCIL AGENDA MEMO

To: Mayor Jordan and Members of the Fayetteville City Council

Thru: Don Marr, Chief of Staff

From: Paul A Becker, Finance Director

Date: October 13, 2011

Subject: Request Approval of a Bond Ordinance Authorizing the Issuance of Parking Revenue Bonds

Recommendation:

Staff recommends the approval of a Parking Revenue Bond Ordinance in an amount not to exceed a face value of \$6,500,000. Sale of the bonds authorized will be repaid with net parking revenues which will be pledged for that purpose. The coverage for calculation for these bonds will be 1.25% average debt service required per year. In order to secure the bonds, it will be necessary for the City to covenant that fees, rents fines, and charges generating Net Parking Revenue, if and when necessary, from time to time, be increased in such a manner as to produce Net Parking Revenue sufficient to equal 1.25% of the annual debt service on bonds outstanding and any amount, if any, required to maintain the debt service reserve requirement. The initial coverage for the amount required is calculated to be 1.7% coverage which should be more than adequate for the near future.

Issues:

The need for additional parking in the Entertainment District has been recognized and discussed for many years. However, no revenue stream was available to the City to provide additional parking space or build a parking facility to accommodate the need for parking. Mayor Jordan brought forward the paid parking program, which the Council subsequently adopted, to address that need. Adoption of this ordinance will provide the necessary funding to proceed with the parking facility project.

BUDGET IMPACT:

Again, the sale of the bonds authorized by this resolution will provide the funding necessary to move forward with the project. The bond sale is expected to net approximately \$5,500,000 for the project. The balance of the Amount generated will be needed to meet reserve requirements and pay issuance costs.

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$6,500,000 OF PARKING REVENUE IMPROVEMENT BONDS BY THE CITY OF FAYETTEVILLE, ARKANSAS FOR THE PURPOSE OF FINANCING ALL OR A PORTION OF THE COSTS OF ACQUISITION, CONSTRUCTION AND EQUIPPING OF A PARKING DECK FACILITY; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE PURSUANT TO WHICH THE BONDS WILL BE ISSUED AND SECURED; AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT PURSUANT TO WHICH THE BONDS WILL BE OFFERED; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT PROVIDING FOR THE SALE OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE AGREEMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, the City of Fayetteville, Arkansas (the “City”), has determined that there is a need for increased parking capacity in the City’s Entertainment District and desires to provide such capacity through the acquisition, construction and equipping of parking deck facilities and related roadway and other improvements, such facilities and improvements to be located within the Entertainment District Parking Zone (the “Project”); and

WHEREAS, the City is authorized and empowered under the provisions of the Constitution and laws of the State of Arkansas, including particularly Amendment 65 to the Constitution and Arkansas Code Annotated (1998 Repl. & 2011 Supp.) Sections 14-164-401 *et seq.* (as from time to time amended, the “Act”), to issue and sell its revenue bonds and to expend the proceeds thereof to finance the costs of “capital improvements” (as defined in the Act), such as those improvements comprising the Project; and

WHEREAS, in accordance with the provisions of Amendment 65 and the Act, the City has determined to issue its Parking Revenue Improvement Bonds (the “Bonds”) in the aggregate principal amount of not to exceed \$6,500,000 for the purpose of (i) financing some or all of the costs of acquisition, construction and equipping of the Project, (ii) establishing a debt service reserve for the Bonds, and (iii) paying printing, underwriting, legal and other expenses incidental to the issuance of the Bonds; and

WHEREAS, the Bonds will be secured by and payable from net revenues (after provision for operation and maintenance expenses, including previous debt for parking equipment) attributable to parking fees, leases, rents, fines, charges and other revenues collected by the City with respect to its meters, lots and other parking facilities, and including net revenues to be generated by the Project and net revenues with respect to City management of parking facilities owned by third parties (the “Net Parking Revenues”); and

WHEREAS, an open public hearing on the question of the issuance of the Bonds has been held before the City Council on November 1, 2011, following publication of notice thereof in the *Northwest Arkansas Times* on October 21, 2011; and

WHEREAS, the City has determined to issue and secure the Bonds pursuant to a Trust Indenture (the "Trust Indenture"), by and between the City and Simmons First Trust Company, N.A., as trustee (the "Trustee"), a form of which has been presented to and is before this meeting; and

WHEREAS, the City proposes to enter into a Bond Purchase Agreement (the "Bond Purchase Agreement") in substantially the form presented to and before this meeting, with Stephens Inc., Fayetteville, Arkansas (the "Underwriter"), providing for the sale of the Bonds.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Fayetteville, Arkansas that:

Section 1. The City Council hereby finds and declares that the acquisition, construction and equipping of the Project is in the best interest of the City and its residents.

Section 2. Under the authority of the Constitution and laws of the State of Arkansas, including particularly Amendment 65 to the Constitution of Arkansas and the Act, there is hereby authorized the issuance of bonds of the City to be designated as "Parking Revenue Improvement Bonds" (the "Bonds"). The Bonds shall be issued in the original aggregate principal amount of not to exceed Six Million Five Hundred Thousand Dollars (\$6,500,000), shall mature not later than June 1, 2037, and shall bear interest at the rates specified in the Bond Purchase Agreement. The average yield on the Bonds as a whole shall not exceed 5.00% per annum. The proceeds of the Bonds will be utilized, along with other available moneys, to finance the costs of the Project, to establish a debt service reserve for the Bonds, and to pay printing, underwriting, legal and other expenses incidental to the issuance of the Bonds. The Bonds shall be issued in the forms and denominations, shall be dated, shall be numbered, shall mature, shall be subject to redemption prior to maturity, and shall contain such other terms, covenants and conditions, all as set forth in the Trust Indenture. The Bonds shall not be secured by general revenues of the City, but shall be payable from and secured by Net Parking Revenues.

The Mayor is hereby authorized and directed to execute and deliver the Bonds in substantially the form thereof contained in the Trust Indenture submitted to this meeting, and the City Clerk is hereby authorized and directed to execute and deliver the Bonds and to affix the seal of the City thereto, and the Mayor and City Clerk are hereby authorized and directed to cause the Bonds to be accepted and authenticated by the Trustee. The Mayor is hereby authorized to confer with the Trustee, the Underwriter, and Kutak Rock LLP, Little Rock, Arkansas ("Bond Counsel"), in order to complete the Bonds in substantially the form contained in the Trust Indenture submitted to this meeting, with such changes as shall be approved by such persons executing the Bonds, their execution to constitute conclusive evidence of such approval.

Section 3. To prescribe the terms and conditions upon which the Bonds are to be executed, authenticated, issued, accepted, held and secured, the Mayor is hereby authorized and directed to execute and acknowledge the Trust Indenture (the "Trust Indenture"), by and between the City and the Trustee, and the City Clerk is hereby authorized and directed to execute and acknowledge the Trust Indenture and to affix the seal of the City thereto, and the Mayor and the City Clerk are hereby authorized and directed to cause the Trust Indenture to be accepted, executed and acknowledged by the Trustee. The Trust Indenture is hereby approved in substantially the form submitted to this meeting, including, without limitation, the provisions

thereof pertaining to the pledge of Net Parking Revenues to the Bonds and the terms of the Bonds. The Mayor is hereby authorized to confer with the Trustee, the Underwriter and Bond Counsel in order to complete the Trust Indenture in substantially the form submitted to this meeting, with such changes as shall be approved by such persons executing the Trust Indenture, their execution to constitute conclusive evidence of such approval.

(Advice is given that a copy of the Trust Indenture in substantially the form authorized to be executed is on file with the City Clerk and is available for inspection by any interested person.)

Section 4. There is hereby authorized and approved a Preliminary Official Statement of the City, including the cover page and appendices attached thereto, relating to the Bonds. The Preliminary Official Statement is hereby "deemed final" by the City within the meaning of U.S. Securities and Exchange Commission Rule 15c2-12. The distribution of the Preliminary Official Statement is hereby approved. The Preliminary Official Statement, as amended to conform to the terms of the Bond Purchase Agreement, including Exhibit A thereto, and with such other changes and amendments as are mutually agreed to by the City and the Underwriter, is herein referred to as the "Official Statement," and the Mayor is hereby authorized to execute the Official Statement for and on behalf of the City. The Official Statement is hereby approved in substantially the form of the Preliminary Official Statement submitted to this meeting, and the Mayor is hereby authorized to confer with the Trustee, the Underwriter and Bond Counsel in order to complete the Official Statement in substantially the form of the Preliminary Official Statement submitted to this meeting, with such changes as shall be approved by such persons, the Mayor's execution to constitute conclusive evidence of such approval.

(Advice is given that a copy of the Preliminary Official Statement is on file with the City Clerk and is available for inspection by any interested person.)

Section 5. In order to prescribe the terms and conditions upon which the Bonds are to be sold to the Underwriter, the Mayor is hereby authorized and directed to execute a Bond Purchase Agreement on behalf of the City, to be dated as of the date of its execution (the "Bond Purchase Agreement"), by and between the City and the Underwriter, and the Bond Purchase Agreement is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Underwriter and Bond Counsel in order to complete the Bond Purchase Agreement in substantially the form submitted to this meeting, with such changes as shall be approved by such persons executing the Bond Purchase Agreement, their execution to constitute conclusive evidence of such approval.

(Advice is given that a copy of the Bond Purchase Agreement in substantially the form authorized to be executed is on file with the City Clerk and is available for inspection by any interested person.)

Section 6. In order to provide for continuing disclosure of certain financial and operating information with respect to the City and the Net Parking Revenues in compliance with the provisions of Rule 15c2-12 of the U. S. Securities and Exchange Commission, the Mayor is hereby authorized and directed to execute a Continuing Disclosure Agreement to be dated as of the date of its execution (the "Continuing Disclosure Agreement"), by and between the City and the Trustee, and the Mayor is hereby authorized and directed to cause the Continuing Disclosure

Agreement to be executed by the Trustee. The Continuing Disclosure Agreement is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Trustee, the Underwriter and Bond Counsel in order to complete the Continuing Disclosure Agreement in substantially the form submitted to this meeting, with such changes as shall be approved by such persons executing the Continuing Disclosure Agreement, their execution to constitute conclusive evidence of such approval.

(Advice is given that a copy of the Continuing Disclosure Agreement in substantially the form authorized to be executed is on file with the City Clerk and is available for inspection by any interested person.)

Section 7. The various rates and amounts for the parking fees, rents, fines and charges generating the Net Parking Revenues previously enacted by the City Council are hereby ratified and confirmed.

Section 8. The Mayor and City Clerk, for and on behalf of the City, are hereby authorized and directed to do any and all things necessary to effect the issuance, sale, execution and delivery of the Bonds and to effect the execution and delivery of the Trust Indenture, the Bond Purchase Agreement, the Official Statement, the Continuing Disclosure Agreement and a Tax Regulatory Agreement relating to the tax exemption of interest on the Bonds, and to perform all of the obligations of the City under and pursuant thereto. The Mayor and the City Clerk are further authorized and directed, for and on behalf of the City, to execute all papers, documents, certificates and other instruments that may be required for the carrying out of such authority or to evidence the exercise thereof.

Section 9. The Bonds are hereby designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The City hereby represents and covenants that the aggregate principal amount of its tax-exempt obligations (excluding “private activity bonds” within the meaning of Section 141 of the Code), including those of its subordinate entities, issued in calendar year 2011 will not exceed \$10,000,000.

Section 10. Kutak Rock LLP, Little Rock, Arkansas, is hereby appointed to act as Bond Counsel on behalf of the City in connection with the issuance and sale of the Bonds.

Section 11. The adoption of this Ordinance is intended as the City’s “official intent” to reimburse itself from the proceeds of the Bonds for preliminary costs of the Project and related expenses advanced by the City.

Section 12. The provisions of this Ordinance are hereby declared to be severable, and if any section, phrase or provision shall for any reason be declared to be illegal or invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions of this Ordinance.

Section 13. All ordinances, resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

ADOPTED AND APPROVED THIS _____ DAY OF _____, 2011.

APPROVED:

Mayor

ATTEST:

City Clerk

(S E A L)

KUTAK ROCK LLP
DRAFT 10/20/11

BOND PURCHASE AGREEMENT

December __, 2011

City of Fayetteville
City Administration Building
113 West Mountain
Fayetteville, Arkansas 72701

\$ _____
City of Fayetteville, Arkansas
Parking Revenue Improvement Bonds
Series 2011

Ladies and Gentlemen:

On the basis of the representations, warranties and agreements and upon the terms and conditions contained herein, the undersigned, Stephens Inc. (the "Underwriter"), hereby offers to enter into this Bond Purchase Agreement (this "Bond Purchase Agreement") with the City of Fayetteville, Arkansas (the "City") which, upon your acceptance of this offer, will be binding upon you and upon the Underwriter. Terms not otherwise defined herein shall have the same meanings as set forth in the Indenture defined and described below.

This offer is made subject to your acceptance of this Bond Purchase Agreement on or before midnight on the date set forth above.

1. **General.** Upon the terms and conditions and in reliance upon the respective representations, warranties and covenants herein, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to sell to the Underwriter, all (but not less than all) of \$ _____ City of Fayetteville, Arkansas Parking Revenue Improvement Bonds, Series 2011 (the "Bonds"), at a purchase price (the "Purchase Price") of \$ _____ (equal to the par amount of the Bonds [less][plus] a net reoffering [discount][premium] of \$ _____ and less underwriter's discount of \$ _____) plus accrued interest, if any, from December 1, 2011 to the Closing Date (hereinafter defined).

The Bonds shall be issued by the City pursuant to the provisions of the Constitution and laws of the State of Arkansas, including, particularly, Amendment 65 to the Constitution and Arkansas Code Annotated (1998 Repl. & Supp. 2011) §§14-164-401 *et seq.* (the "Local Government Revenue Bond Act").

The Bonds will constitute special and limited obligations of the City, secured solely by and payable solely from (1) a pledge of and lien on all net revenues (after provision for operation and maintenance expenses, including previous debt for parking equipment) attributable to parking fees, leases, rents, fines, charges and other revenues collected by the City with respect to its meters, lots and other parking facilities, and including net revenues to be generated with respect to the Project and net revenues with respect to City management of parking facilities

owned by third parties (the "Net Parking Revenues"), and (2) moneys or investments on deposit in the Revenue Fund, Bond Fund, Debt Service Reserve Fund and Project Fund established by a Trust Indenture dated as of December 1, 2011 (the "Indenture"), by and between the City and Simmons First Trust Company, N.A., Pine Bluff, Arkansas, as trustee (the "Trustee"), all as more particularly described in the Indenture.

The Bonds shall be issued and secured pursuant to an ordinance of the City adopted by the City Council on November __, 2011 (the "Authorizing Ordinance"), and pursuant to the Indenture. The Bonds shall have the maturities and interest rates as set forth in Exhibit A hereto. The Bonds shall be subject to redemption as set forth in the Indenture and in the Official Statement (hereinafter defined).

The proceeds of the Bonds will be utilized (i) to finance the acquisition, construction, extensions and equipping of the Project (as defined in the Indenture), (ii) to establish a Debt Service Reserve Fund for the purpose of securing the Bonds, and (iii) to pay the costs of issuance of the Bonds.

The City will undertake, pursuant to a Continuing Disclosure Agreement to be dated as of the date of delivery of the Bonds (the "Continuing Disclosure Agreement"), to provide certain annual financial and operating information and notices of the occurrence of certain events, if material, as required by Section (b)(5)(i) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"). A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement (each hereinafter defined). The City is not in default with respect to any of its obligations under previous undertakings pursuant to the Rule.

In order to ensure compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), the City will enter into a Tax Regulatory Agreement to be dated as of the date of delivery of the Bonds (the "Tax Regulatory Agreement").

2. **Bona Fide Public Offering.** The Underwriter agrees to make a bona fide public offering of all of the Bonds at the offering prices set forth on the inside cover of the final Official Statement described below.

3. **Delivery of Official Statement.** (a) The City has previously provided the Underwriter with copies of its Preliminary Official Statement, including the cover page and the appendices thereto, dated _____, 2011, relating to the Bonds (the "Preliminary Official Statement"). As of its date, the Preliminary Official Statement is "deemed final" by the City for purposes of SEC Rule 15c2-12(b)(1) (the "Rule"). The Preliminary Official Statement, as amended to conform to the terms of this Bond Purchase Agreement, including Exhibit A hereto, and with such other changes and amendments as are mutually agreed to by the City and the Underwriter, is herein referred to as the "Official Statement."

(b) The City agrees to deliver to the Underwriter, at such addresses as the Underwriter shall specify, as many copies of the final Official Statement dated _____, 2011, relating to the Bonds as the Underwriter shall reasonably request as

necessary to comply with paragraph (b)(4) of the Rule (as defined above) and with Rule G-32 and all other applicable rules of the Municipal Securities Rulemaking Board. The City agrees to deliver such final Official Statement within seven (7) business days after the execution hereof.

(c) The City hereby authorizes and approves the Preliminary Official Statement and the final Official Statement, consents to their distribution and use by the Underwriter and authorizes the execution of the final Official Statement by a duly authorized officer of the City. The City ratifies and confirms the use of the Preliminary Official Statement by the Underwriter prior to the date hereof in connection with the public offering of the Bonds.

(d) The Underwriter shall give notice to the City on the date after which no participating underwriter, as such term is defined in the Rule, remains obligated to deliver final Official Statements pursuant to paragraph (b)(4) of the Rule.

4. **City's Representation and Warranties.** The City represents and warrants to the Underwriter that:

(a) The City is a duly organized and existing political subdivision under the Constitution and laws of the State of Arkansas (the "State"). The City is authorized by the provisions of the Local Government Revenue Bond Act to issue the Bonds for the purpose of financing the Project.

(b) The City has the full legal right, power and authority (i) to adopt the Authorizing Ordinance authorizing the issuance of and sale of the Bonds, (ii) to enter into this Bond Purchase Agreement, the Indenture, the Continuing Disclosure Agreement and the Tax Regulatory Agreement, (iii) to charge and collect the Parking Revenues, (iv) to issue, sell and deliver the Bonds to the Underwriter as provided herein, (v) to pledge irrevocably the Net Parking Revenues to the payment of the principal of, premium, if any, and interest on the Bonds, and (vi) to carry out and consummate all other transactions contemplated by each of the aforesaid documents, and the City has complied with all provisions of applicable law, including the Local Government Revenue Bond Act, in all matters relating to such transactions.

(c) The City has duly authorized (i) the execution and delivery of the Bonds and the execution, delivery and due performance of this Bond Purchase Agreement, the Indenture, the Continuing Disclosure Agreement and the Tax Regulatory Agreement, (ii) the distribution and use of the Preliminary Official Statement and the execution, delivery and distribution of the final Official Statement, and (iii) the taking of any and all such actions as may be required on the part of the City to carry out, give effect to and consummate the transactions contemplated by such instruments. All consents or approvals necessary to be obtained by the City in connection with the foregoing have been received, and the consents or approvals so received remain still in full force and effect.

(d) The Authorizing Ordinance has been duly adopted by City Council of the City, is in full force and effect and constitutes the legal, valid and binding act of the City; and this Bond Purchase Agreement, the Indenture, the Continuing Disclosure Agreement and the Tax Regulatory Agreement, when executed and delivered, will constitute legal, valid and binding obligations of the City, and this Bond Purchase Agreement, the Indenture, the Continuing Disclosure Agreement and the Tax Regulatory Agreement are enforceable against the City in accordance with their respective terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally.

(e) When delivered to or at the direction of the Underwriter, the Bonds will have been duly authorized, executed, authenticated, issued and delivered and will constitute legal, valid and binding obligations of the City in conformity with the laws of the State of Arkansas, including the Local Government Revenue Bond Act, and will be entitled to the benefit and security of the Authorizing Ordinance and the Indenture.

(f) The City has duly approved and authorized the distribution and use of the Preliminary Official Statement and the execution, delivery and distribution of the Official Statement.

(g) The information contained in the Preliminary Official Statement is, and as of the Closing Date such information in the final Official Statement will be, true and correct in all material respects, and the Preliminary Official Statement does not and the final Official Statement will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) If, at any time prior to the earlier of (i) receipt of notice from the Underwriter pursuant to Section 3(d) hereof that Official Statements are no longer required to be delivered under the Rule or (ii) 25 days after the Closing Date, any event occurs as a result of which the Official Statement, as then amended or supplemented, might include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the City shall promptly notify the Underwriter in writing of such event. Any information supplied by the City for inclusion in any amendments or supplements to the Official Statement will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Upon the request of the Underwriter therefor, the City shall prepare and deliver to the Underwriter, at the City's expense, as many copies of an amendment or supplement to the Official Statement which will correct any untrue statement or omission therein as the Underwriter may reasonably request.

(i) Neither the adoption of the Authorizing Ordinance, the execution and delivery of this Bond Purchase Agreement, the Bonds, the Indenture, the Continuing Disclosure Agreement or the Tax Regulatory Agreement, nor the consummation of the transactions contemplated herein or therein or the compliance with the provisions hereof

or thereof will conflict with, or constitute on the part of the City a violation of, or a breach of or default under, (i) any statute, indenture, mortgage, commitment, note or other agreement or instrument to which the City is a party or by which it is bound, (ii) any provision of the Constitution of the State of Arkansas, or (iii) any existing law, rule, regulation, ordinance, judgment, order or decree to which the City (or the members of its City Council or any of its officers in their respective capacities as such) is subject. All consents, approvals, authorizations and orders of governmental or regulatory authorities, if any, which are required for the City's execution and delivery of, consummation of the transactions contemplated by, and compliance with the provisions of this Bond Purchase Agreement, the Authorizing Ordinance, the Bonds, the Indenture, the Continuing Disclosure Agreement and the Tax Regulatory Agreement have been obtained.

(j) Except as is specifically disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the best knowledge of the City, threatened, which in any way questions the powers of the City referred to in subparagraph 4(b) above, or the validity of any proceeding taken by the City in connection with the issuance of the Bonds or the imposition or collection of the Parking Revenues, or wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by this Bond Purchase Agreement, or of any other document or instrument required or contemplated by the Bond financing, or which, in any way, could adversely affect the validity or enforceability of the Authorizing Ordinance, the Bonds, the Indenture, the Continuing Disclosure Agreement, the Tax Regulatory Agreement or this Bond Purchase Agreement or, to the knowledge of the City, which in any way questions the exclusion from gross income of the recipients thereof of the interest on the Bonds for federal income tax purposes or in any other way questions the status of the Bonds under federal or State of Arkansas tax laws or regulations.

(k) Any certificate signed by any official of the City and delivered to the Underwriter shall be deemed a representation and warranty by the City to the Underwriter as to the truth of the statements therein contained.

(l) The City has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

(m) The history with respect to the Net Parking Revenues set forth in the Preliminary Official Statement under the caption entitled "SECURITY FOR THE SERIES 2011 BONDS" is fair, accurate and complete.

(n) The City will not knowingly take or omit to take any action, which action or omission will in any way cause the proceeds from the sale of the Bonds to be applied in a manner other than as provided in the Indenture, or which would cause the interest on the Bonds to be includable in gross income for federal income tax purposes.

5. **City's Covenants.** The City covenants with the Underwriter as follows:

(a) The City will cooperate with the Underwriter in qualifying the Bonds for offer and sale under the securities or Blue Sky laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the City shall not be required to consent to suit or to service of process in any jurisdiction. The City consents to the use by the Underwriter in the course of its compliance with the securities or Blue Sky laws of the various jurisdictions of the documents relating to the Bonds, subject to the right of the City to withdraw such consent for cause by written notice to the Underwriter.

(b) Prior to the earlier of (i) receipt of notice from the Underwriter pursuant to Section 3(d) hereof that final Official Statements are no longer required under the Rule or (ii) 25 days after the Closing Date, the City shall provide the Underwriter with such information regarding the City, Net Parking Revenues, and the current financial condition and ongoing operations of the City, all as the Underwriter may reasonably request.

6. **Closing.** At 10:00 a.m. Fayetteville, Arkansas time on December __, 2011, or at such other time and/or date as shall have been mutually agreed upon by the City and the Underwriter (the "Closing Date"), the City will deliver the Bonds, or cause the Bonds to be delivered, to or at the direction of the Underwriter, said Bonds to be in definitive form duly executed by the City and authenticated by Simmons First Trust Company, N.A., Pine Bluff, Arkansas, as trustee (the "Trustee"), together with the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the Purchase Price by making a wire transfer of federal funds payable to the order of the Trustee for the account of the City.

The Bonds shall be delivered to The Depository Trust Company in New York, New York, and the activities relating to the final execution and delivery of the Authorizing Ordinance, the Indenture, the Continuing Disclosure Agreement and the Tax Regulatory Agreement and the other documents relating to the Bonds and the payment for the Bonds and the delivery of the certificates, opinions and other instruments as described in Section 8 of this Bond Purchase Agreement shall occur in the offices of Kutak Rock LLP, 234 East Millsap Road, Suite 400, Fayetteville, Arkansas ("Bond Counsel"), or at such other place as shall have been mutually agreed upon between the City and the Underwriter. The payment for the Bonds and simultaneous delivery of the Bonds to or at the direction of the Underwriter is herein referred to as the "Closing."

7. **Underwriter's Right to Cancel.** The Underwriter shall have the right to cancel its obligation to purchase the Bonds hereunder by notifying the City in writing or by telegram of its election to do so between the date hereof and the Closing, if at any time hereafter and prior to the Closing:

(i) the House of Representatives or the Senate of the Congress of the United States, or a committee of either, shall have pending before it, or shall have passed or recommended favorably, legislation introduced previous to the date hereof, which legislation, if enacted in its form as introduced or as amended, would have the purpose or effect of imposing federal income taxation upon revenues or other income of the general character to be derived by the City or by any similar body under the Authorizing Ordinance or the Indenture or similar documents or upon interest received on obligations of the general

character of the Bonds or the Bonds, or of causing interest on obligations of the general character of the Bonds, or the Bonds, to be includable in gross income for purposes of federal income taxation, and such legislation, in the Underwriter's opinion, materially adversely affects the market price of the Bonds; or

(ii) a tentative decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation shall be favorably reported or rereported by such a committee or be introduced, by amendment or otherwise, in or be passed by the House of Representatives or the Senate, or recommended to the Congress of the United States for passage by the President of the United States, or be enacted or a decision by a federal court of the United States or the United States Tax Court shall have been rendered, or a ruling, release, order, regulation or official statement by or on behalf of the United States Treasury Department, the Internal Revenue Service or other governmental agency shall have been made or proposed to be made having the purpose or effect, or any other action or event shall have occurred which has the purpose or effect, directly or indirectly, of adversely affecting the federal income tax consequences of owning the Bonds or of any of the transactions contemplated in connection herewith, including causing interest on the Bonds to be included in gross income for purposes of federal income taxation, or imposing federal income taxation upon revenues or other income of the general character to be derived by the City or by any similar body under the Authorizing Ordinance or the Indenture or similar documents or upon interest received on obligations of the general character of the Bonds, or the Bonds which, in the opinion of the Underwriter, materially adversely affects the market price of or market for the Bonds; or

(iii) legislation shall have been enacted, or actively considered for enactment with an effective date prior to the Closing, or a decision by a court of the United States shall have been rendered, the effect of which is that the Bonds, including any underlying obligations, or the Indenture, as the case may be, is not exempt from the registration, qualification or other requirements of the Securities Exchange Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(iv) a stop order, ruling, regulation or official statement by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, including any underlying obligations, or the execution and delivery of the Indenture as contemplated hereby or by the Official Statement, is or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(v) any event shall have occurred or any information shall have become known to the Underwriter which causes the Underwriter to reasonably believe that the Official Statement as then amended or supplemented includes an untrue statement of a material fact,

or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; or

(vi) there shall have occurred any outbreak of hostilities or any national or international calamity or crisis, including a financial crisis, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds; or

(vii) there shall be in force a general suspension of trading on the New York Stock Exchange, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds; or

(viii) a general banking moratorium shall have been declared by federal, New York or State authorities; or

(ix) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the City; or

(x) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; or

(xi) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of the Underwriter.

8. **Conditions to Underwriter's Obligations.** The obligation of the Underwriter to purchase the Bonds shall be subject (a) to the performance by the City of its obligations to be performed hereunder at and prior to the Closing, (b) to the accuracy of the representations and warranties of the City herein as of the date hereof and as of the time of the Closing, and (c) to the following conditions, including the delivery by the City of such documents as are enumerated herein in form and substance satisfactory to the Underwriter:

(a) The Bonds shall have been duly authorized, executed and delivered in the forms approved by the City in the Indenture with only such changes therein as the Underwriter and the City shall mutually agree upon, which shall in all instances be as described in the final Official Statement;

(b) At the time of Closing, (i) the Official Statement, this Bond Purchase Agreement, the Indenture, the Authorizing Ordinance, the Continuing Disclosure Agreement and the Tax Regulatory Agreement shall be in full force and effect and shall not have been amended, modified or supplemented from the date hereof, except as may have been agreed to in writing by the Underwriter, (ii) the proceeds of the sale of the Bonds and other funds shall be deposited and applied as described in the Indenture, (iii)

no default or event of default under the Indenture shall have occurred and be continuing, and (iv) no material adverse change affecting the City or the Net Parking Revenues shall have occurred, nor shall any development involving a prospective and material adverse change in, or affecting the business, financial condition, results of operations, prospects or properties of the City have occurred;

(c) Receipt of fully executed originals of the Indenture, the Continuing Disclosure Agreement and the Tax Regulatory Agreement at or prior to the Closing;

(d) At or prior to the Closing, the Underwriter shall receive the following documents in such number of counterparts as shall be mutually agreeable to the Underwriter and Bond Counsel:

(1) A final approving opinion of Bond Counsel, dated the Closing Date, in substantially the form set forth in Exhibit B hereto;

(2) A supplemental opinion of Bond Counsel, addressed to the City, the Trustee and the Underwriter and dated the Closing Date, in substantially the form set forth in Exhibit C hereto;

(3) The Official Statement executed by a duly authorized officer of the City;

(4) Certified copies of the Authorizing Ordinance and all other ordinances and resolutions of the City relating to the Bonds;

(5) Photocopies of the Bonds as executed and delivered;

(6) A certificate, in form and substance satisfactory to the Underwriter, of the Mayor of the City, dated as of the Closing Date, to the effect that: (i) each of the City's representations, warranties and covenants contained herein are true and correct as of the Closing Date; (ii) the City has duly adopted the Authorizing Ordinance by all action necessary under the Local Government Revenue Bond Act and the laws and Constitution of the State of Arkansas, and has duly authorized the execution, delivery and due performance of the Bonds, the Indenture, the Continuing Disclosure Agreement, the Tax Regulatory Agreement, the Official Statement and this Bond Purchase Agreement; (iii) no litigation is pending, or to his knowledge after due investigation and inquiry, threatened, to restrain or enjoin the issuance or sale of the Bonds or in any way affecting any authority for the collection or pledge of the Net Parking Revenues or the validity of the Bonds, the Official Statement, the Authorizing Ordinance, the Indenture, the Continuing Disclosure Agreement, the Tax Regulatory Agreement or this Bond Purchase Agreement; (iv) the Bonds, the Indenture, this Bond Purchase Agreement, the Continuing Disclosure Agreement and the Tax Regulatory Agreement, as executed and delivered by the City, are in the form or in substantially the form approved for such execution by appropriate proceedings of the City; (v) since December 31, 2010, there has not been any material adverse change in the financial condition or results of operations of the City whether or

not arising in the ordinary course of business, other than as set forth in the Official Statement; (vi) the Authorizing Ordinance has not been amended, modified or repealed as of the Closing Date, and the Authorizing Ordinance remains in full force and effect; (vii) none of the proceedings of the City taken preliminary to the issuance of the Bonds, as certified in such certificate, have been in any manner repealed, amended or changed; (viii) the City has complied in all respects with the provisions of the Local Government Revenue Bond Act and has full legal right, power and authority to charge and collect the Parking Revenues and to issue the Bonds for the purposes stated in the Local Government Revenue Bond Act and to enter into this Bond Purchase Agreement, to adopt the Authorizing Ordinance, to issue, sell and deliver the Bonds as provided in this Bond Purchase Agreement, and to carry out and consummate all other transactions contemplated by this Bond Purchase Agreement, the Authorizing Ordinance, the Indenture, the Continuing Disclosure Agreement and the Tax Regulatory Agreement; (ix) neither the Official Statement nor any amendment or supplement thereto contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading; (x) to the best of his knowledge, no event affecting the City or the Net Parking Revenues has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is used that is necessary to disclose therein in order to make the statements and information therein not misleading in any respect; and (xi) the City is not then in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Indenture;

(7) An opinion of Kit Williams, Esq., City Attorney, dated the Closing Date and addressed to the Underwriter, Bond Counsel and the Trustee, to the effect that (i) the City is a duly organized and validly existing political subdivision and city of the first class, organized under the laws of the State of Arkansas, with full power and authority to adopt the Authorizing Ordinance, to charge and collect the Parking Revenues, and to execute and deliver the Bonds, the Indenture, the Continuing Disclosure Agreement, the Tax Regulatory Agreement and this Bond Purchase Agreement; (ii) the City has duly approved the Preliminary Official Statement and the Official Statement; (iii) the Authorizing Ordinance has been duly adopted by the City by all action necessary under the Local Government Revenue Bond Act and the laws and Constitution of the State of Arkansas, and each remains in full force and effect; (iv) the Indenture, the Continuing Disclosure Agreement, the Tax Regulatory Agreement and this Bond Purchase Agreement have been duly authorized, approved, executed and delivered by the City and, subject to the extent that the enforceability of the rights and remedies set forth therein may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally, constitute valid and binding agreements of the City enforceable in accordance with their terms; (v) the information in the Official Statement under the captions "THE PROJECT," "THE CITY" and "LEGAL MATTERS" (apart from financial or statistical data contained or incorporated therein, as to which no view need be expressed) is fair, accurate and complete and does not omit any matter which, in such counsel's opinion, for the

purposes for which the Official Statement is to be used, should be included or referred to therein; (vi) [excepting those matters discussed in the Official Statement,] there is no action, suit or proceeding at law or in equity before or by any court, public board or body, pending or threatened, against or affecting the City, challenging the validity of the transactions contemplated by the Official Statement or the validity of the Bonds, the ordinances setting the fees, rents, fines and charges generating the Parking Revenues, the Authorizing Ordinance, the Indenture, the Continuing Disclosure Agreement, the Tax Regulatory Agreement or this Bond Purchase Agreement and, to the best of such counsel's knowledge, there is no investigation, pending or threatened, and no threatened action, suit or proceeding involving any of the matters hereinabove mentioned in this clause (vi); (vii) the adoption of the Authorizing Ordinance and the execution and delivery of the Indenture, the Continuing Disclosure Agreement, the Tax Regulatory Agreement and this Bond Purchase Agreement, and compliance with the provisions hereof and thereof, under the circumstances contemplated hereby and thereby, do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or any existing law, regulation, court order or consent decree to which the City is subject; and (viii) based upon the examinations which such counsel has made as counsel to the City, which shall be specified, nothing has come to such counsel's attention which would lead such counsel to believe that the Official Statement (except for the financial statements and other financial data included in the Official Statement, as to which no view need be expressed) contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(8) Evidence that Federal Form 8038-G has been executed by the City and is ready for filing with the Internal Revenue Service.

(9) Evidence that, except as disclosed in the Official Statement, all necessary approvals, whether legal or administrative, have been obtained from applicable federal, state and local entities and agencies; and

(10) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter and Bond Counsel may reasonably request to evidence compliance by the City with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of the City herein contained and the due performance or satisfaction by the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied.

If the City shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Bond Purchase Agreement, or if the obligation of the Underwriter to purchase and accept delivery of the Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter

nor the City shall be under further obligation hereunder; except that the respective obligations to pay expenses, as provided in Section 12 hereof, shall continue in full force and effect.

9. **Conditions to Obligations of the City.** The obligations of the City hereunder are subject to the performance by the Underwriter of its obligations hereunder.

10. **Survival.** All representations, warranties and agreements of the City shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter, and shall survive the Closing. The obligations of the City under Sections 11 or 12 hereof shall survive any termination of this Bond Purchase Agreement by the Underwriter pursuant to the terms hereof.

11. **Indemnification.** The City, to the extent permitted by law, agrees to indemnify and hold harmless the Underwriter, each member, officer, director, partner or employee of the Underwriter and each person who controls the Underwriter within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended (collectively called the "Indemnified Parties"), against any and all losses, claims, damages, liabilities or expenses (including any legal or other expenses incurred by an Indemnified Party in connection with investigating any claims against an Indemnified Party and defending any actions) whatsoever caused by any untrue statement or misleading statement of a material fact contained in the Official Statement or caused by any omission from the Official Statement of any material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading insofar as such losses, claims, damages, liabilities or expenses are caused by any such untrue or misleading statement or omission in the information contained in the Official Statement; provided, however, that the City shall not be liable to an Indemnified Party in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or omission made in any of such documents in reliance upon and in conformity with written information furnished to the City by the Underwriter specifically for use therein. No Indemnified Parties shall be indemnified hereunder for any losses, claims, damages or liabilities resulting from the negligence of such Indemnified Parties.

In case any action shall be brought against one or more of the Indemnified Parties based upon the Official Statement and in respect of which indemnity may be sought against the City, the Indemnified Parties shall promptly notify the City in writing, and, to the extent permitted by law, the City shall promptly assume the defense thereof, including the employment of counsel, the payment of all expenses and the right to negotiate and consent to settlement. Any one or more of the Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless employment of such counsel has been specifically authorized by the City. The City shall not be liable for any settlement of any such action effected without its consent by any of the Indemnified Parties, but if settled with the consent of the City, the City agrees to indemnify and hold harmless the Indemnified Parties to the extent provided in this Bond Purchase Agreement and to the extent permitted by law.

12. **Payment of Expenses.** The City will pay or cause to be paid all reasonable expenses incident to the performance of its obligations under this Bond Purchase Agreement,

including, but not limited to, expenses of mailing or delivery of the Bonds, legal publication costs, charges for obtaining CUSIP numbers on the Bonds, fees payable to The Depository Trust Company relating to the Bonds, Federal Funds charges, costs of printing the Bonds, the Preliminary and final Official Statements, any amendment or supplement to the Preliminary or final Official Statement and this Bond Purchase Agreement, fees and disbursements of Bond Counsel, accountants' fees and expenses, any fees charged by investment rating agencies for the rating of the Bonds, bond insurance premiums, if any, fees of the Trustee and any paying agent fees, and any fees and disbursements in connection with the qualification of the Bonds for sale under the securities or "Blue Sky" laws of the various jurisdictions and the preparation of "Blue Sky" memoranda. In the event this Bond Purchase Agreement shall terminate because of the default of the Underwriter, the City will, nevertheless, pay, or cause to be paid, all of the expenses specified above. The Underwriter shall pay all advertising expenses in connection with the public offering of the Bonds, and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, including the fees and expenses of any counsel retained by the Underwriter. If the City defaults under this Bond Purchase Agreement, the Underwriter may bring whatever legal action it may have against the City to recover damages, if any, incurred by the Underwriter.

13. **Notices.** Any notice or other communication to be given to the City under this Bond Purchase Agreement may be given by delivering the same in writing to the Mayor at the address set forth above, and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to Stephens Inc., 3425 North Futrall, Suite 201, Fayetteville, AR 72701, Attention: Mr. Dennis Hunt.

14. **Nonassignability.** This Bond Purchase Agreement is made solely for the benefit of the City and the Underwriter (including any successors or assigns of the Underwriter), and no other person, including any purchaser of the Bonds, shall acquire or have any right hereunder or by virtue hereof.

15. **Applicable Law.** This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Arkansas.

16. **Counterparts.** This Bond Purchase Agreement shall become effective upon your acceptance hereof and may be executed in counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

Very truly yours,

STEPHENS INC.

By: _____
Title:

Accepted and agreed to as of _____ .m.
on the date first above written:

CITY OF FAYETTEVILLE, ARKANSAS

By: _____
Mayor

EXHIBIT A

MATURITY SCHEDULE

\$ _____
City of Fayetteville, Arkansas
Parking Revenue Improvement Bonds
Series 2011

(December 1) Maturity	Principal Amount	Interest Rate	Yield	Price
	\$	%	%	%
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				

(with accrued interest on all Bonds from December 1, 2011)

* Mandatory sinking fund redemption.

EXHIBIT B

PROPOSED FORM OF BOND COUNSEL APPROVING OPINION

Upon delivery of the Bonds in definitive form, Kutak Rock LLP, Little Rock, Arkansas, proposes to deliver its approving opinion in substantially the following form:

December __, 2011

City of Fayetteville, Arkansas
Fayetteville, Arkansas

Simmons First Trust Company, N.A., as Trustee
Pine Bluff, Arkansas

Stephens Inc.
Fayetteville, Arkansas

\$ _____
City of Fayetteville, Arkansas
Parking Revenue Improvement Bonds
Series 2011

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance and sale by the City of Fayetteville, Arkansas (the "City"), a political subdivision of the State of Arkansas, of its \$ _____ Parking Revenue Improvement Bonds, Series 2011 (the "Bonds").

The Bonds are being issued pursuant to the provisions of the Constitution and laws of the State of Arkansas, including, particularly, Amendment 65 and Arkansas Code Annotated (1998 Repl. & Supp. 2011) §§14-164-401 *et seq.* (as from time to time amended, the "Local Government Revenue Bond Act"), pursuant to Ordinance No. _____ of the City, duly adopted and approved on _____, 2011 (the "Authorizing Ordinance"), and pursuant to a Trust Indenture dated as of December 1, 2011 (the "Indenture"), by and between the City and Simmons First Trust Company, N.A., Pine Bluff, Arkansas, as trustee (the "Trustee"). Reference is hereby made to the Indenture and to all indentures supplemental thereto for the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the City, the Trustee and the Holders of the Bonds, and the terms upon which the Bonds are issued and secured.

Reference is made to an opinion of even date herewith of Kit Williams, Esq., City Attorney, a copy of which is on file with the Trustee, with respect, among other matters, to the status and valid existence of the City, the power of the City to adopt the Authorizing Ordinance and to enter into and perform its obligations under the Indenture, the valid adoption of the

Authorizing Ordinance, and the due authorization, execution and delivery of the Indenture by the City, and with respect to the Indenture being enforceable upon the City.

We have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the representations of the City contained in the Authorizing Ordinance and the Indenture and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The City is duly created and validly existing as a municipal corporation of the State of Arkansas. Pursuant to the Constitution and laws of the State of Arkansas, including, particularly, Amendment 65 and the Local Government Revenue Bond Act, the City is empowered to adopt the Authorizing Ordinance, to execute and deliver the Indenture, to perform the agreements on its part contained therein, and to issue the Bonds.

2. The Authorizing Ordinance has been duly adopted by the City and constitutes a valid and binding obligation of the City enforceable upon the City in accordance with its terms.

3. The Indenture has been duly authorized, executed and delivered by the City and is a valid and binding obligation of the City enforceable upon the City in accordance with its terms.

4. The Bonds have been validly authorized, executed, issued and delivered by the City and represent valid and binding special obligations of the City. The principal, premium, if any, and interest on the Bonds shall be payable from, and shall be secured by an assignment and pledge by the City to the Trustee of, the Net Parking Revenues (as defined in the Indenture).

5. The Net Parking Revenues have been duly and validly assigned and pledged to the Trustee under the Indenture, and the Indenture creates, as security for the Bonds, a valid security interest in the Net Parking Revenues. Under the laws of the State of Arkansas, including, particularly, Arkansas Code Annotated (2001 Repl. & 2011 Supp.) Section 4-9-109(d)(14), the pledge, assignment and security interest in the Net Parking Revenues securing the Bonds is and shall be prior to any judicial lien hereafter imposed on said Net Parking Revenues to enforce a judgment against the City on a simple contract, and it is not necessary to file a Uniform Commercial Code financing statement in order to perfect a security interest in said Net Parking Revenues.

6. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinion described in the preceding sentence assumes the accuracy of certain representations and compliance by the City with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended, that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The City has covenanted to comply with such requirements. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Code), a

deduction is allowed for eighty percent (80%) of that portion of such financial institution's interest expense allocable to interest on the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

7. The interest on the Bonds is exempt from all state, county and municipal taxes in the State of Arkansas.

8. The Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Indenture is not required to be qualified under the Trust Indenture Act of 1939, as amended, in connection with the offer and sale of the Bonds.

It is to be understood that the rights of the registered owners of the Bonds and the enforceability of the Bonds, the Authorizing Ordinance and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,

EXHIBIT C

PROPOSED FORM OF BOND COUNSEL SUPPLEMENTAL OPINION

December __, 2011

City of Fayetteville, Arkansas
Fayetteville, Arkansas

Simmons First Trust Company, N.A., as Trustee
Pine Bluff, Arkansas

Stephens Inc.
Fayetteville, Arkansas

\$ _____
City of Fayetteville, Arkansas
Parking Revenue Improvement Bonds
Series 2011

Ladies and Gentlemen:

This opinion supplements our bond approving opinion, dated the date hereof, relating to the above-captioned bonds (the "Bonds"). Except as otherwise defined herein, the terms used herein shall have the meanings prescribed for them in said opinion.

We have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the representations of the City contained in the Indenture and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

In addition to the documents specifically mentioned in the approving opinion, in connection with this opinion we have also examined:

(a) An executed counterpart of the Bond Purchase Agreement dated _____, 2011 (the "Bond Purchase Agreement"), by and between the City and Stephens Inc., as underwriter (the "Underwriter");

(b) An executed counterpart of the Continuing Disclosure Agreement dated _____, 2011 (the "Disclosure Agreement"), by and between the City and Simmons First Trust Company, N.A., Pine Bluff, Arkansas, as dissemination agent (the "Agent");

(c) An executed counterpart of the Tax Regulatory Agreement dated December __, 2011 (the "Tax Regulatory Agreement"), by and between the City and Simmons First Trust Company, N.A., Pine Bluff, Arkansas, as trustee (the "Trustee"); and

(d) Portions of the Official Statement dated December __, 2011, with respect to the Bonds (the "Official Statement"), captioned "INTRODUCTORY STATEMENT," "THE SERIES 2011 BONDS," "SECURITY FOR THE SERIES 2011 BONDS," "SOURCES AND USES OF FUNDS," "DEFINITIONS OF CERTAIN TERMS," "SUMMARY OF THE INDENTURE," "SUMMARY OF THE CONTINUING DISCLOSURE AGREEMENT," "TAX MATTERS," and "APPENDIX A – Form of Opinion of Bond Counsel" (the "Relevant Captions") insofar as they relate to this opinion.

Based on our examination, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The Bond Purchase Agreement has been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the Underwriter, the Bond Purchase Agreement constitutes the valid and binding agreement of the City enforceable in accordance with its terms.

2. The Disclosure Agreement has been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the Agent, the Disclosure Agreement constitutes the valid and binding agreement of the City enforceable in accordance with its terms.

3. The Tax Regulatory Agreement has been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the Trustee, the Tax Regulatory Agreement constitutes the valid and binding agreement of the City enforceable in accordance with its terms.

4. The statements contained in the Official Statement under the Relevant Captions, insofar as such statements purport to summarize certain provisions of the Bonds, the Indenture and the Continuing Disclosure Agreement, or conclusions of law and legal opinions, are true, accurate and correct summaries thereof in all material respects and do not omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

The enforceability of the respective obligations of the parties to the documents and other items described above, and the availability of certain rights and remedies provided for therein, may be limited by bankruptcy, receivership, insolvency, reorganization, moratorium, marshalling or other similar statutes or rules of law affecting creditors' rights and remedies, to general principles of equity and to the discretion of any court in granting any relief or issuing any order, whether the proceeding is considered a proceeding at law or equity. In particular, the right to indemnification under any of the documents or other items described above may be limited by federal or state securities laws or by the public policy underlying such laws.

This opinion is being rendered to you solely for your use and benefit and may not be relied upon in any manner, nor used, by any other person.

Very truly yours,

KUTAK ROCK LLP
DRAFT 10/20/11

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") is executed and delivered by the City of Fayetteville, Arkansas (the "City") and Simmons First Trust Company, N.A., a national banking association, as dissemination agent (the "Dissemination Agent"), in connection with the issuance of \$ _____ City of Fayetteville, Arkansas Parking Revenue Bonds, Series 2011 (the "Bonds"). The Bonds are being issued pursuant to a Trust Indenture dated as of December 1, 2011 (the "Indenture"), by and between the City and Simmons First Trust Company, N.A., a national banking association, as trustee (the "Trustee"). In connection with the issuance and delivery of the Bonds, the City and the Dissemination Agent covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the City for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with SEC Rule 15c2-12(b)(5) (the "Rule"). The City is an "obligated person" within the meaning of the Rule. The Dissemination Agent shall have no liability with respect to the content of any disclosure provided hereunder, and shall be liable only to the City for sending notices hereunder. As required by the Rule, this Disclosure Agreement is enforceable by Beneficial Owners of the Bonds pursuant to Section 7 hereof.

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement, the following capitalized terms shall have the following meanings:

"Annual Financial Information" means the financial information and operating data described in Exhibit I.

"Annual Financial Information Disclosure" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"Audited Financial Statements" means the audited consolidated financial statements of the City, prepared pursuant to the standards and as described in Exhibit I.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Commission" means the U.S. Securities and Exchange Commission.

"Dissemination Agent" shall mean Simmons First Trust Company, N.A., acting in its capacity as a dissemination agent hereunder, or any successor dissemination agent designated in writing by the City and which has filed with the Trustee a written acceptance of such designation.

“*EMMA*” means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*Material Event*” means the occurrence of any of the events with respect to the Bonds set forth in Exhibit II.

“*Material Events Disclosure*” means dissemination of a notice of a Material Event as set forth in Section 5.

“*MSRB*” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the 1934 Act.

“*Participating Underwriter*” means each broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the Bonds.

“*Prescribed Form*” means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Material Events with the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

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

“*State*” means the State of Arkansas.

“*Undertaking*” means the obligations of the City pursuant to Sections 4 and 5.

Section 3. CUSIP Number/Final Official Statement. The CUSIP Number of the final maturity of the Bonds is _____. The final Official Statement relating to the Bonds is dated _____, 2011 (the “Final Official Statement”).

Section 4. Annual Financial Information Disclosure. Subject to Section 9 of this Disclosure Agreement, the City hereby covenants that it will disseminate, or will cause the Dissemination Agent to disseminate, the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below and in Exhibit I) by delivering such Annual Financial Information and the Audited Financial Statements to the MSRB within 180 days of the completion of the City’s fiscal year.

The City is required to deliver or cause delivery of such information in Prescribed Form and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will

disseminate or cause dissemination of a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Disclosure Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

Section 5. Material Events Disclosure. Subject to Section 9 of this Disclosure Agreement, the City hereby covenants that it will disseminate or cause dissemination in a timely manner, not in excess of ten (10) business days after the occurrence of the event, Material Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Disclosure Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Bonds pursuant to the Indenture. The City is required to deliver or cause delivery of such Material Events Disclosure in the same manner as provided by Section 4 of this Disclosure Agreement.

Section 6. Duty to Update EMMA/MSRB. The Dissemination Agent shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB's e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

Section 7. Consequences of Failure of the City to Provide Information. The City shall give notice in a timely manner or shall cause such notice to be given by the Dissemination Agent, not in excess of ten (10) business days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the City to comply with any provision of this Disclosure Agreement, the Beneficial Owner of any Bond may seek specific performance by court order to cause the City to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture or any other agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the City or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 8. Amendments; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if:

(i) The amendment or waiver is 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 the City or type of business conducted;

(ii) This Disclosure Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary

offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(iii) The amendment or waiver does not materially impair the interests of the Beneficial Owners of the Bonds, as determined either by parties unaffiliated with the City (such as the Trustee) or by an approving vote of the Beneficial Owners of the Bonds holding a majority of the aggregate principal amount of the Bonds (excluding Bonds held by or on behalf of the City or its affiliates) pursuant to the terms of the Indenture at the time of the amendment; or

(iv) The amendment or waiver is otherwise permitted by the Rule.

Section 9. Termination of Undertaking. The Undertaking of the City shall be terminated hereunder when the City shall no longer have any legal liability for any obligation on or relating to the repayment of the Bonds. The City shall give notice to the MSRB, or shall cause the Dissemination Agent to give notice, in a timely manner and in Prescribed Form if this Section is applicable.

Section 10. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. A Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent for the City.

Section 11. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Agreement. If the City chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Agreement, the City shall not have any obligation under this Disclosure Agreement to update such information or include it in any future disclosure or notice of the occurrence of a Material Event.

Section 12. Beneficiaries. This Disclosure Agreement has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Disclosure Agreement shall inure solely to the benefit of the City, the Dissemination Agent, if any, the Trustee and the Beneficial Owners of the Bonds, and shall create no rights in any other person or entity.

Section 13. Recordkeeping. The City and the Dissemination Agent shall maintain records of all Annual Financial Information Disclosure and Material Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 14. Past Compliance. The City represents that it has complied with the requirements of each continuing disclosure undertaking entered into by it pursuant to the Rule in connection with previous financings to which the Rule was applicable.

Section 15. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise of performance of its powers and duties under this Disclosure Agreement, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. Such indemnification obligation of the City shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 16. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 17. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State, provided that to the extent this Disclosure Agreement addresses matters of federal securities laws, including the Rule, this Disclosure Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

Dated: December 1, 2011

CITY OF FAYETTEVILLE, ARKANSAS

By: _____
Mayor

SIMMONS FIRST TRUST COMPANY, N.A.,
as Dissemination Agent

By: _____
Title:

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

“Annual Financial Information” means financial information and operating data exclusive of Audited Financial Statements as set forth below of the type appearing or incorporated by reference under the caption “SECURITY FOR THE SERIES 2011 BONDS” in the Final Official Statement.

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to the MSRB or filed with the Commission. The City shall clearly identify each such item of information included by reference.

Annual Financial Information will be provided to the MSRB within 180 days after the last day of the City’s fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be provided to the MSRB within 10 business days after availability to the City.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Disclosure Agreement, including for this purpose a change made to the fiscal year-end of the City, the City will disseminate a notice to the MSRB of such change in Prescribed Form as required by such Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE BONDS FOR WHICH MATERIAL EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Nonpayment-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 status of the security
7. Modifications to rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
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 City*
13. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an 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

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER __, 2011

**NEW ISSUE
BOOK-ENTRY ONLY**

NOT RATED

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2011 Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that the Series 2011 Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. Under existing law, Bond Counsel is of the opinion that the Series 2011 Bonds and the interest thereon are exempt from all state, county and municipal taxes in the State of Arkansas. See the caption "TAX MATTERS" herein.

\$ _____ *
**CITY OF FAYETTEVILLE, ARKANSAS
PARKING REVENUE IMPROVEMENT BONDS
SERIES 2011**

Dated: December 1, 2011

Due: December 1, as shown on inside front cover

The Parking Revenue Improvement Bonds, Series 2011 (the "Series 2011 Bonds"), are being issued by the City of Fayetteville, Arkansas (the "City") for the purpose of (i) financing all or a portion of the costs of acquiring, constructing and equipping parking deck facilities and related roadway and other improvements within the City's Entertainment District (the "Project"), (ii) funding a deposit to the debt service reserve fund, and (iii) paying certain expenses in connection with the issuance of the Series 2011 Bonds. See the captions "ESTIMATED SOURCES AND USES OF FUNDS" and "THE PROJECT" herein.

The Series 2011 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 Series 2011 Bonds will be made so long as Cede & Co. is the registered owner of the Series 2011 Bonds. Individual purchases of the Series 2011 Bonds will be made only in book-entry form, in denominations of \$5,000 or integral multiples thereof. Individual purchasers ("Beneficial Owners") of Series 2011 Bonds will not receive physical delivery of bond certificates. See the caption "BOOK-ENTRY ONLY SYSTEM" herein.

The Series 2011 Bonds shall bear interest from their dated date, payable on June 1 and December 1 of each year, commencing June 1, 2012. All such interest payments shall be payable to the persons in whose name such Series 2011 Bonds are registered on the bond registration books maintained by Simmons First Trust Company, N.A., Pine Bluff, Arkansas, as trustee (the "Trustee"), as of the fifteenth day of the calendar month preceding the calendar month in which the applicable interest payment date falls. Principal of and premium, if any, on the Series 2011 Bonds shall be payable at the principal corporate trust office of the Trustee. So long as DTC or its nominee is the registered owner of the Series 2011 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.

Pursuant to a Trust Indenture dated as of December 1, 2011 (the "Indenture"), between the City and the Trustee, the payment of the principal of, premium, if any, and interest on the Series 2011 Bonds is secured by a pledge of the net revenues (after provision for operation and maintenance expenses, including previous debt for parking equipment) attributable to parking fees, leases, rents, fines, charges and other revenues charged and collected by the City with respect to its meters, lots and other parking facilities, and including net revenues to be generated by the Project and net revenues with respect to City management of parking facilities owned by third parties (the "Net Parking Revenues"). See the caption "SECURITY FOR THE SERIES 2011 BONDS" herein. The Series 2011 Bonds are subject to optional and mandatory redemption prior to maturity as more fully described herein under the caption "THE SERIES 2011 BONDS - Redemption."

The Series 2011 Bonds are special obligations of the City secured solely by and payable from Net Parking Revenues. The Series 2011 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 Series 2011 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 Series 2011 Bonds, except as described herein with respect to the Net Parking Revenues.

The Series 2011 Bonds are offered when, as and if issued by the City and are subject to the final approving opinion of Kutak Rock LLP, Little Rock, Arkansas, Bond Counsel. Certain matters will be passed upon for the City by its counsel, Kit Williams, Esq., City Attorney. It is expected that the Series 2011 Bonds will be available for delivery in New York, New York, on or about December __, 2011.

Stephens Inc.
Investment Bankers

The date of this Official Statement is December __, 2011.

* Preliminary; subject to change.

MATURITY SCHEDULE*

<u>Maturity (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Maturity (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2012	\$	%	%	2020	\$	%	%
2013				2021			
2014				2022			
2015				2023			
2016				2024			
2017				2025			
2018				2026			
2019				2027			
\$ _____ % Term Bonds due December 1, 2031 – Yield: _____ %							
\$ _____ % Term Bonds due December 1, 2036 – Yield: _____ %							

(Plus accrued interest)

CITY OF FAYETTEVILLE, ARKANSAS

Issuer

City Council

Lioneld Jordan, Mayor

Rhonda Adams

Brenda Boudreaux

Bobby Ferrell

Adella Gray

Mark Kinion

Sarah Lewis

Matthew Petty

Justin Tennant

Paul Becker, Finance Director

Sondra Smith, City Clerk

Kit Williams, City Attorney

SIMMONS FIRST TRUST COMPANY, N.A.

Pine Bluff, Arkansas

Trustee and Paying Agent

KUTAK ROCK LLP

Little Rock, Arkansas

Bond Counsel

STEPHENS INC.

Fayetteville, Arkansas

Underwriter

No dealer, broker, salesman or other person has been authorized by the City or by Stephens Inc. (the "Underwriter") to give any information or to make any representations, other than those contained herein; 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 the solicitation of an offer to buy, nor shall there be any sale of any Series 2011 Bonds in any jurisdiction in which such offer is not authorized, or in which the person making such offer, solicitation or sale is not qualified to do so, or to any person to whom it is unlawful to make such offer, solicitation or sale. The information and expressions of opinion contained 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 SERIES 2011 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE TRUST INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON CERTAIN EXEMPTIONS FROM SUCH REGISTRATION AND QUALIFICATION CONTAINED IN SUCH LAWS.

CERTAIN INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED FROM THE CITY, THE DEPOSITORY TRUST COMPANY AND OTHER SOURCES WHICH ARE BELIEVED TO BE RELIABLE. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTY THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2011 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

TABLE OF CONTENTS

	<u>Page</u>
Introductory Statement	1
The Series 2011 Bonds	2
Security for the Series 2011 Bonds	4
Book-Entry Only System	6
The Project	7
Estimated Sources and Uses of Funds	8
Estimated Debt Service Requirements	8
Estimated Debt Service Coverage	9
The City	9
Definitions of Certain Terms	12
Summary of the Indenture	16
Summary of the Continuing Disclosure Agreement	20
Underwriting	23
Tax Matters	23
Legal Matters	24
Miscellaneous	25
Accuracy and Completeness of Official Statement	25
APPENDIX A - Form of Bond Counsel Opinion	A-1

[THIS PAGE LEFT BLANK INTENTIONALLY]

PRELIMINARY OFFICIAL STATEMENT
§ _____*
CITY OF FAYETTEVILLE, ARKANSAS
PARKING REVENUE IMPROVEMENT BONDS
SERIES 2011

INTRODUCTORY STATEMENT

The following introductory statement is subject in all respects to the more complete information set forth in this Official Statement. All descriptions and summaries of documents hereinafter set forth are qualified in their entirety by reference to each such document. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms under the caption "DEFINITIONS OF CERTAIN TERMS" herein.

This Official Statement, including the cover page and the Appendices hereto, is furnished in connection with the offering by the City of Fayetteville, Arkansas (the "City") of its Parking Revenue Improvement Bonds, Series 2011, in the principal amount of \$ _____* (the "Series 2011 Bonds").

The City is a city of the first class organized and existing under the laws of the State of Arkansas (the "State"). The City is authorized under Amendment 65 to the Constitution of the State ("Amendment 65") and Arkansas Code Annotated (1998 Repl. & 2011 Supp.) §§14-164-401 *et seq.* (as from time to time amended, the "Act"), to issue and sell bonds for the purpose of financing "capital improvements," as defined in the Act.

The Series 2011 Bonds are to be issued by the City pursuant to Amendment 65, the Act and Ordinance No. _____, adopted and approved on _____, 2011 (the "Authorizing Ordinance"), for the purpose of (i) financing all or a portion of the costs of acquiring, constructing and equipping parking deck facilities and related roadway and other improvements within the City's Entertainment District (the "Project"), (ii) funding a deposit to the debt service reserve fund, and (iii) paying certain expenses in connection with the issuance of the Series 2011 Bonds. See the captions "ESTIMATED SOURCES AND USES OF FUNDS" and "THE PROJECT" herein.

The Series 2011 Bonds are not general obligations of the City, but are special obligations secured solely by and payable from net revenues (after provision for Operation and Maintenance Expenses, including previous debt for parking equipment) attributable to parking fees, leases, rents, fines, charges and other revenues collected by the City with respect to its meters, lots and other parking facilities, and including net revenues to be generated with respect to the Project and net revenues with respect to City management of parking facilities owned by third parties (the "Net Parking Revenues"). See the caption "SECURITY FOR THE SERIES 2011 BONDS" herein.

The faith and credit of the City are not pledged to the payment of the Series 2011 Bonds, and the Series 2011 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 Series 2011 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 Series 2011 Bonds, except as described herein with respect to the Net Parking Revenues.

Additional bonds may be issued by the City on a parity of security with the Series 2011 Bonds under certain circumstances set forth in the Indenture (hereinafter defined). See the caption "THE SERIES 2011 BONDS – Additional Bonds" herein. The Series 2011 Bonds and any Additional Bonds are herein collectively referred to as the "Bonds."

Pursuant to the provisions of a Continuing Disclosure Agreement dated as of the date of delivery of the Series 2011 Bonds, by and between the City and Simmons First Trust Company, N.A., as dissemination agent (the "Continuing Disclosure Agreement"), the City has undertaken certain obligations with respect to providing ongoing disclosure of certain financial and operating data concerning the City and the Net Parking Revenues and of the occurrence of certain material events. See the caption "SUMMARY OF THE CONTINUING DISCLOSURE AGREEMENT" herein.

This Official Statement contains brief descriptions or summaries of, among other matters, the City, the Series 2011 Bonds, the Net Parking Revenues, the Continuing Disclosure Agreement, and the Trust Indenture dated as of December 1, 2011 (the "Indenture"), by and between the City and Simmons First Trust Company, N.A., Pine Bluff, Arkansas, as trustee (the "Trustee"), pursuant to which the Series 2011 Bonds are issued and secured. Such

* Preliminary, subject to change.

descriptions and information do not purport to be comprehensive or definitive. All references herein to the Indenture and the Continuing Disclosure Agreement are qualified in their entirety by reference to each such document, and all references to the Series 2011 Bonds are qualified in their entirety by reference to the definitive forms thereof and the information with respect thereto included in the Indenture. Copies of the Continuing Disclosure Agreement, the Indenture, and the form of Series 2011 Bond included therein, are available from the City by writing to the attention of the Finance Director, City of Fayetteville, City Administration Building, 113 West Mountain, Fayetteville, Arkansas 72701 and, during the initial offering period only, from the Underwriter, Stephens Inc., 3425 North Futrall, Suite 201, Fayetteville, Arkansas 72703. Certain financial and operating data has been provided by the City from the audited records of the City and certain demographic information has been obtained from other sources which are believed to be reliable.

THE SERIES 2011 BONDS

Description. The Series 2011 Bonds will be initially dated as of December 1, 2011, and will bear interest payable semiannually on June 1 and December 1 of each year, commencing June 1, 2012, at the rates set forth on the inside cover page hereof. The Series 2011 Bonds will mature on December 1 in the years and in the principal amounts set forth on the inside cover page hereof.

The Series 2011 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 Series 2011 Bonds will be made so long as Cede & Co. is the registered owner of the Series 2011 Bonds. Individual purchases of the Series 2011 Bonds will be made only in book-entry form, in denominations of \$5,000 or integral multiples thereof. Individual purchasers (“Beneficial Owners”) of Series 2011 Bonds will not receive physical delivery of bond certificates. See the caption “BOOK-ENTRY ONLY SYSTEM” herein.

All interest payments on the Series 2011 Bonds shall be payable to the persons in whose name such Series 2011 Bonds are registered on the bond registration books maintained by the Trustee, as of the fifteenth day of the calendar month preceding the calendar month in which the applicable interest payment date falls. Principal of and premium, if any, on the Series 2011 Bonds shall be payable 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 Series 2011 Bond to the extent of the sum or sums so paid. So long as DTC or its nominee is the registered owner of the Series 2011 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 Series 2011 Bonds are subject to redemption prior to maturity as follows:

(i) The Series 2011 Bonds are subject to redemption prior to maturity, at the option of the City, on and after December 1, 2016, in whole or in part at any time and in any order of maturity directed by the City, from funds from any source, at a redemption price equal to 100% of the principal amount of the Series 2011 Bonds being redeemed, plus accrued interest to the date of redemption;

(ii) The Series 2011 Bonds shall be redeemed prior to maturity, in whole or in part, on any interest payment date, in inverse order of maturity, at a redemption price equal to 100% of the principal amount of the Series 2011 Bonds being redeemed, plus accrued interest to the date of redemption, from unexpended proceeds of the Series 2011 Bonds (if such unexpended proceeds equal or exceed \$100,000) in the Project Fund not needed for paying Project Costs; and

(iii) The Series 2011 Bonds maturing on December 1, 20__, are subject to mandatory sinking fund redemption prior to maturity in part, on December 1 in the years and amounts set forth below at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption, without premium.

Year	Principal Amount*
20__	\$
20__	\$
20__	\$
20__	\$
20__ (maturity)	\$

*Preliminary, subject to change.

At its option, to be exercised on or before the 45th day next preceding any mandatory sinking fund redemption date for any Series 2011 Bonds maturing December 1, 20__ (the "20__ Term Bonds"), the City may deliver to the Trustee for cancellation 20__ Term Bonds, or portions thereof (\$5,000 or any integral multiple thereof), in any aggregate principal amount desired. Each such 20__ Term Bond, or portion thereof, so delivered or previously redeemed (otherwise than through mandatory sinking fund redemption) and canceled by the Trustee shall be credited by the Trustee at 100% of the principal amount thereof on the obligation of the City on such mandatory sinking fund redemption date, and any excess over such amount shall be credited on future mandatory sinking fund redemption obligations with respect to the 20__ Term Bonds in chronological order, and the principal amount of such 20__ Term Bonds so to be redeemed shall be accordingly reduced.

(iv) The Series 20__ Bonds maturing on December 1, 20__, are subject to mandatory sinking fund redemption prior to maturity in part, on December 1 in the years and amounts set forth below at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption, without premium.

Year	Principal Amount*
20__	\$
20__	\$
20__	\$
20__ (maturity)	\$

*Preliminary, subject to change.

At its option, to be exercised on or before the 45th day next preceding any mandatory sinking fund redemption date for any Series 2011 Bonds maturing December 1, 20__ (the "20__ Term Bonds"), the City may deliver to the Trustee for cancellation 20__ Term Bonds, or portions thereof (\$5,000 or any integral multiple thereof), in any aggregate principal amount desired. Each such 20__ Term Bond, or portion thereof, so delivered or previously redeemed (otherwise than through mandatory sinking fund redemption) and canceled by the Trustee shall be credited by the Trustee at 100% of the principal amount thereof on the obligation of the City on such mandatory sinking fund redemption date, and any excess over such amount shall be credited on future mandatory sinking fund redemption obligations with respect to the 20__ Term Bonds in chronological order, and the principal amount of such 20__ Term Bonds so to be redeemed shall be accordingly reduced.

Partial Redemption of a Series 2011 Bond. If less than all of the Series 2011 Bonds of a maturity are called for redemption, the particular Series 2011 Bonds or portions of Series 2011 Bonds to be redeemed shall be selected by lot in such manner as the Trustee in its discretion may deem fair and appropriate. So long as DTC or its nominee is the sole registered owner of the Series 2011 Bonds, the procedures established by DTC shall control with respect to the selection of the particular Series 2011 Bonds to be redeemed.

Notice of Redemption. Notice of the call for any redemption, identifying the Series 2011 Bonds or portions thereof being called and the date on which they shall be presented for payment, shall be mailed by the Trustee by first class mail (or, so long as DTC or its nominee is the sole registered owner of the Series 2011 Bonds, by any other means acceptable to DTC, including facsimile) to the registered owner of each such Series 2011 Bond addressed to such registered owner at his registered address and placed in the mails not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceeding for the redemption of any Series 2011 Bond with respect to which no such failure or defect has occurred. Any notice mailed as provided above shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice.

Additional Bonds. The City may issue from time to time one or more series of Additional Bonds for the purpose of (i) financing Project Costs in connection with the acquisition, construction or equipping of parking related "capital improvements" (as defined in the Act), (ii) refunding the Series 2011 Bonds or any series of Additional Bonds, in whole or in part, or (iii) any combination thereof. Additional Bonds shall be secured equally and ratably with the Series 2011 Bonds and any other series of Additional Bonds theretofore issued and then Outstanding, except insofar as any terms or conditions of redemption or purchase established under the Indenture may afford additional benefit or security for the Bonds of any particular series. Before any Additional Bonds are authenticated, there shall be delivered to the Trustee the items required for the issuance of Bonds by the Indenture, plus (I) in the case of Additional Bonds to finance Project Costs, a statement by a Qualified Accountant reciting the opinion, based upon necessary investigation, that Net Parking Revenues for the Fiscal Year immediately preceding

the Fiscal Year in which such Additional Bonds are to be issued were not less than (i) 125% of the average Annual Debt Service on all then outstanding Bonds and Subordinate Obligations plus the Additional Bonds then proposed to be issued, and (ii) the amount, if any, needed to make required deposits to the Debt Service Reserve Fund, and (II) in the case of Additional Bonds to refund the Series 2011 Bonds or any series of Additional Bonds, a Certificate of the Mayor stating that, after taking into account the issuance of the Additional Bonds and the application of the proceeds thereof and other available funds to the refunding, the average Annual Debt Service on all outstanding Bonds and Subordinate Obligations will not be increased.

If any changes have been made, and are in effect on the date of issuance of the Additional Bonds, in any parking fees, leases, rents, fines or charges imposed by the City which were not in effect during the entire preceding Fiscal Year, the Qualified Accountant may, if such changes resulted in increases in such fees, leases, rents, charges and fines, and shall, if such changes resulted in reductions in such fees, leases, rents, fines or charges, adjust the Parking Revenues for the preceding Fiscal Year to reflect any changes in such Parking Revenues which would have occurred if the changed fees, leases, rents, fines and charges had been in effect during the entire preceding Fiscal Year.

Notwithstanding any of the foregoing, no Additional Bonds shall be issued unless there is no default existing at the time of issuance under the Indenture.

Subordinate Obligations. Nothing in the Indenture shall prevent the City from authorizing and issuing bonds, notes, bond anticipation notes, warrants, certificates or other obligations or evidences of indebtedness, the payment of the principal of and premium, if any, and interest on which shall be made from Parking Revenues or from a special fund to be established and maintained from Parking Revenues, provided payments from Parking Revenues or from Parking Revenues into such special fund, and the lien and charge on such Parking Revenues, shall be made junior and subordinate to the lien, pledge and charge created in the Indenture for the security and payment of the Series 2011 Bonds and other payments under the Indenture. Notwithstanding anything herein to the contrary, no Subordinate Obligations shall be issued unless there is no default at the time of issuance under the Indenture.

Transfer or Exchange. The Series 2011 Bonds may be transferred on the books of registration kept by the Trustee by the registered owner in person or by the owner's duly authorized attorney, upon surrender thereof, together with a written instrument of transfer duly executed by the registered owner or the owner's duly authorized attorney. Upon surrender for transfer of any Series 2011 Bond at the principal corporate office of the Trustee, the City shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Series 2011 Bond or Bonds in the same aggregate principal amount and of any authorized denomination or denominations.

Transfers of registration or exchanges of Series 2011 Bonds shall be without charge to the Holders of such Series 2011 Bonds, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the Holder of the Series 2011 Bond requesting such transfer or exchange as a condition precedent to the exercise of such privilege.

The Trustee shall not be required to transfer or exchange any Series 2011 Bond during the period from and including a Record Date to the next succeeding interest payment date of such Series 2011 Bond nor to transfer or exchange any Series 2011 Bond after the mailing of notice calling such Series 2011 Bond for redemption has been made, and prior to such redemption.

So long as DTC or its nominee is the sole registered owner of the Series 2011 Bonds, transfers of beneficial interests in the Series 2011 Bonds shall be in accordance with the rules and procedures of DTC and its direct and indirect participants. See the caption "BOOK-ENTRY ONLY SYSTEM" herein.

SECURITY FOR THE SERIES 2011 BONDS

General. The Series 2011 Bonds are special obligations of the City secured solely by and payable from the Net Parking Revenues.

In the Indenture, "Net Parking Revenues" are defined as Parking Revenues less Operation and Maintenance Expenses. "Parking Revenues" are all revenues attributable to parking fees, leases, rents, fines, charges and other revenues collected by the City with respect to its meters, lots and other parking facilities, and including revenues to be generated with respect to the Project and net revenues with respect to City management of parking facilities owned by third parties. "Operation and Maintenance Expenses" means all reasonable and necessary costs and expenses incurred in the operation, maintenance, repair and insuring of the City's parking meters, lots and other parking facilities which are properly accounted for such purposes under generally accepted accounting principles,

including debt service on debt incurred to acquire parking equipment prior to the date of the Indenture. Such term does not include Debt Service on the Bonds or Subordinate Obligations or depreciation expense.

The fees, rents, fines and charges from which the Net Parking Revenues are derived have been imposed by the City pursuant to various ordinances adopted by the City Council. The Net Parking Revenues have been pledged to secure the payment of Debt Service on the Series 2011 Bonds pursuant to Ordinance No. _____, duly adopted by the City Council of the City on _____, 2011 (the "Authorizing Ordinance").

Set forth below is a table showing the City's Parking Revenues, Operation and Maintenance Expenses and Net Parking Revenues over the last five years.

Year	Parking Revenues ⁽²⁾	O&M Expenses	Net Parking Revenues
2007	\$ 466,565	\$ 363,794	\$ 102,771
2008	431,019	377,501	53,518
2009	405,896	389,856	16,040
2010	766,659	525,841	240,818
2011 ⁽¹⁾	1,043,585	523,127	520,458

(1) Through September 30, 2011.

(2) Includes revenues received by the City for management of parking areas owned by third parties; \$28,805 in 2007, \$30,273 in 2008, \$32,437 in 2009, \$29,930 in 2010 and \$37,782 in 2011 to date.

[EXPLAIN CREATION OF THE ENTERTAINMENT PARKING DISTRICT AND ITS IMPACT]

The Series 2011 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 Series 2011 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 Series 2011 Bonds, except as described herein with respect to the Net Parking Revenues.

The City has covenanted that the fees, leases, rents, fines and charges generating the Parking Revenues will not be reduced from current levels while any of the Series 2011 Bonds are Outstanding unless there is obtained from a Qualified Accountant a certificate to the effect that Net Parking Revenues in the then current and immediately succeeding Fiscal Years, with the reduced fees, leases, rents, fines or charges, will be at least equal to (i) 125% of the Annual Debt Service on all Bonds and Subordinate Obligations for the then current and immediately succeeding Fiscal Years, and (ii) the amount, if any, needed to make required deposits to the Debt Service Reserve Fund. The City has further covenanted that the fees, leases, rents, fines and charges generating the Parking Revenues shall, if and when necessary, from time to time, be increased in such a manner as will produce Net Parking Revenues in the then current and immediately succeeding Fiscal Years at least equal to (i) 125% of the Annual Debt Service on all Bonds and Subordinate Obligations for the then current and immediately succeeding Fiscal Years, and (ii) the amount, if any, needed to make required deposits to the Debt Service Reserve Fund.

Debt Service Reserve. From the proceeds of sale of the Series 2011 Bonds, there shall be deposited into the Debt Service Reserve Fund an amount sufficient to cause the amount on deposit therein to be equal to the least of (i) the maximum Annual Debt Service with respect to the Series 2011 Bonds, (ii) 125% of the average Annual Debt Service with respect to the Series 2011 Bonds, or (iii) 10% of the stated original principal amount of the Series 2011 Bonds (the "Reserve Requirement"). Amounts on deposit in the Debt Service Reserve Fund shall be used solely to pay the principal of and interest on the Series 2011 Bonds as due for which there are no available funds in the Bond Fund to make such payments. The Reserve Requirement may be satisfied by cash or by Investment Securities.

If the amount in the Debt Service Reserve Fund is ever reduced below the Reserve Requirement, it shall be reimbursed to an amount equal to the Reserve Requirement through monthly payments, beginning not later than the last day of the month in which the Debt Service Reserve Fund was reduced below the Reserve Requirement, and continuing not later than the last day of each month thereafter until such reimbursement shall have been accomplished, from any funds in the Revenue Fund (after making the required deposits into the Bond Fund, as provided in the Indenture). If a surplus shall exist in the Debt Service Reserve Fund over and above the Reserve Requirement, such surplus shall be deposited into the Bond Fund.

BOOK-ENTRY ONLY SYSTEM

The Series 2011 Bonds will be issued only as one fully registered Series 2011 Bond for each maturity, in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), as registered owner of all the Series 2011 Bonds. The fully registered Series 2011 Bonds will be retained and immobilized in the custody of DTC.

DTC (or any successor securities depository) or its nominee for all purposes under the Indenture will be considered by the City and the Trustee to be the owner or holder of the Series 2011 Bonds.

Owners of any book entry interests in the Series 2011 Bonds (the "book entry interest owners") described below, will not receive or have the right to receive physical delivery of the Series 2011 Bonds, and will not be considered by the City and the Trustee to be, and will not have any rights as, owners or holders of the Series 2011 Bonds under the bond proceedings and the Indenture except to the extent, if any, expressly provided thereunder.

CERTAIN INFORMATION REGARDING DTC AND DIRECT PARTICIPANTS IS SET FORTH BELOW. THIS INFORMATION HAS BEEN PROVIDED BY DTC. THE CITY, THE UNDERWRITER AND BOND COUNSEL ASSUME NO RESPONSIBILITY FOR THE ACCURACY OF SUCH STATEMENTS.

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. 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 among 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, the National Securities Clearing Corporation and the Fixed Income Clearing Corporation, all of which are registered 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"). The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.com.

Purchases of Series 2011 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2011 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2011 Bond ("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, but Beneficial Owners are 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 Series 2011 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2011 Bonds, except in the event that use of the Book-Entry System for the Series 2011 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2011 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 Series 2011 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2011 Bonds, DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2011 Bonds are credited, which may or may not be the Beneficial Owners. The 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 shall be sent to DTC. If less than all of the Series 2011 Bonds within a maturity are to be

redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2011 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 will assign Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2011 Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Payment of debt service and redemption proceeds with respect to the Series 2011 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 the Trustee on 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, the Trustee or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and debt service to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

BENEFICIAL OWNERS SHOULD CONSULT WITH THE DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS FROM WHOM THEY PURCHASE A BOOK ENTRY INTEREST TO OBTAIN INFORMATION CONCERNING THE SYSTEM MAINTAINED BY SUCH DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS TO RECORD SUCH INTERESTS, TO MAKE PAYMENTS, TO FORWARD NOTICES OF REDEMPTION AND OF OTHER INFORMATION.

THE CITY AND THE TRUSTEE HAVE NO RESPONSIBILITY OR LIABILITY FOR ANY ASPECTS OF THE RECORDS OR NOTICES RELATING TO, OR PAYMENTS MADE ON ACCOUNT OF, BOOK ENTRY INTEREST OWNERSHIP, OR FOR MAINTAINING, SUPERVISING OR REVIEWING ANY RECORDS RELATING TO THAT OWNERSHIP.

The Trustee and the City, so long as a book entry method of recording and transferring interest in the Series 2011 Bonds is used, will send any notice of redemption or of any Indenture amendment or supplement or other notices to Bondholders under the Indenture only to DTC (or any successor securities depository) or its nominee. Any failure of DTC to advise any Direct Participants, or of any Direct Participants or Indirect Participants to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the Series 2011 Bonds called for redemption, the Indenture amendment or supplement, or any other action premised on notice given under the Indenture.

The City and the Trustee cannot and do not give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute payments of debt service on the Series 2011 Bonds made to DTC or its nominee as the registered owner of the Series 2011 Bonds, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or that DTC will serve and act in a manner described in this Official Statement.

DTC may discontinue providing its services as securities depository with respect to the Series 2011 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.

In addition, 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 PROJECT

A portion of the proceeds of the Series 2011 Bonds will be used to accomplish the acquisition, construction and equipping of multi-level parking deck facilities and related roadway and other improvements (the "Project"). The Project improvements will be located within the City's Entertainment District Parking Zone and will have an estimated capacity of approximately 300 vehicle spaces.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Series 2011 Bonds are expected to be used as follows:

Sources of Funds⁽¹⁾

Par Amount of Series 2011 Bonds \$

Total Sources: \$

Uses of Funds⁽¹⁾

Deposit to Project Fund \$

Deposit to Debt Service Reserve

Costs of Issuance and Underwriter's Discount

Total Uses: \$

⁽¹⁾ Preliminary; subject to change.

ESTIMATED DEBT SERVICE REQUIREMENTS

As of the date of closing, the Series 2011 Bonds will constitute the only debt obligations secured by the Net Parking Revenues. The following table sets forth estimates of the amounts required to pay scheduled principal of and interest on the Series 2011 Bonds during each year:

<u>Year</u>	<u>Principal</u> ⁽¹⁾	<u>Interest</u> ⁽²⁾	<u>Total Debt Service</u>
2012	\$	\$	\$
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
Totals:	\$	\$	\$

⁽¹⁾ Includes mandatory sinking fund redemptions.

⁽²⁾ Preliminary; subject to change. Assuming for purposes of this Preliminary Official State, an average coupon rate on the Series 2011 Bonds of ___% per annum.

ESTIMATED DEBT SERVICE COVERAGE

The following table shows estimated maximum annual debt service coverage with respect to the Series 2011 Bonds utilizing the most recent twelve months of Net Parking Revenues.

Historical Net Parking Revenues ⁽¹⁾	\$593,989
Maximum Annual Debt Service Requirement on Series 2011 Bonds ⁽²⁾	\$
Maximum Annual Debt Service Coverage	<u>X</u>

(1) Net Parking Revenues for the twelve-month period from October 1, 2010 to September 30, 2011.

(2) Preliminary; subject to change. See the caption "ESTIMATED DEBT SERVICE REQUIREMENTS" herein.

THE COVERAGE NUMBERS SET FORTH ABOVE ARE BASED ON HISTORICAL NET PARKING REVENUES. ACTUAL RECEIPTS OF PARKING REVENUES AND THE LEVEL OF OPERATION AND MAINTENANCE EXPENSES WILL DEPEND ON NUMEROUS FACTORS, AND THERE CAN BE NO ASSURANCE THAT FUTURE NET PARKING REVENUES AVAILABLE TO PAY DEBT SERVICE ON THE SERIES 2011 BONDS WILL APPROXIMATE SUCH HISTORICAL RESULTS.

THE CITY

General. The City is a city of the first class organized and existing under the laws of the State of Arkansas. The City is the seat of government of Washington County (the "County") and is the fourth largest city in the State. The City is located in the Metropolitan Statistical Area of Fayetteville/Springdale/Rogers (the "MSA"), which includes all of Washington and Benton Counties in the northwest corner of the State and is approximately 185 miles northwest of Little Rock, Arkansas, 125 miles east of Tulsa, Oklahoma, and 210 miles south of Kansas City, Missouri.

The City is served by U.S. Interstate 540, U.S. Highways 62 and 71, and State Highways 16, 45, 112, 156, 180 and 265. The Burlington Northern Railroad has several lines running through the City, and a general aviation airport with a 6,006-foot runway is available for limited commuter travel. The Northwest Arkansas Regional Airport is located approximately 40 minutes from downtown Fayetteville and provides daily flights to numerous venues.

Government. The City currently operates under the Mayor-Council form of government pursuant to which a mayor, city attorney, city clerk and eight aldermen are elected, two from each of the City's four wards. The mayor, city attorney and city clerk are full-time positions elected to four year terms. Aldermen also serve four year terms.

The City's elected officials and the dates on which their respective terms expire are as follows:

Name	Office	Term Expires
Lioneld Jordan	Mayor	12/31/12
Kit Williams	City Attorney	12/31/14
Sondra Smith	City Clerk	12/31/12
Rhonda Adams	Alderman	12/31/14
Brenda Boudreaux	Alderman	12/31/12
Bobby Ferrell	Alderman	12/31/12
Adella Gray	Alderman	12/31/14
Mark Kinion	Alderman	12/31/14
Sarah Lewis	Alderman	12/31/12
Matthew Petty	Alderman	12/31/12
Justin Tennant	Alderman	12/31/14

Population. The following is a table of population changes for the City, the MSA and the State of Arkansas, according to the United States Census Bureau:

Year	City of Fayetteville	MSA	State of Arkansas
1960	20,274	92,069	1,786,272
1970	30,729	127,846	1,923,322
1980	36,608	178,609	2,286,435
1990	42,099	210,908	2,350,624
2000	58,047	311,121	2,673,400
2010	73,580	463,204	2,915,918

Economic Data. Per capita personal income figures for the MSA and the State of Arkansas are as follows:

Year	MSA	State of Arkansas
2000	\$22,828	\$22,577
2001	24,061	23,870
2002	24,658	24,273
2003	25,387	25,434
2004	27,420	26,846
2005	28,685	27,908
2006	30,168	29,459
2007	31,586	31,517
2008	32,537	32,257
2009	n/a	31,946

Source: Discover Arkansas, Data Analysis.

Retail sales figures for the MSA and the State are as follows:

Year	MSA	State of Arkansas	MSA as % of State of Arkansas
2000	\$3,526,791,000	\$28,488,033,000	12.38%
2001	3,806,422,000	29,652,693,000	12.84
2002	3,841,326,000	29,269,775,000	13.12
2003	3,968,812,000	29,920,716,000	13.26
2004	4,610,051,000	31,463,983,000	14.65
2005	5,287,158,000	34,290,412,000	15.42
2006	7,251,810,000	38,843,312,000	18.70
2007	8,250,140,000	43,504,752,000	18.96
2008			
2009			
2010			

Source: 2007 Demographics USA.

The following table shows the total assessed value of non-utility real and personal property within the City for the years indicated:

Year	Real Property	Personal Property	Total
2000	\$432,951,171	\$145,147,891	\$578,099,062
2001	486,853,822	155,794,579	642,648,401
2002	530,235,135	158,778,031	689,013,166
2003	565,846,525	167,638,657	733,485,182
2004	649,361,820	183,102,702	832,464,522
2005	729,172,106	212,694,254	941,866,260
2006	802,306,156	198,469,816	1,000,775,972
2007	942,667,570	203,094,564	1,145,762,134
2008	1,026,022,871	203,311,701	1,232,334,572
2009	1,067,947,653	191,973,349	1,299,921,002
2010	1,025,933,870	188,130,198	1,214,064,068

Source: Washington County Tax Assessor's Office. The assessed value represents 20% of the appraised value of property.

Building permits issued by the City⁽¹⁾ are shown below for the years indicated:

	2006	2007	2008	2009	2010
Residential Building Permits	544	593	414	281	256
Commercial Building Permits	44	59	57	14	16
Value of All Building Permits	\$198,754,023	\$227,667,201	\$127,477,937	\$ 70,365,173	\$ 79,103,682

(1) Does not include building activity of the University of Arkansas, school permits and additions/alterations to existing structures.

Source: City of Fayetteville.

Unemployment figures for the MSA and the State of Arkansas, according to the U.S. Bureau of Labor Statistics, are as follows:

Year	MSA	State of Arkansas
2000	2.9%	4.2%
2001	3.0	4.7
2002	3.3	5.3
2003	3.7	5.8
2004	3.8	5.6
2005	3.3	5.3
2006	3.6	5.4
2007	3.9	5.4
2008	3.8	5.2
2009	6.1	7.4
2010	6.5	7.9
2011	6.6	8.0

* August, 2011 only; preliminary.

Employment and Industry. The principal campus of the University of Arkansas is located in the City and had total enrollment for the Fall semester of 2011 of approximately 23,199. On the Fayetteville campus, the University employs approximately 4,008 faculty, administrative, secretarial, clerical and maintenance personnel in both full-time and part-time positions, making the University the largest employer in the City.

Other major employers in the City, their products or services and approximate number of employees are set forth below:

Employer	Product or Service	Employees
Washington Regional Med Center	Hospital	2,000
Washington Co. Government	Government	1,350
Fayetteville School District	Education	1,300
Veteran's Admin. Medical	Hospital	1,212
Superior Industries	Transportation equipment	880
City of Fayetteville	Government	756
Arvest Bank	Banking	275
Ayrshire	Electronics	214
Source Gas/Arkansas Western Gas	Utility	207

Source: 2010 City of Fayetteville CAFR.

DEFINITIONS OF CERTAIN TERMS

The following are definitions of certain terms used in this Official Statement:

“Act” means the Local Government Capital Improvement Revenue Bond Act of 1985, codified as Arkansas Code Annotated (1998 Repl. & Supp. 2011) Sections 14-164-401 *et seq.*, as from time to time amended.

“Additional Bonds” means Bonds in addition to the Series 2011 Bonds which are issued under the provisions of Section 213 of the Indenture.

“Amendment 65” means Amendment No. 65 to the Constitution of Arkansas, approved by the voters of the State on November 4, 1986.

“Annual Debt Service” means, with respect to all or any particular amount of Bonds or Subordinate Obligations, as the case may be, the Debt Service for any particular Fiscal Year required to be paid or set aside during such Fiscal Year, less the amount of such payment which is provided from the proceeds of the sale of the Bonds or Subordinate Revenues or from sources other than Net Parking Revenues.

“Authorized Representative” means either the Mayor or the Finance Director of the City and such additional persons as from time to time may be designated to act on behalf of the City by a Certificate furnished to the Trustee containing the specimen signature thereof and executed on behalf of the City by its Mayor.

“Authorizing Ordinance” means Ordinance No. _____ adopted by the City Council on _____, 2011, which authorized the issuance of the Series 2011 Bonds pursuant to the Indenture.

“Beneficial Owner” means any Person who acquires beneficial ownership interest in a Bond held by the Securities Depository. In determining the Beneficial Owner of any Bond, the Trustee may rely exclusively upon written representations made and information given to the Trustee by the Securities Depository or its Participants with respect to any Bond held by the Securities Depository in which a beneficial ownership interest is claimed.

“Bond Counsel” means any firm of nationally recognized municipal bond counsel selected by the City and acceptable to the Trustee.

“Bond Fund” means the fund by that name created and established in the Indenture.

“Bonds” means the Series 2011 Bonds and all Additional Bonds issued by the City pursuant to the Indenture.

“Book-Entry System” means the book-entry system maintained by the Securities Depository and described in the Indenture.

“Business Day” means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in New York, New York, or the city in which the corporate trust office of the Trustee is located are authorized by law or executive order to close, or (c) a day on which the New York Stock Exchange or the Securities Depository are closed.

“Certificate” means a document signed by an Authorized Representative of the City attesting to or acknowledging the circumstances or other matters therein stated.

“City” means the City of Fayetteville, Arkansas, a municipality and political subdivision under the laws of the State of Arkansas.

“Closing Date” means, with respect to any series of Bonds, the date upon which there is an exchange of such series of Bonds for the proceeds representing the purchase price for such series of Bonds by the Original Purchaser or Purchasers thereof.

“Code” means the Internal Revenue Code of 1986, as from time to time amended, and applicable regulations issued or proposed thereunder.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement between the City and Simmons First Trust Company, N.A., as dissemination agent, dated the date of issuance and delivery of the Series 2011 Bonds, as originally executed and as amended from time to time in accordance with the terms thereof.

“Costs of Issuance” means all items of expense payable or reimbursable directly or indirectly by the City and related to the authorization, sale and issuance of the Series 2011 Bonds, including, but not limited to, underwriting discounts, fees and expenses, publication expenses, expenses of printing, reproducing, filing and recording documents, initial fees and charges of the Trustee and any Paying Agent, fees and expenses for legal, accounting and other professional services, rating fees, costs of securing any credit enhancement for the Series 2011 Bonds, costs of execution, transportation and safekeeping of the Series 2011 Bonds, and other costs, charges and fees incurred in connection with the foregoing.

“Costs of Issuance Fund” means the fund by that name created and established in the Indenture.

“Debt Service” means, with respect to all or any particular amount of Bonds or Subordinate Obligations, as the case may be, the total as of any particular date of computation and for any particular period of the scheduled amount of interest and amortization of principal payable on such Bonds or Subordinate Obligations, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

“Debt Service Reserve Fund” means the fund by that name created and established in the Indenture.

“Depository” means a national or state banking corporation or association (which may include the Trustee and any Paying Agent) which holds membership in the Federal Deposit Insurance Corporation.

“Event of Default” means any event of default specified in Section 901 of the Indenture.

“Fiscal Year” means the 12-month period used, at any time, by the City for accounting purposes, which may be the calendar year.

“Fund” means a fund established by the Indenture.

“Government Securities” means direct obligations of, or obligations fully guaranteed as to principal and interest by, the United States of America or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America (including obligations issued or held in book-entry form on the books of the U.S. Department of Treasury).

“Holder” or “Bondholder” or “owner of the Bonds” means the registered owner of any Bond.

“Indenture” means the Trust Indenture dated as of December 1, 2011, between the City and the Trustee, pursuant to which the Bonds are issued, and any amendments and supplements thereto.

“Investment Securities” means, if and to the extent the same are at the time legal for investment of funds held under the Indenture:

- (a) Cash (insured at all times by the Federal Deposit Insurance Corporation);
- (b) Government Securities;
- (c) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:
 - (1) U.S. Export-Import Bank (Eximbank);

- (2) Rural Economic Community Development Administration;
 - (3) U.S. Maritime Administration;
 - (4) Small Business Administration;
 - (5) U.S. Department of Housing & Urban Development (PHAs);
 - (6) Federal Housing Administration (FHA); and
 - (7) Federal Financing Bank;
- (d) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:
- (1) Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC);
 - (2) Obligations of the Resolution Funding Corporation (REFCORP); and
 - (3) Senior debt obligations of the Federal Home Loan Bank System;
- (e) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by the FDIC;
- (f) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);
- (g) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;
- (h) Investments in money market funds rated "AAAm" or "AAAm-G" or better by S&P;
- (i) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and
- (1) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or
 - (2) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or Government Securities, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate; and
- (j) Municipal Obligations rated "Aaa/AAA" or general obligations of States with a rating of "A2/A" or higher by both Moody's and S&P.

"Mayor" means the person holding the office and performing the duties of the Mayor of the City.

"Moody's" means Moody's Investors Service, Inc., and any successor thereto.

"Net Parking Revenues" means Parking Revenues less Operation and Maintenance Expenses.

“Operation and Maintenance Expenses” means all reasonable and necessary costs and expenses incurred in the operation, maintenance, repair and insuring of the City’s parking meters, lots and other parking facilities which are properly accounted for such purposes under generally accepted accounting principles, including debt service on debt incurred to acquire parking equipment prior to the date of the Indenture. Such term does not include Debt Service on the Bonds and Subordinate Obligations or depreciation expense.

“Original Purchaser” means the first purchaser(s) of a series of Bonds from the City.

“Outstanding” means, when used with reference to the Bonds, as of any particular date, the aggregate of all Bonds authenticated and delivered under the Indenture, except:

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

“Parking Revenues” means all revenues attributable to parking fees, leases, rents, fines, charges and other revenues collected by the City with respect to its meters, lots and other parking facilities, and including revenues to be generated with respect to the Project and net revenues with respect to City management of parking facilities owned by third parties.

“Participants” means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository in the Book-Entry System, as such listing of Participants exists at the time of such reference.

“Paying Agent” means any bank or trust company named by the City as the place at which the principal of and premium, if any, and interest on the Bonds are payable.

“Person” means any natural person, firm, association, corporation, limited liability company, partnership, joint stock company, joint venture, trust, unincorporated organization or firm, or a government or any agency or political subdivision thereof or other public body.

“Project” means the betterments and improvements to be financed with the proceeds of the Series 2011 Bonds.

“Project Costs” means, to the extent permitted by the Act or other applicable laws, with respect to the Project, all costs of planning, designing, purchasing, acquiring, constructing, improving, enlarging, extending, repairing, financing and placing in operation, including obtaining governmental approvals, certificates, permits and licenses with respect thereto, heretofore or hereafter paid or incurred by or on behalf of the City and which shall include, but shall not be limited to:

- (a) preliminary investigation and development costs, engineering fees, contractors’ fees, labor costs, the cost of materials, equipment, utility services and supplies, costs of obtaining permits, licenses and approvals, costs of real property, insurance premiums, legal and financing fees and costs, administrative and general costs, and all other costs properly allocable to the acquisition, construction and equipping of the Project and placing the same in operation;
- (b) all costs relating to injury and damage claims arising out of the acquisition, construction or equipping of the Project;
- (c) all other costs incurred in connection with, and properly allocable to, the acquisition, construction and equipping of the Project; and
- (d) amounts to pay or reimburse the City or any City fund for expenses of the City incident and properly allocable to such planning, designing, purchasing, acquiring, constructing, improving, enlarging, extending, repairing, financing and placing in operation of the Project.

“Project Fund” means the fund by that name created and established in the Indenture.

“Qualified Accountant” means an independent certified public accountant or firm of independent certified public accountants not in the regular employ of the City.

“Rebate Fund” means the fund by that name created and established in the Indenture.

“Record Date” means, with respect to any interest payment date on the Bonds, the fifteenth day of the calendar month next preceding the month in which such interest payment date occurs.

“Requisition” means a written requisition of the City, consecutively numbered, signed by an Authorized Representative in the form of Exhibit B to the Indenture.

“Reserve Requirement” means, with respect to each series of Bonds, an amount equal to the least of (i) the maximum Annual Debt Service with respect to such series of Bonds, (ii) 125% of the average Annual Debt Service with respect to such series of Bonds, or (iii) 10% of the stated original principal amount of such series of Bonds. For all purposes of the Indenture, the Reserve Requirement may be satisfied by cash or by Investment Securities.

“Revenue Fund” means the fund by that name created and established in the Indenture.

“S&P” means Standard & Poor’s Ratings Services, a Division of The McGraw-Hill Companies, Inc., and any successor thereto.

“Securities Depository” means The Depository Trust Company, New York, New York, or its nominee, and its successors and assigns, or any other depository institution appointed by the City or the Trustee to act as depository for the Bonds in connection with the Book-Entry System.

“Series 2011 Bonds” means the City’s Parking Revenue Improvement Bonds, Series 2011, issued under and secured by the Indenture in the original aggregate principal amount of \$ _____ * for the purpose of financing the Project.

“State” means the State of Arkansas.

“Subordinate Obligations” means debt obligations of the City secured by a pledge of the Net Parking Revenues that is subordinate to the lien thereon securing the payment of the Bonds, as permitted by the provisions of Section 215 of the Indenture.

“Supplemental Indenture” means any indenture supplemental to or amendatory of the Indenture.

“Tax Regulatory Agreement” means that Tax Regulatory Agreement of the City relating to maintenance of the excludability of interest on the Series 2011 Bonds from gross income for federal income tax purposes, delivered in connection with the issuance of the Series 2011 Bonds.

“Trustee” means the banking corporation or association designated as Trustee in the Indenture, and its successor or successors as such Trustee. The original Trustee is Simmons First Trust Company, N.A., Pie Bluff, Arkansas.

“Trust Estate” means the property described in the granting clauses of the Indenture.

* Preliminary; subject to change.

SUMMARY OF THE INDENTURE

The following statements are brief summaries of certain provisions of the Indenture. The statements do not purport to be complete, and reference is made to the Indenture, copies of which are available for examination at the offices of the Finance Director of the City, for a full statement thereof.

Funds and Accounts. Net Parking Revenues are pledged by the Indenture to the payment of the principal of and interest on the Series 2011 Bonds. The following Funds have been created and established in connection with the Series 2011 Bonds:

Funds

Revenue Fund
Bond Fund
Debt Service Reserve Fund
Project Fund
Cost of Issuance Fund
Rebate Fund

The Revenue Fund shall be maintained by the City with the Depository of its choice. All other Funds shall be held by the Trustee, which shall hold and maintain said Funds in trust, for the use and benefit of the Bondholders and the City, but subject to the permitted applications contained in the Indenture.

Application of Parking Revenues. The application of Parking Revenues is as follows:

(a) Revenue Fund. All Parking Revenues shall, as and when received, be deposited into the Revenue Fund. So long as there is no Event of Default or the occurrence or continuance of an event which with notice or lapse of time or both would constitute an Event of Default, the City may utilize moneys in the Revenue Fund for the payment of Operation and Maintenance Expenses, and may utilize any surplus in the Revenue Fund (after the payment of Operation and Maintenance Expenses and after making the transfers required by subsections (b) through (d) below) for any valid governmental purpose under State law.

All moneys at any time in the Revenue Fund shall be applied on a monthly basis to the payment of Debt Service on the Bonds, to the maintenance of the Debt Service Reserve Fund, to the payment of any arbitrage rebate due under Section 148(f) of the Code, and to the payment of fees and expenses of the Trustee and any Paying Agent, at the times and in the amounts set forth as follows:

(b) Bond Fund. No later than the last day of each month, commencing no later than [December 31, 2011], there shall be transferred from the Revenue Fund (i) into the Bond Fund, an amount equal to 1/6 of the interest on the Bonds due on the next interest payment date and an amount equal to 1/12 of the principal on the Bonds due on the next principal payment date (including mandatory sinking fund redemptions). Moneys in the Bond Fund shall be used solely for the purpose of paying Annual Debt Service on the Bonds or for redemption of the Bonds, as provided in the Indenture. The Trustee shall withdraw from the Bond Fund, on the date of any principal or interest payment, an amount equal to such payment for the sole purpose of paying the same.

If Parking Revenues in the Revenue Fund are insufficient to make the required monthly payment into the Bond Fund, the amount of any such deficiency in the payment made shall be added to the amount otherwise required to be paid into the Bond Fund not later than last day of the next succeeding month.

(c) Debt Service Reserve Fund. See the caption "SECURITY FOR THE SERIES 2011 BONDS – Debt Service Reserve" herein.

(d) Rebate Fund. The Trustee shall establish and maintain, separate and apart from any other Funds established and maintained under the Indenture, the Rebate Fund, which Fund is not pledged to the payment of any Bonds. Subject to transfer to the United States in payment of any arbitrage rebate due under Section 148(f) of the Code, all moneys at any time deposited in the Rebate Fund shall be held by the Trustee in trust, and neither the City nor the Owner of any Bond shall have any rights in or claim to such money. Any amounts remaining in the Rebate Fund after payment in full of the rebate amount owing to the United States, within sixty (60) days after the date on which the last Bond is redeemed, shall be transferred to the Revenue Fund.

(e) Project Fund. A portion of the proceeds of the Series 2011 Bonds shall be deposited in the Project Fund. See the caption "ESTIMATED SOURCES AND USES OF FUNDS" herein. Amounts in the Project Fund shall be expended only for the payment of Project Costs upon the submission of Requisitions by the City to the Trustee. The Trustee shall only make payments from the Project Fund pursuant to and in accordance with Requisitions. Within ninety (90) days following completion of the Project, the City shall deliver to the Trustee its Certificate stating that the Project is complete and the Trustee shall transfer the remaining moneys in the Project Fund (save and except moneys needed to satisfy unpaid Project Costs) to the Bond Fund for application to the retirement of the Series 2011 Bonds by redemption or purchase. See the caption "THE SERIES 2011 BONDS – Redemption" herein.

(f) Cost of Issuance Fund. A portion of the proceeds of the Series 2011 Bonds shall be deposited to the credit of the Cost of Issuance Fund. The Trustee shall pay those Costs of Issuance as directed by the City pursuant to a Certificate delivered on a Closing Date. After all Costs of Issuance have been paid with respect to the Series 2011 Bonds, any remaining moneys in the Cost of Issuance Fund shall be transferred to the Bond Fund.

Investment of Funds. At the direction of the City or absent such direction, the Trustee shall invest moneys in Funds held by the Trustee in Investment Securities with maturity or redemption dates consistent with the times at which said moneys will be required for the purposes provided in the Indenture; provided, however, the stated maturities of Investment Securities in the Debt Service Reserve Fund shall not exceed five years from the date of investment thereof. Moneys in separate Funds may be commingled for the purpose of investment. The City may invest moneys held in the Revenue Fund in any investment obligations permitted by Arkansas law.

Obligations purchased as an investment of moneys in any Fund created by the Indenture shall be deemed at all times to be a part of such Fund, and any income or loss due to an investment thereof shall be charged to the respective Fund for which the investment was made except as otherwise provided in the Indenture.

Valuation of Funds and Accounts. Investments in any Fund held by the Trustee shall be evaluated monthly and the determined value reported to the City. In determining the value of any Fund held by the Trustee under the Indenture, the Trustee shall credit Investment Securities at the fair market value thereof based on accepted industry standards and from accepted industry providers.

The Trustee shall sell or present for redemption any Investment Securities as necessary in order to provide money for the purpose of making any payment required under the Indenture, and the Trustee shall not be liable for any loss resulting from any such sale.

Responsibility of Trustee. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of moneys made by it at the direction of the City.

Tax Covenants. The City shall not use or permit the use of any Series 2011 Bond proceeds or any other funds of the City, directly or indirectly, in any manner, and will not take or permit to be taken any other action or actions which would adversely effect the exclusion of interest on any Series 2011 Bond from gross income for federal income tax purposes. No part of the proceeds of the Series 2011 Bonds shall at any time be used, directly or indirectly, to acquire securities or obligations the acquisition of which would cause any of such Series 2011 Bonds to be an "arbitrage bond" as defined in Sections 148(a) and (b) of the Code. The City agrees that so long as any of the Series 2011 Bonds remain Outstanding, it will comply with the provisions of the Tax Regulatory Agreement.

Defeasance. Any Series 2011 Bond shall be deemed to be paid within the meaning of the Indenture when payment of the principal of and premium, if any, and interest on such Series 2011 Bond (whether at maturity or upon redemption as provided in the Indenture, or otherwise), either (i) 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) moneys sufficient to make such payment or (2) Government Securities (provided that such deposit will not affect the tax-exempt status of the interest on any of the Series 2011 Bonds or cause any of the Series 2011 Bonds to be classified as "arbitrage bonds" within the meaning of Section 148(a) of the Code, as reflected in an opinion of Bond Counsel delivered to the Trustee), 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 and any Paying Agent pertaining to the Series 2011 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 and any said Paying Agent.

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

- (a) Default in the due and punctual payment of any interest on any Bond;
- (b) Default in the due and punctual payment of the principal of or premium, if any, on any Bond, whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;
- (c) Default in the payment of any other amount required to be paid under the Indenture or the performance or observance of any other of the covenants, agreements or conditions contained in the Indenture, or in the Bonds issued under the Indenture, and continuance thereof for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied, shall have been given to the City by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding, unless the Trustee, or the Trustee and Holders of an aggregate principal amount of Bonds not less than the aggregate principal amount of Bonds the Holders of which requested such notice, as the case may be, shall agree in writing to an extension of such period prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Trustee will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the City within such period and is being diligently pursued;
- (d) The filing of a petition in bankruptcy by or against the City under the United States Bankruptcy Code or the commencement of a proceeding by or against the City under any other law concerning insolvency, reorganization or bankruptcy; and

(e) If the State has limited or altered the rights of the City pursuant to the Act, as in force on the date of the Indenture, to fulfill the terms of any agreements made with the Trustee or the Bondholders or in any way impaired the rights and remedies of the Trustee or the Bondholders while any Bonds are Outstanding.

The term "default" as used in clauses (a), (b) and (c) above shall mean default by the City in the performance or observance of any of the covenants, agreements or conditions on its part contained in the Indenture, or in the Bonds Outstanding thereunder, exclusive of any period of grace required to constitute a default an "Event of Default" as described above.

Acceleration. Upon the occurrence of an Event of Default, the Trustee may, and upon the written request of the Holders of not less than 51% in aggregate principal amount of Bonds Outstanding shall, by notice in writing delivered to the City, declare the principal of all Bonds then Outstanding, together with any premium and the interest accrued thereon, immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

Other Remedies; Rights of Bondholders. Upon the occurrence of an Event of Default, the Trustee may, as an alternative, pursue any available remedy by suit at law or in equity, including, without limitation, mandamus to enforce the payment of the principal of and premium, if any, and interest on the Bonds then Outstanding.

If an Event of Default shall have occurred, and if it shall have been requested so to do by the Holders of 51% in aggregate principal amount of Bonds Outstanding and if it shall have been indemnified as provided in the Indenture, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred upon it by the Indenture as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bondholders.

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

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

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

Rights and Remedies of Bondholders. No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy thereunder, unless a default has occurred of which the Trustee has been notified as provided in the Indenture, or of which by the Indenture it is deemed to have notice, nor unless such default shall have become an Event of Default and the Holders of not less than 51% in aggregate principal amount of Bonds Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers granted or to institute such action, suit, or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in the Indenture nor unless the Trustee shall thereafter fail or refuse to exercise the powers granted, or to institute such action, suit, or proceeding in its own name; and such notification, request and offer of indemnity are declared in every such case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of the Indenture, and to any action or cause of action for the enforcement of the Indenture or for the appointment of a receiver or for any other remedy thereunder; it being understood and intended that no one or more Holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture by action of the Holder or Holders or to enforce any right under the Indenture except in the manner therein provided, and that all proceedings at law or in equity shall be instituted, held and maintained in the manner therein provided for the equal benefit of the Holders of all Bonds Outstanding thereunder. Nothing in the Indenture contained shall, however, affect or impair the right of any Bondholders to enforce the payment of the principal of and premium, if any, and interest on any Bonds at and after the maturity thereof, or the obligation of the City to pay the principal of and premium, if any, and interest on each of the Bonds issued under the Indenture to the respective Holders thereof at the time and place in said Bonds expressed.

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

- (a) to cure any formal defect, omission, inconsistency or ambiguity in the Indenture;
- (b) to grant to or confer or impose upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority, security, liabilities or duties which may lawfully be granted, conferred or imposed and which are not contrary to or inconsistent with the Indenture as theretofore in effect, provided that no such additional liabilities or duties shall be imposed upon the Trustee without its consent;
- (c) to add to the covenants and agreements of, and limitations and restrictions upon, the City in the Indenture other covenants, agreements, limitations and restrictions to be observed by the City which are not contrary to or inconsistent with the Indenture as theretofore in effect;
- (d) to confirm, as further assurance, any pledge under, and the subjection to any claim, lien or pledge created or to be created by, the Indenture, of the Trust Estate or of any other moneys, securities or funds;
- (e) to comply with the requirements of the Trust Indenture Act of 1939, as from time to time amended;
- (f) to authorize the issuance and sale of one or more series of Additional Bonds;
- (g) to make such additions, deletions or modifications as may be necessary to assure compliance with Section 148(f) of the Code relating to required rebate to the United States or otherwise as may be necessary to assure exemption from federal income taxation of interest on the Bonds; or
- (h) to modify, alter, amend or supplement the Indenture in any other respect which is not materially adverse to the Bondholders and which does not involve a change described in clause (a), (b), (c), (d), (e) or (f) above and which, in the judgment of the Trustee, is not to the prejudice of the Trustee.

Supplemental Indentures Requiring Consent of Bondholders. Subject to the terms and provisions contained in this paragraph, and not otherwise, the Holders of not less than 2/3 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 execution by the City and the Trustee of such indenture or indentures supplemental to the Indenture as shall be deemed necessary and desirable by the City 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 (or mandatory redemption date) of the principal or of the interest on any Bond issued thereunder, or (b) a reduction in the principal amount of or redemption premium or rate of interest on any Bond issued thereunder, or (c) the creation of any lien on the Trust Estate or any part thereof, except as expressly permitted in 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, or (f) depriving the Holder of any Bond then Outstanding of the lien created on the Trust Estate.

If, at any time the City shall request the Trustee to enter into any Supplemental Indenture for any of the purposes described above, the Trustee shall, at the expense of the City, cause notice of the proposed execution of such Supplemental Indenture to be mailed by first class mail to each registered owner of the Bonds. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection by Bondholders. The Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail such notice, and any such failure shall not affect the validity of such Supplemental Indenture when consented to and approved as provided above. If the Holders of not less than 2/3 in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof, no Holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the City from executing the same or from taking any action pursuant to the provisions thereof.

SUMMARY OF THE CONTINUING DISCLOSURE AGREEMENT

The City has entered into an undertaking in the form of the Continuing Disclosure Agreement as required by the Indenture for the benefit of the Beneficial Owners of the Series 2011 Bonds to cause certain financial information to be sent to certain information repositories annually and to cause notice to be sent to such information repositories of certain specified events, pursuant to the requirements of Section (b)(5)(i) of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (the "Rule"). The City has not failed to comply with any previous undertaking pursuant to the Rule.

The Continuing Disclosure Agreement contains the following covenants and provisions:

(a) The City covenants that it will disseminate, or will cause the Dissemination Agent to disseminate, the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth in Exhibit I to the Continuing Disclosure Agreement) by delivering such Annual Financial Information and the Audited Financial Statements to the MSRB within 180 days of the completion of the City's fiscal year. The City is required to deliver or cause delivery of such information in Prescribed Form and by such time so that such entities receive the information by the dates specified.

(b) If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate or cause dissemination of a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

(c) If any amendment is made to the Continuing Disclosure Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

(d) The City covenants that it will disseminate or cause dissemination in a timely manner, not in excess of ten (10) business days after the occurrence of the event, of Material Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Series 2011 Bonds or defeasance of any Series 2011 Bonds need not be given under the Continuing Disclosure Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Series 2011 Bonds pursuant to the Indenture. The City is required to deliver or cause delivery of such Material Events Disclosure in the same manner as provided for Annual Financial Information and Audited Financial Statements.

(e) The City shall give notice in a timely manner or shall cause such notice to be given by the Dissemination Agent, not in excess of ten (10) business days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due.

(f) The Continuing Disclosure Agreement has been executed in order to assist the Participating Underwriter in complying with the Rule; however, the Continuing Disclosure Agreement shall inure solely to the benefit of the City, the Dissemination Agent, if any, the Trustee and the Beneficial Owners of the Series 2011 Bonds, and shall create no rights in any other person or entity. In the event of a failure of the City to comply with any provision of the Continuing Disclosure Agreement, the Beneficial Owner of any Series 2011 Bond may seek specific performance by court order to cause the City to comply with its obligations under the Continuing Disclosure Agreement. A default under the Continuing Disclosure Agreement shall not be deemed an Event of Default under the Indenture or any other agreement, and the sole remedy under the Continuing Disclosure Agreement in the event of any failure of the City or the Dissemination Agent to comply with the Continuing Disclosure Agreement shall be an action to compel performance.

(g) The Undertaking of the City pursuant to the Continuing Disclosure Agreement shall be terminated hereunder when the City shall no longer have any legal liability for any obligation on or relating to the repayment of the Series 2011 Bonds. The City shall give notice to the MSRB, or shall cause the Dissemination Agent to give such notice, in a timely manner and in Prescribed Form in such event.

(h) The City and the Dissemination Agent may amend the Continuing Disclosure Agreement, and any provision of the Continuing Disclosure Agreement may be waived, if (i) the amendment or waiver is 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 the City or type of business conducted; (ii) the Continuing Disclosure Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; (iii) the amendment or waiver does not materially impair the interests of the Beneficial Owners of the Series 2011 Bonds, as determined either by parties unaffiliated with the City (such as the Trustee) or by an approving vote of the Beneficial Owners of the Series 2011 Bonds holding a majority of the aggregate principal amount of the Series 2011 Bonds (excluding Series 2011 Bonds held by or on behalf of the City or its affiliates) pursuant to the terms of the Indenture at the time of the amendment; or (iv) the amendment or waiver is otherwise permitted by the Rule.

(i) The following terms used under this caption shall have the meanings set forth below:

“Annual Financial Information” means financial information and operating data (exclusive of Audited Financial Statements) of the type appearing under the caption “SECURITY FOR THE SERIES 2011 BONDS” in the final Official Statement.

“Annual Financial Information Disclosure” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in subsection (a) above.

“Audited Financial Statements” means the audited consolidated financial statements of the City, prepared pursuant to generally accepted accounting standards and as described in Exhibit I to the Continuing Disclosure Agreement.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2011 Bonds (including persons holding Series 2011 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2011 Bonds for federal income tax purposes.

“Commission” means the U.S. Securities and Exchange Commission.

“Dissemination Agent” shall mean Simmons First Trust Company, N.A., acting in its capacity as a dissemination agent under the Continuing Disclosure Agreement, or any successor dissemination agent designated in writing by the City and which has filed with the Trustee a written acceptance of such designation.

“EMMA” means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Material Event” means the occurrence of any of the following events with respect to the Series 2011 Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Nonpayment-related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) 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 status of the security;
- (vii) Modifications to rights of security holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the City;
- (xiii) The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

“Material Events Disclosure” means dissemination of a notice of a Material Event as set forth in subsection (d) above.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the 1934 Act.

“*Participating Underwriter*” means each broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the Series 2011 Bonds.

“*Prescribed Form*” means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Material Events with the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

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

“*State*” means the State of Arkansas.

“*Undertaking*” means the obligations of the City pursuant to subsections (a) and (d) above.

UNDERWRITING

Under a bond purchase agreement entered into by and between the City and Stephens Inc. (the “Underwriter”), the Series 2011 Bonds are being purchased at a purchase price of \$_____ (representing the stated principal amount of the Series 2011 Bonds less an underwriting discount of \$_____) plus accrued interest from December 1, 2011 to the date of delivery of the Series 2011 Bonds. The bond purchase agreement provides that the Underwriter will purchase all of the Series 2011 Bonds if any are purchased. The obligation of the Underwriter to accept delivery of the Series 2011 Bonds is subject to various conditions contained in the bond purchase agreement, including the absence of pending or threatened litigation questioning the validity of the Series 2011 Bonds or the Parking Revenues or any proceedings in connection with the issuance thereof, and the absence of material adverse changes in the financial condition of the City.

The Underwriter intends to offer the Series 2011 Bonds to the public initially at the offering prices as set forth on the inside cover page of this Official Statement, which offering prices (or bond yields establishing such offering 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 Series 2011 Bonds to the public, and may offer the Series 2011 Bonds to such dealers and other underwriters at a price below 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 Series 2011 Bonds, including certain liabilities under federal securities laws.

TAX MATTERS

Federal Income Taxes. In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2011 Bonds is excluded from the gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinion described in the preceding sentence assumes the accuracy of certain representations and compliance by the City with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Series 2011 Bonds. Failure to comply with such requirements could cause interest on the Series 2011 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2011 Bonds. The City has covenanted to comply with such requirements.

Notwithstanding Bond Counsel’s opinion that interest on the Series 2011 Bonds is not a specific preference item for purposes of the federal alternative minimum tax, such interest will be included in adjusted current earnings of certain corporations, and such corporations are required to include in the calculation of alternative minimum taxable income 75% of the excess of such corporation’s adjusted current earnings over their alternative minimum taxable income (determined without regard to such adjustment and prior to reduction for certain net operating losses).

Bank Qualification. The City has represented that it does not reasonably anticipate issuing greater than \$10,000,000 of tax-exempt obligations in calendar year 2011 (excluding certain private activity and refunding bonds) and that it has designated the Series 2011 Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. Accordingly, Bond Counsel is of the opinion that in the case of certain banks, thrift institutions or other financial institutions owning the Series 2011 Bonds, a deduction is allowed for 80% of that portion of such institutions’ interest expense allocable to interest on the Series 2011 Bonds. Bond Counsel has expressed no opinion with respect to any deduction for federal income tax purposes of interest incurred or continued by a holder of the Series 2011 Bonds or a related person to purchase or carry the Series 2011 Bonds

Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2011 Bonds.

The accrual or receipt of interest on the Series 2011 Bonds may otherwise affect the federal income tax liability of the owners of the Series 2011 Bonds. The extent of these other tax consequences will depend upon such owner's particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series 2011 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers otherwise entitled to claim the earned income credit, or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2011 Bonds.

Backup Withholding. As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Series 2011 Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments made after March 31, 2007 to any bondholder who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The new reporting requirement does not in and of itself affect or alter the excludability of interest on the Series 2011 Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Changes in Federal Tax Law. From time to time, there are legislative proposals in the Congress that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Series 2011 Bonds. An example is the American Jobs Act of 2011, proposed by President Obama on September 12, 2011 and introduced in the United States Senate on September 13, 2011. If enacted as introduced, a provision of the American Jobs Act of 2011 would limit the amount of exclusions (including tax-exempt interest) and deductions available to certain high income taxpayers for taxable years after 2012, and as a result could affect the market price or marketability of the Series 2011 Bonds. 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.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2011 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2011 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2011 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2011 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

State Taxes. Bond Counsel is of the opinion that, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2011 Bonds is exempt from all state, county and municipal taxes in the State of Arkansas.

LEGAL MATTERS

Legal Opinions. Legal matters incident to the authorization and issuance of the Series 2011 Bonds are subject to the unqualified approving opinion of Kutak Rock LLP, Little Rock, Arkansas, Bond Counsel, a copy of whose approving opinion will be delivered with the Series 2011 Bonds and a form of which is attached hereto as Appendix A. Certain legal matters will be passed upon for the City by its counsel, Kit Williams, Esq., City Attorney.

Litigation. There is no litigation pending seeking to restrain or enjoin the issuance or delivery of the Series 2011 Bonds or questioning or affecting the legality of the Series 2011 Bonds or the proceedings and authority under which the Series 2011 Bonds are to be issued, or questioning the right of the City to issue the Series 2011 Bonds. [There is no action, suit or proceeding known to be pending or threatened, restraining or enjoining the City in any way which could have a material adverse effect on Parking Revenues or the City's ability to pay debt service with respect to the Series 2011 Bonds.]

MISCELLANEOUS

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 Series 2011 Bonds.

ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT

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 City, this 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 herein, or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

The execution and delivery of this Official Statement has been duly authorized by the City of Fayetteville,
Arkansas.

CITY OF FAYETTEVILLE, ARKANSAS

By: _____
Mayor

APPENDIX A

Proposed Form of Bond Counsel Opinion

Upon delivery of the Series 2011 Bonds in definitive form, Kutak Rock LLP, Little Rock, Arkansas, proposes to deliver its approving opinion in substantially the following form:

December __, 2011

City of Fayetteville, Arkansas
Fayetteville, Arkansas

Simmons First Trust Company, N.A., as Trustee
Pine Bluff, Arkansas

Stephens Inc.
Fayetteville, Arkansas

\$ _____ *
City of Fayetteville, Arkansas
Parking Revenue Improvement Bonds
Series 2011

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance and sale by the City of Fayetteville, Arkansas (the "City"), a political subdivision of the State of Arkansas, of its \$ _____ * Parking Revenue Improvement Bonds, Series 2011 (the "Bonds").

The Bonds are being issued pursuant to the provisions of the Constitution and laws of the State of Arkansas, including, particularly, Amendment 65 and Arkansas Code Annotated (1998 Repl. & Supp. 2011) §§14-164-401 *et seq.* (as from time to time amended, the "Local Government Revenue Bond Act"), pursuant to Ordinance No. _____ of the City, duly adopted and approved on _____, 2011 (the "Authorizing Ordinance"), and pursuant to a Trust Indenture dated as of December 1, 2011 (the "Indenture"), by and between the City and Simmons First Trust Company, N.A., Pine Bluff, Arkansas, as trustee (the "Trustee"). Reference is hereby made to the Indenture and to all indentures supplemental thereto for the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the City, the Trustee and the Holders of the Bonds, and the terms upon which the Bonds are issued and secured.

Reference is made to an opinion of even date herewith of Kit Williams, Esq., City Attorney, a copy of which is on file with the Trustee, with respect, among other matters, to the status and valid existence of the City, the power of the City to adopt the Authorizing Ordinance and to enter into and perform its obligations under the Indenture, the valid adoption of the Authorizing Ordinance, and the due authorization, execution and delivery of the Indenture by the City, and with respect to the Indenture being enforceable upon the City

We have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the representations of the City contained in the Authorizing Ordinance and the Indenture and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The City is duly created and validly existing as a municipal corporation of the State of Arkansas. Pursuant to the Constitution and laws of the State of Arkansas, including, particularly, Amendment 65 and the Local Government Revenue Bond Act, the City is empowered to adopt the Authorizing Ordinance, to execute and deliver the Indenture, to perform the agreements on its part contained therein, and to issue the Bonds.

2. The Authorizing Ordinance has been duly adopted by the City and constitutes a valid and binding obligation of the City enforceable upon the City in accordance with its terms.

3. The Indenture has been duly authorized, executed and delivered by the City and is a valid and binding obligation of the City enforceable upon the City in accordance with its terms.

4. The Bonds have been validly authorized, executed, issued and delivered by the City and represent valid and binding special obligations of the City. The principal, premium, if any, and interest on the Bonds shall be payable from, and shall be secured by an assignment and pledge by the City to the Trustee of, the Net Parking Revenues (as defined in the Indenture).

5. The Net Parking Revenues have been duly and validly assigned and pledged to the Trustee under the Indenture, and the Indenture creates, as security for the Bonds, a valid security interest in the Net Parking Revenues. Under the laws of the State of Arkansas, including, particularly, Arkansas Code Annotated (2001 Repl. & 2011 Supp.) Section 4-9-109(d)(14), the pledge, assignment and security interest in the Net Parking Revenues securing the Bonds is and shall be prior to any judicial lien hereafter imposed on said Net Parking Revenues to enforce a judgment against the City on a simple contract, and it is not necessary to file a Uniform Commercial Code financing statement in order to perfect a security interest in said Net Parking Revenues.

6. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinion described in the preceding sentence assumes the accuracy of certain representations and compliance by the City with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended, that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The City has covenanted to comply with such requirements. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Code), a deduction is allowed for eighty percent (80%) of that portion of such financial institution's interest expense allocable to interest on the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

7. The interest on the Bonds is exempt from all state, county and municipal taxes in the State of Arkansas.

8. The Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Indenture is not required to be qualified under the Trust Indenture Act of 1939, as amended, in connection with the offer and sale of the Bonds.

It is to be understood that the rights of the registered owners of the Bonds and the enforceability of the Bonds, the Authorizing Ordinance and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,

KUTAK ROCK LLP
DRAFT 10/20/11

CITY OF FAYETTEVILLE, ARKANSAS

to

SIMMONS FIRST TRUST COMPANY, N.A.
as Trustee

TRUST INDENTURE

Dated as of December 1, 2011

Providing for:

\$ _____
City of Fayetteville, Arkansas
Parking Revenue Improvement Bonds
Series 2011

Prepared by:

Kutak Rock LLP
124 West Capitol Avenue, Suite 2000
Little Rock, Arkansas 72201

TABLE OF CONTENTS

(This Table of Contents is not a part of the Trust
Indenture and is only for convenience of reference.)

	<u>Page No.</u>
Parties.....	1
Recitals.....	1
Granting Clauses.....	2

ARTICLE I DEFINITIONS

Section 101.	Definitions.....	4
Section 102.	Use of Words	11

ARTICLE II THE BONDS

Section 201.	Security for the Bonds	11
Section 202.	Authorized Amount of the Bonds	11
Section 203.	Details of the Bonds.....	11
Section 204.	Bond Form	12
Section 205.	Payment.....	13
Section 206.	Execution	13
Section 207.	Limited Obligation.....	13
Section 208.	Authentication.....	13
Section 209.	Delivery of the Bonds	13
Section 210.	Mutilated, Destroyed or Lost Bonds.....	15
Section 211.	Registration and Transfer of Bonds	15
Section 212.	Cancellation	16
Section 213.	Additional Bonds	16
Section 214.	Superior Obligations Prohibited	17
Section 215.	Subordinate Obligations.....	17
Section 216.	Temporary Bonds.....	18
Section 217.	Book-Entry Bonds; Securities Depository.....	18

ARTICLE III REDEMPTION OF BONDS BEFORE MATURITY

Section 301.	Redemption of Bonds	19
Section 302.	Notice.....	21
Section 303.	Selection of Bonds to be Redeemed	21
Section 304.	Surrender of Bonds Upon Redemption.....	21
Section 305.	Redemption in Part	21
Section 306.	Redemption of Additional Bonds	22

ARTICLE IV
GENERAL COVENANTS AND REPRESENTATIONS

Section 401.	Payment of Principal, Premium, if any, and Interest	22
Section 402.	Performance of Covenants	22
Section 403.	Instruments of Further Assurance	22
Section 404.	Recordation and Filing	23
Section 405.	Inspection of Books	23
Section 406.	Tax Covenants	23
Section 407.	Parking Fee Rates and Charges.....	23
Section 408.	[RESERVED]	23
Section 409.	Completion of Projects; Certification of Completion Dates.....	24
Section 410.	Encumbrances	24
Section 411.	Parking Revenues to be Used as Provided in Indenture	24
Section 412.	Continuing Disclosure	24
Section 413.	Representations, Warranties and Covenants Regarding Trust Estate.....	25

ARTICLE V
FUNDS AND DEPOSITS

Section 501.	Creation of Funds.....	25
Section 502.	Project Fund	26
Section 503.	Revenue Fund	27
Section 504.	Bond Fund.....	28
Section 505.	Cost of Issuance Fund	28
Section 506.	Rebate Fund	28
Section 507.	Debt Service Reserve Fund.....	29
Section 508.	Cessation of Fund Deposits	30
Section 509.	Separate Accounts Authorized.....	30

ARTICLE VI
[RESERVED]

ARTICLE VII
INVESTMENTS

Section 701.	Investment of Moneys.....	30
Section 702.	Investment Earnings.....	30
Section 703.	Valuation of Funds.....	31
Section 704.	Responsibility of Trustee	31

ARTICLE VIII
DISCHARGE OF LIEN

Section 801.	Discharge of Lien.....	31
Section 802.	Bonds Deemed Paid	31
Section 803.	Non-Presentment of Bonds	32

ARTICLE IX
DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

Section 901.	Events of Default	32
--------------	-------------------------	----

Section 902.	Acceleration	33
Section 903.	Other Remedies; Rights of Bondholders	33
Section 904.	Right of Bondholders to Direct Proceedings	34
Section 905.	Appointment of Receiver	34
Section 906.	Waiver.....	34
Section 907.	Application of Moneys	34
Section 908.	Remedies Vested in Trustee.....	35
Section 909.	Rights and Remedies of Bondholders.....	36
Section 910.	Termination of Proceedings.....	36
Section 911.	Waivers of Events of Default.....	36

ARTICLE X
 TRUSTEE AND PAYING AGENTS

Section 1001.	Acceptance of Trusts.....	37
Section 1002.	Fees, Charges and Expenses of Trustee and Paying Agents; Trustee's Prior Lien	39
Section 1003.	Additional Duties of Trustee.....	40
Section 1004.	Notice to Bondholders of Default	40
Section 1005.	Intervention by Trustee	40
Section 1006.	Merger or Consolidation of Trustee.....	40
Section 1007.	Resignation by Trustee	41
Section 1008.	Removal of Trustee.....	41
Section 1009.	Appointment of Successor Trustee	41
Section 1010.	Concerning Any Successor Trustee	41
Section 1011.	Reliance Upon Instruments.....	42
Section 1012.	Appointment of Co-Trustee	42
Section 1013.	Designation and Succession of Paying Agents	43

ARTICLE XI
 SUPPLEMENTAL INDENTURES

Section 1101.	Supplemental Indentures Not Requiring Consent of Bondholders.....	43
Section 1102.	Supplemental Indentures Requiring Consent of Bondholders.....	44
Section 1103.	Effect of Supplemental Indentures.....	45

ARTICLE XII
 MISCELLANEOUS

Section 1201.	Consents, etc. of Bondholders	45
Section 1202.	Notices	45
Section 1203.	Limitation of Rights.....	46
Section 1204.	Severability	46
Section 1205.	Applicable Provisions of Law.....	46
Section 1206.	Counterparts.....	46
Section 1207.	Successors and Assigns.....	46
Section 1208.	Captions	46
Section 1209.	Photocopies and Reproductions.....	46
Section 1210.	Bonds Owned by the City	46

Signatures..... 48
Acknowledgements..... 49

Exhibit A Form of Series 2011 Bond A-1
Exhibit B Form of Requisition..... B-1

TRUST INDENTURE

THIS TRUST INDENTURE dated as of December 1, 2011, by and between the **CITY OF FAYETTEVILLE, ARKANSAS** (the “City”), a city of the first class organized under and existing by virtue of the laws of the State of Arkansas, as party of the first part, and **SIMMONS FIRST TRUST COMPANY, N.A.**, as trustee (the “Trustee”), a national banking association organized under and existing by virtue of the laws of the United States of America and having its principal corporate trust office in Pine Bluff, Arkansas, as party of the second part;

WITNESSETH:

WHEREAS, the City has determined that there is a need for a source of funds to finance all or a portion of the costs of acquiring, constructing and equipping parking deck facilities and related roadway and other improvements (collectively, the “2011 Project”), such facilities and improvements to be located in the City’s Entertainment District Parking Zone; and

WHEREAS, the City is authorized and empowered under the provisions of the Constitution and laws of the State of Arkansas, including particularly Amendment 65 to the Constitution and Arkansas Code Annotated (1998 Repl. & Supp. 2011) Sections 14-164-401 *et seq.* (as from time to time amended, the “Act”), to issue and sell its revenue bonds for the purpose of financing “capital improvements” (as defined in the Act), such as those improvements comprising the 2011 Project; and

WHEREAS, in order to secure funds necessary to finance some or all of the costs of the 2011 Project in accordance with the provisions of the Act, the City proposes to issue its Parking Revenue Improvement Bonds, Series 2011 (the “Series 2011 Bonds”), in the aggregate principal amount of \$ _____, such Series 2011 Bonds to be payable from and secured by a pledge of all net revenues (after provision for operation and maintenance expenses, including previous debt for parking equipment) attributable to parking fees, leases, rents, fines, charges and other revenues collected by the City with respect to its meters, lots and other parking facilities, and including net revenues to be generated with respect to the 2011 Project and net revenues with respect to the City management of parking facilities owned by third parties (the “Net Parking Revenues”); and

WHEREAS, the City has further determined to enter into this Indenture to authorize the issuance of and to secure the Series 2011 Bonds by granting to the Trustee a pledge and assignment of the interests and other rights herein contained, and certain funds created hereby; and

WHEREAS, the Series 2011 Bonds are to be dated, bear interest, mature and be subject to redemption as hereinafter in this Indenture set forth in detail; and

WHEREAS, provision is made in this Indenture for the issuance of Additional Bonds (hereinafter defined) upon compliance with certain conditions set forth herein; and

WHEREAS, the execution and delivery of this Indenture and the issuance of the Series 2011 Bonds have been in all respects duly and validly confirmed, authorized and approved by Ordinance No. _____ adopted and approved by the City Council of the City on _____, 2011; and

WHEREAS, all things necessary to make the Series 2011 Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the City according to the import thereof, and to constitute this Indenture a valid pledge of the Net Parking Revenues (hereinafter defined) to the payment of the principal of, premium, if any, and interest on the Series 2011 Bonds, as specified in and in accordance with the provisions hereof, have been done and performed, and the creation, execution and delivery of this Indenture and the creation, execution, issuance and delivery of the Series 2011 Bonds, subject to the terms hereof, have in all respects been duly authorized;

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

That the City, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Series 2011 Bonds by the holders and owners thereof, and the sum of Ten Dollars (\$10.00), lawful money of the United States of America, to it duly paid by the Trustee, at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of, premium, if any, and interest on the Series 2011 Bonds and all Additional Bonds (hereinafter defined) according to their tenor and effect, and to secure the performance and observance by the City of all the covenants expressed or implied herein and in the Series 2011 Bonds and Additional Bonds (collectively, the "Bonds"), does hereby grant, bargain, sell, convey, mortgage, assign, transfer and pledge unto the Trustee, and unto its successor or successors in trust, and to them and their assigns forever, for the securing of the performance of the obligations of the City hereinafter set forth the following:

1.

Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, the Net Parking Revenues (hereinafter defined), including particularly the moneys in and pledged to the Revenue Fund, Bond Fund, Debt Service Reserve Fund and Project Fund (each hereinafter defined) established by this Indenture, including the investment earnings thereon, if any; and

2.

All moneys, securities and obligations from time to time held by the Trustee under the terms of this Indenture (except for moneys, securities or obligations deposited with or paid to the Trustee for the redemption or payment of Bonds which are deemed to have been paid in accordance with Article VIII hereof), and any and all real and personal property, rights and interests of every kind and nature from time to time which have been, are hereby, or hereafter

are, by delivery or by writing or transfer of any kind, conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder, by the City or by any other person, firm or corporation, or with the written consent of the City, to the Trustee, which is hereby authorized to receive any and all such properties, rights and interests at any time and at all times and to hold and apply the same subject to the terms hereof.

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

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all owners of the said Bonds issued under and secured by this Indenture without privilege, priority or distinction as to lien or otherwise of any of the Bonds over any of the other Bonds; provided, however, that if the City, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of, premium, if any, and interest due on the Bonds, at the times and in the manner provided in the Bonds, according to the true intent and meaning thereof, and shall make the payments as required under this Indenture or shall provide, as permitted hereby, for the payment thereof by depositing or causing to be deposited with the Trustee the entire amount due or to become due thereon, and shall well and truly keep, perform and observe all of the covenants and conditions pursuant to the terms of this Indenture to be kept, and shall pay to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments or deposits this Indenture and the lien and rights hereby granted shall cease, determine and be void; otherwise, this Indenture is to be and remain in full force and effect.

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

[END OF RECITALS AND GRANTING CLAUSES]

ARTICLE I

DEFINITIONS

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

“Act” means the Local Government Capital Improvement Revenue Bond Act of 1985, codified as Arkansas Code Annotated (1998 Repl. & Supp. 2011) Sections 14-164-401 *et seq.*, as from time to time amended.

“Additional Bonds” mean Bonds in addition to the Series 2011 Bonds which are issued under the provisions of Section 213 of this Indenture.

“Amendment 65” means Amendment No. 65 to the Constitution of the State of Arkansas, approved by the voters of the State on November 4, 1986.

“Annual Debt Service” means, with respect to all or any particular amount of Bonds or Subordinate Obligations, as the case may be, the Debt Service for any particular Fiscal Year required to be paid or set aside during such Fiscal Year, less the amount of such payment which is provided from the proceeds of the sale of Bonds or Subordinate Obligations or from sources other than Net Parking Revenues.

“Authorized Representative” means either the Mayor or the Finance Director of the City and such additional persons as from time to time may be designated to act on behalf of the City by a Certificate furnished to the Trustee containing the specimen signature thereof and executed on behalf of the City by its Mayor.

“Authorizing Ordinance” means Ordinance No. _____, adopted by the City Council on _____, 2011, which authorized the issuance of the Series 2011 Bonds pursuant to this Indenture.

“Beneficial Owner” means any Person who acquires beneficial ownership interest in a Bond held by the Securities Depository. In determining the Beneficial Owner of any Bond, the Trustee may rely exclusively upon written representations made and information given to the Trustee by the Securities Depository or its Participants with respect to any Bond held by the Securities Depository in which a beneficial ownership interest is claimed.

“Bond Counsel” means any firm of nationally recognized municipal bond counsel selected by the City and acceptable to the Trustee.

“Bond Fund” means the fund by that name created and established in Section 501 of this Indenture.

“Bonds” mean the Series 2011 Bonds and all Additional Bonds issued by the City pursuant to this Indenture.

“Book-Entry System” means the book-entry system maintained by the Securities Depository described in Section 217 of this Indenture.

“Business Day” means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in New York, New York, or the city in which the principal corporate trust office of the Trustee is located are authorized or required by law or executive order to close, or (c) a day on which the New York Stock Exchange or the Securities Depository is closed.

“Certificate” means a document signed by an Authorized Representative of the City attesting to or acknowledging the circumstances or other matters therein stated.

“City” means the City of Fayetteville, Arkansas, a municipality and political subdivision under the laws of the State of Arkansas.

“City Clerk” means the person holding the office and performing the duties of the City Clerk of the City.

“Closing Date” means, with respect to any series of Bonds, the date upon which there is an exchange of such series of Bonds for the proceeds representing the purchase price for such series of Bonds by the Original Purchaser or Purchasers thereof.

“Code” means the Internal Revenue Code of 1986, as from time to time amended, and applicable regulations issued or proposed thereunder.

“Completion Date” means the date upon which a Project is first ready for normal continuous operation, as certified by an Authorized Representative.

“Continuing Disclosure Agreement” means, collectively, each Continuing Disclosure Agreement between the City and a dissemination agent, dated the date of issuance and delivery of a series of Bonds, as originally executed and as amended from time to time in accordance with the terms thereof.

“Costs of Issuance” means all items of expense payable or reimbursable directly or indirectly by the City and related to the authorization, sale and issuance of the Bonds, including, but not limited to, underwriting discounts, fees and expenses, publication expenses, expenses of printing, reproducing, filing and recording documents, initial fees and charges of the Trustee and any Paying Agent, fees and expenses for legal, accounting and other professional services, rating fees, costs of securing any credit enhancement for the Bonds, costs of execution, transportation and safekeeping of the Bonds, and other costs, charges and fees incurred in connection with the foregoing.

“Costs of Issuance Fund” means the fund by that name created and established in Section 501 of this Indenture.

“Debt Service” means, with respect to all or any particular amount of Bonds or Subordinate Obligations, as the case may be, the total as of any particular date of computation and for any particular period of the scheduled amount of interest and amortization of principal payable on such Bonds or Subordinate Obligations, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

“Debt Service Reserve Fund” means the fund by that name created and established in Section 501 of this Indenture.

“Depository” means a national or state banking corporation or association (which may include the Trustee and any Paying Agent) which holds membership in the Federal Deposit Insurance Corporation.

“Event of Default” means any event of default specified in Section 901 hereof.

“Fiscal Year” means the 12-month period used, at any time, by the City for accounting purposes, which may be the calendar year.

“Fund” means a fund established by Article V of this Indenture.

“Government Securities” means direct obligations of, or obligations fully guaranteed as to principal and interest by, the United States of America or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America (including obligations issued or held in book-entry form on the books of the U.S. Department of Treasury).

“Holder” or “Bondholder” or “owner of the Bonds” means the registered owner of any Bond.

“Indenture” means this Trust Indenture dated as of December 1, 2011, between the City and the Trustee, pursuant to which the Bonds are issued, and any amendments and supplements hereto.

“Investment Securities” means, if and to the extent the same are at the time legal for investment of funds held under this Indenture:

- (a) Cash (insured at all times by the Federal Deposit Insurance Corporation);
- (b) Government Securities;
- (c) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:
 - (1) U.S. Export-Import Bank (Eximbank);
 - (2) Rural Economic Community Development Administration;

- (3) U.S. Maritime Administration;
- (4) Small Business Administration;
- (5) U.S. Department of Housing & Urban Development (PHAs);
- (6) Federal Housing Administration (FHA); and
- (7) Federal Financing Bank;

(d) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- (1) Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC);
- (2) Obligations of the Resolution Funding Corporation (REFCORP);
and
- (3) Senior debt obligations of the Federal Home Loan Bank System;

(e) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by the FDIC;

(f) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(g) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;

(h) Investments in money market funds rated "AAAm" or "AAAm-G" or better by S&P;

(i) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

- (1) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or

(2) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or Government Securities, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate; and

(j) Municipal Obligations rated “Aaa/AAA” or general obligations of States with a rating of “A2/A” or higher by both Moody’s and S&P.

“Mayor” means the person holding the office and performing the duties of the Mayor of the City.

“Moody’s” means Moody’s Investors Service, Inc., and any successor thereto.

“Net Parking Revenues” means Parking Revenues less Operation and Maintenance Expenses.

“Operation and Maintenance Expenses” means all reasonable and necessary costs and expenses incurred in the operation, maintenance, repair and insuring of the City’s parking meters, lots and other parking facilities which are properly accounted for such purposes under generally accepted accounting principles, including debt service on debt incurred to acquire parking equipment prior to the date of this Indenture. Such term does not include Debt Service on the Bonds and Subordinate Obligations or depreciation expense.

“Original Purchaser” means the first purchaser(s) of a series of Bonds from the City.

“Outstanding” means, when used with reference to the Bonds, as of any particular date, the aggregate of all Bonds authenticated and delivered under this Indenture except:

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

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

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

“Parking Revenues” means all revenues attributable to parking fees, leases, rents, fines, charges and other revenues collected by the City with respect to its meters, lots and other parking facilities, and including revenues to be generated with respect to the 2011 Project and net revenues with respect to City management of parking facilities owned by third parties.

“Participants” means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository in the Book-Entry System, as such listing of Participants exists at the time of such reference.

“Paying Agent” means any bank or trust company named by the City as the place at which the principal of and premium, if any, and interest on the Bonds are payable.

“Person” means any natural person, firm, association, corporation, limited liability company, partnership, joint stock company, joint venture, trust, unincorporated organization or firm, or a government or any agency or political subdivision thereof or other public body.

“Project” means the 2011 Project and any other parking facility related “capital improvements” (as defined in the Act) financed with the proceeds of Additional Bonds.

“2011 Project” means the particular betterments and improvements to be financed with the proceeds of the Series 2011 Bonds.

“Project Costs” means, to the extent permitted by the Act or other applicable laws, with respect to a Project, all costs of planning, designing, purchasing, acquiring, constructing, improving, enlarging, extending, repairing, financing and placing in operation, including obtaining governmental approvals, certificates, permits and licenses with respect thereto, heretofore or hereafter paid or incurred by or on behalf of the City and which shall include, but shall not be limited to:

(a) preliminary investigation and development costs, engineering fees, contractors’ fees, labor costs, the cost of materials, equipment, utility services and supplies, costs of obtaining permits, licenses and approvals, costs of real property, insurance premiums, legal and financing fees and costs, administrative and general costs, and all other costs properly allocable to the acquisition, construction and equipping of the Project and placing the same in operation;

(b) all costs relating to injury and damage claims arising out of the acquisition, construction or equipping of the Project;

(c) all other costs incurred in connection with, and properly allocable to, the acquisition, construction and equipping of the Project; and

(d) amounts to pay or reimburse the City or any City fund for expenses of the City incident and properly allocable to such planning, designing, purchasing, acquiring, constructing, improving, enlarging, extending, repairing, financing and placing in operation of the Project.

“Project Fund” means the fund by that name created and established in Section 501 of this Indenture.

“Qualified Accountant” means an independent certified public accountant or firm of independent certified public accountants not in the regular employ of the City.

“Rebate Fund” means the fund by that name created and established in Section 501 of this Indenture.

“Record Date” means with respect to any interest payment date of the Bonds, the fifteenth day of the calendar month next preceding the month in which such interest payment date falls.

“Requisition” means a written requisition of the City, consecutively numbered, signed by an Authorized Representative in the form of Exhibit B to this Indenture.

“Reserve Requirement” means, with respect to each series of Bonds, an amount equal to the least of (i) the maximum Annual Debt Service with respect to such series of Bonds, (ii) 125% of the average Annual Debt Service with respect to such series of Bonds, or (iii) 10% of the stated original principal amount of such series of Bonds. For all purposes of this Indenture, the Reserve Requirement may be satisfied by cash or by Investment Securities.

“Revenue Fund” means the fund by that name created and established in Section 501 of this Indenture.

“S&P” means Standard & Poor’s Ratings Services, a Division of The McGraw-Hill Companies, Inc., and any successor thereto.

“Securities Depository” means The Depository Trust Company, New York, New York, or its nominee, and its successors and assigns, or any other depository institution appointed by the City or the Trustee to act as depository for the Bonds in connection with the Book-Entry System.

“Series 2011 Bonds” means the initial series of Bonds being issued under and secured by this Indenture in the aggregate principal amount of \$_____ for the purpose of financing the 2011 Project.

“State” means the State of Arkansas.

“Subordinate Obligations” means debt obligations of the City secured by a pledge of the Net Parking Revenues that is subordinate to the lien thereon securing the payment of the Bonds, as permitted by the provisions of Section 215 of this Indenture.

“Supplemental Indenture” means any indenture supplemental to or amendatory of this Indenture, adopted by the City in accordance with Article XI hereof.

“Tax Regulatory Agreement” means with respect to any series of Bonds, that Tax Regulatory Agreement of the City relating to maintenance of the excludability of interest on such Bonds from gross income for federal income tax purposes, delivered in connection with the issuance of such series of Bonds.

“Trustee” means the banking corporation or association designated as Trustee in the Indenture, and its successor or successors as such Trustee. The original Trustee is Simmons First Trust Company, N.A., Pine Bluff, Arkansas.

“Trust Estate” means the property described in the granting clauses of this Indenture.

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

ARTICLE II

THE BONDS

Section 201. Security for the Bonds. (a) The Bonds are special and limited obligations of the City payable as to principal, premium, if any, and interest solely out of the Trust Estate (including the Net Parking Revenues), which Trust Estate shall be, and the same hereby is, pledged, appropriated and assigned to such payment in accordance with the provisions of this Indenture. Such pledge, appropriation and assignment shall not prevent the application of such pledged moneys and revenues for the purposes and on the terms set forth in this Indenture. The Bonds do not constitute an indebtedness for which the faith and credit of the State of Arkansas or the City is pledged within the meaning of any Constitutional or statutory limitation. The Bonds shall never constitute an obligation of or a charge against the general credit or taxing powers of the City.

(b) The pledge, charge, lien, trusts and assignments made herein and hereby with respect to the Trust Estate shall be valid and binding, and shall be deemed continuously perfected from the time of issuance of the Series 2011 Bonds, and the Trust Estate shall thereupon be immediately subject to the pledge, charge, lien, trust and assignment created hereby upon receipt thereof by or for the City or the Trustee or the Paying Agent hereunder, without any physical delivery, segregation thereof or further act, and such pledge, charge, lien, trust and assignment shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City, irrespective of whether such parties have notice thereof.

(c) The Bonds shall be equally and ratably payable and secured hereunder without priority by reason of date of adoption of this Indenture or any Supplemental Indenture authorizing their issuance or by reason of their series, number, date, date of issue, execution, authentication or sale, or otherwise.

Section 202. Authorized Amount of the Bonds. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article II. The total principal amount of Bonds that may be issued is hereby expressly limited to \$_____, except as provided in Section 210 and Section 213 hereof.

Section 203. Details of the Bonds. (a) The Series 2011 Bonds (i) shall be designated “City of Fayetteville, Arkansas Parking Revenue Improvement Bonds, Series 2011,” (ii) shall be in the aggregate principal amount of \$_____, (iii) shall be dated as of December 1, 2011, (iv) shall bear interest from such date at the rates hereinafter provided until paid, payable semiannually on June 1 and December 1 of each year, commencing June 1, 2012, (v) shall be

issued in denominations of \$5,000 each, or any integral multiple thereof, (vi) shall be numbered from R11-1 upwards in order of issuance according to the records of the Trustee, and (vii) shall mature, unless sooner redeemed in the manner in this Indenture set forth, on December 1 in each of the years and in the amounts set forth in the following table, which table also sets forth the interest rates for the Series 2011 Bonds:

<u>Year</u> <u>(December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2012	\$	%
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		

Section 204. Bond Form. (a) The Series 2011 Bonds shall be initially issued as fully registered Bonds without coupons, in the form of _____ typewritten bond certificates (one for each maturity) to be delivered to the Securities Depository. Each such certificate shall be initially registered in the name of the nominee of the Securities Depository, and no Beneficial Owner will receive a certificate representing his interest in the Series 2011 Bonds, except upon the occurrence of the events described in Section 217 hereof. Beneficial Owners will be deemed to have waived any right to receive a bond certificate except under the circumstances described in Section 217. The Series 2011 Bonds and the Trustee's certificate of authentication to be endorsed thereon shall be in substantially the form set forth in Exhibit A hereto, with appropriate variations, insertions and omissions as permitted or required by this Indenture.

Section 205. Payment. The Bonds shall be payable, with respect to principal, premium, if any, and interest in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. The principal of and premium, if any, on the Bonds shall be payable upon surrender thereof at the principal corporate trust office of the Trustee. Payment of interest on each Bond shall be made by check or draft mailed to the registered owner of such Bond as of the applicable Record Date at his address as it appears on the registration books maintained by the Trustee. For purposes of this Indenture, interest on the Bonds shall be deemed to accrue on the basis of a 360 day year of twelve 30 day months. So long as the Securities Depository or its nominee is the sole registered owner of the Bonds, payment of interest thereon shall be made by wire transfer of immediately available funds by the Paying Agent to the Securities Depository or its nominee.

Section 206. Execution. The Bonds shall be executed on behalf of the City by the manual or facsimile signatures of its Mayor and City Clerk and shall have impressed or imprinted thereon the seal of the City. A facsimile signature shall have the same force and effect as if manually signed. In case any officer whose manual signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such official had remained in office until delivery.

Section 207. Limited Obligation. The Bonds, together with interest thereon, are limited and special obligations of the City payable solely out of the Trust Estate, which shall be, and hereby is, pledged and charged to such payment in accordance with the provisions of this Indenture, and shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision and shall never constitute an obligation of or a charge against the general credit of the City. The Bonds shall be secured by such pledge and charge and by a lien on the Trust Estate, all in accordance with and subject to the conditions and provisions of the Act and this Indenture.

Section 208. Authentication. Only such Bonds as shall have endorsed thereon a certificate of authentication substantially in the form set forth in Exhibit A attached hereto duly executed by the Trustee shall be entitled to any right or benefit under this Indenture. No Bond shall be valid and obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 209. Delivery of the Bonds. The City shall execute and deliver to the Trustee and the Trustee shall authenticate the Bonds of any series and deliver said Bonds to the Securities Depository as may be directed in this Section 209, in Section 213 hereof or in any Supplemental Indenture.

(a) Prior to the delivery or original issuance by the Trustee of any authenticated Bonds of any series, there shall be delivered to the Trustee:

(1) An original executed counterpart of this Indenture or, in the case of Additional Bonds, a Supplemental Indenture by and between the City and the Trustee setting forth the details concerning such Additional Bonds;

(2) Original executed counterparts of the Continuing Disclosure Agreement and the Tax Regulatory Agreement applicable to such series of Bonds;

(3) A Certificate of the City directing the Trustee to authenticate the Bonds and containing instructions as to the delivery of the Bonds upon payment to the Trustee, for the account of the City, of a sum specified in such Certificate;

(4) A copy, duly certified by the City Clerk, of the proceedings of the City authorizing the issuance of the Bonds;

(5) A written opinion of Bond Counsel approving the legality of the Bonds;

(6) In the case of any series of Additional Bonds, a Certificate signed by the Mayor certifying that (i) the City is not then in default in the performance of any of the covenants, conditions, agreements or provisions contained in this Indenture, and (ii) the City is current as to all required deposits at that time in all the Funds described in Article V of this Indenture or hereafter created by Supplemental Indentures, or if the City is in default or is not so current, certifying in the case of (i) or (ii) as to that fact and that upon the application of the proceeds of the sale of such Additional Bonds as provided in the Supplemental Indenture authorizing the issuance thereof, the City will not be in default or will be current thereafter;

(7) In the case of any series of Additional Bonds, a written opinion of Bond Counsel to the effect that the exemption from federal income tax of the interest on the Series 2011 Bonds and any Additional Bonds theretofore issued will not be adversely affected by the issuance of the Additional Bonds being issued;

(8) In the case of any series of Additional Bonds, a statement of a Qualified Accountant or a Certificate of Mayor, as the case may be, satisfying the requirements of Section 213 hereof; and

(9) Such further documents and certificates as may be required by the Original Purchaser or Purchasers of such series of Bonds.

(b) Simultaneously with the delivery of the Series 2011 Bonds, the Trustee shall apply the proceeds thereof as follows:

(1) The amount, if any, received as accrued interest on the Series 2011 Bonds shall be deposited in the Bond Fund;

(2) \$ _____, an amount equal to the Reserve Requirement with respect to the Series 2011 Bonds, shall be deposited in the Debt Service Reserve Fund;

(3) An amount equal to \$ _____ shall be deposited in the Costs of Issuance Fund for payment of Costs of Issuance pursuant to the written direction of the City; and

(4) The balance of said proceeds in the amount of \$ _____ shall be deposited in the Project Fund.

Section 210. Mutilated, Destroyed or Lost Bonds. In case any Bond issued hereunder shall become mutilated or be destroyed or lost, the City shall, if not then prohibited by law, cause to be executed and the Trustee may authenticate and deliver a new Bond of like series, date, number, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated Bond, or in lieu of and in substitution for such Bond destroyed or lost, upon the Holder's paying the reasonable expenses and charges of the City and the Trustee in connection therewith, and, in the case of a Bond destroyed or lost, filing by the Holder with the Trustee evidence satisfactory to the Trustee that such Bonds were destroyed or lost, and of the Holder's ownership thereof, and furnishing the City and Trustee with indemnity satisfactory to them. The Trustee is hereby authorized to authenticate any such new Bond. In the event any such Bonds shall have matured, instead of issuing a new Bond, the City may pay the same without the surrender thereof. Upon the issuance of a new Bond under this Section 210, the City may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Section 211. Registration and Transfer of Bonds. The City hereby constitutes and appoints the Trustee as Bond registrar of the City, and as Bond registrar the Trustee shall keep books for the registration and for the transfer of the Bonds as provided in this Indenture at the principal corporate trust office of the Trustee. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal of and interest on any such Bond shall be made only to or upon the order of the registered owner thereof, or the owner's legal representative, and neither the City, the Trustee nor the Bond registrar shall be affected by any notice to the contrary, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

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

Bonds may be exchanged at the principal corporate trust office of the Trustee for an equal aggregate principal amount of Bonds of any other authorized denomination or denominations of the same series with corresponding maturities. The City shall execute and the Trustee shall authenticate and deliver Bonds which the Bondholder making the exchange is entitled to receive, bearing numbers not contemporaneously then outstanding. The execution by the City of any Bond of any denomination shall constitute full and due authorization of such denomination and the Trustee shall thereby be authorized to authenticate and deliver such Bond.

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

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

If the Securities Depository or its nominee is the sole registered owner of the Bonds, transfers of ownership and exchanges shall be effected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository and its Participants. In such case, the Trustee shall deal with the Securities Depository as representative of the Beneficial Owners of the Bonds for purposes of exercising the rights of Bondholders hereunder, and the rights of the Beneficial Owners of such Bonds held by the Securities Depository or its nominee shall be limited to those established by law and agreements between such Beneficial Owners and the Securities Depository and its Participants. Requests, consents and directions from, and votes of, the Securities Depository or its nominee as representative shall not be deemed inconsistent if they are made with respect to different Participants or Beneficial Owners.

Section 212. Cancellation. All Bonds surrendered for payment, redemption, transfer or exchange, if surrendered to the Trustee, shall be promptly cancelled by it, and, if surrendered to any person other than the Trustee, shall be delivered to the Trustee and, if not already cancelled, shall be promptly cancelled by it. The City may at any time deliver to the Trustee for cancellation any Bonds previously authenticated and delivered hereunder, which the City may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Trustee. All cancelled Bonds held by the Trustee shall be disposed of as directed by the City. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the City of any Bonds, the Trustee may, upon the written request of the City, in lieu of such cancellation and delivery, destroy such Bonds in the presence of any officer of the City (but only if the City shall so require), and deliver a certificate of such destruction to the City.

Section 213. Additional Bonds. The City may issue from time to time one or more series of Additional Bonds for the purpose of (i) financing Project Costs in connection with the acquisition, construction or equipping of parking related "capital improvements" (as defined in the Act), (ii) refunding the Series 2011 Bonds or any series of Additional Bonds, in whole or in

part, or (iii) any combination thereof. Additional Bonds shall be secured equally and ratably with the Series 2011 Bonds and any other series of Additional Bonds theretofore issued and then Outstanding, except insofar as any terms or conditions of redemption or purchase established under this Indenture may afford additional benefit or security for the Bonds of any particular series. Before any Additional Bonds are authenticated, there shall be delivered to the Trustee the items required for the issuance of Bonds by Section 209 hereof, plus (I) in the case of Additional Bonds to finance Project Costs, a statement by a Qualified Accountant reciting the opinion, based upon necessary investigation, that Net Parking Revenues for the Fiscal Year immediately preceding the Fiscal Year in which such Additional Bonds are to be issued were not less than (i) 125% of the average Annual Debt Service on all then outstanding Bonds and Subordinate Obligations plus the Additional Bonds then proposed to be issued, and (ii) the amount, if any, needed to make required deposits into the Debt Service Reserve Fund, and (II) in the case of Additional Bonds to refund the Series 2011 Bonds or any series of Additional Bonds, a Certificate of the Mayor stating that, after taking into account the issuance of the Additional Bonds and the application of the proceeds thereof and other available funds to the refunding, the average Annual Debt Service on all outstanding Bonds and Subordinate Obligations will not be increased.

If any changes have been made, and are in effect on the date of issuance of the Additional Bonds, in any parking fees, leases, rents, fines or charges imposed by the City which were not in effect during the entire preceding Fiscal Year, the Qualified Accountant may, if such changes resulted in increases in such fees, leases, rents, fines and charges, and shall, if such changes resulted in reductions in such fees, leases, rents, fines or charges, adjust the Parking Revenues for the preceding Fiscal Year to reflect any changes in such Parking Revenues which would have occurred if the changed fees, leases, rents, fines and charges had been in effect during the entire preceding Fiscal Year.

Notwithstanding anything herein to the contrary, no Additional Bonds shall be issued unless there is no default at the time of issuance under this Indenture.

Section 214. Superior Obligations Prohibited. Except to the extent permitted in Section 213 hereof for the issuance of Additional Bonds, from and after the issuance of any of the Bonds and for so long as any of the Bonds are Outstanding, the City shall not create or permit the creation of any indebtedness, or issue any bonds, notes, warrants, certificates or other obligations or evidences of indebtedness payable in any manner from the Parking Revenues, Net Parking Revenues or otherwise from the Trust Estate which (i) will in any way be superior to or rank on a parity with the Bonds, or (ii) will in any way be secured by a lien and charge on the Parking Revenues or Net Parking Revenues prior to or equal with the lien, pledge and charge created herein for the security of the Bonds, or (iii) will be payable prior to or equal with the payments to be made from the Net Parking Revenues and from the Revenue Fund into the Bond Fund and Debt Service Reserve Fund or from said Bond Fund and Debt Service Reserve Fund for the payment of the Bonds.

Section 215. Subordinate Obligation. Nothing in this Indenture shall prevent the City from authorizing and issuing bonds, notes, bond anticipation notes, warrants, certificates or other obligations or evidences of indebtedness, the payment of the principal of and premium, if any,

and interest on which shall be made from Parking Revenues or from a special fund to be established and maintained from Parking Revenues, provided payments from Parking Revenues or from Parking Revenues into such special fund, and the lien and charge on such Parking Revenues, shall be made junior and subordinate to the lien, pledge and charge created herein for the security and payment of the Bonds and other payments under this Indenture. Notwithstanding anything herein to the contrary, no Subordinate Obligations shall be issued unless there is no default at the time of issuance under this Indenture.

Section 216. Temporary Bonds. Until Bonds in definitive form are ready for delivery, the City may execute, and upon the request of the City, the Trustee shall authenticate and deliver, subject to the provisions, limitations and conditions set forth herein, one or more Bonds in temporary form, whether printed, typewritten, lithographed or otherwise produced, substantially in the form of the definitive Bonds, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bond in temporary form shall be entitled to the lien and benefit of this Indenture. Upon the presentation and surrender of any Bond or Bonds in temporary form, the City shall, without unreasonable delay, prepare, execute and deliver to the Trustee and the Trustee shall authenticate and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Trustee without making any charge therefor to the Holder of such Bond in temporary form.

Section 217. Book-Entry Bonds; Securities Depository. The Bonds shall initially be registered to Cede & Co., the nominee for The Depository Trust Company, New York, New York (the "Securities Depository"), and no Beneficial Owner will receive certificates representing their respective interests in the Bonds, except in the event the Trustee issues replacement bonds as provided in this Section 217. It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Bonds to the Participants until and unless the Trustee authenticates and delivers replacement bonds to the Beneficial Owners as described in the following paragraph.

If the City or the Trustee determines (1)(A) that the Securities Depository is unable to properly discharge its responsibilities, or (B) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (C) that the continuation of a Book-Entry System to the exclusion of any Bonds being issued to any Bondholder other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds, or (2) if the Trustee receives written notice from Participants representing interests in not less than 50% of the Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a Book-Entry System to the exclusion of any Bonds being issued to any Bondholder other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds, then the Trustee shall notify the Bondholders of such determination or such notice and of the availability of certificates to Bondholders requesting the same, and the Trustee shall register in the name of and authenticate and deliver replacement bonds to the Beneficial Owners or their nominees in principal amounts representing the interest of each; provided, that in the case of a determination under (A) or (B) of this paragraph, the City or the Trustee may select a successor securities depository in accordance with the following

paragraph to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Bond. Upon the issuance of replacement bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such replacement bonds. If the Securities Depository resigns and the City, the Trustee or Bondholders are unable to locate a qualified successor of the Securities Depository in accordance with the following paragraph, then the Trustee shall authenticate and cause delivery of replacement bonds to Bondholders, as provided herein. The Trustee may rely conclusively on information from the Securities Depository and its Participants as to the names and addresses of the Beneficial Owners of the Bonds. The cost of printing, registration, authentication, and delivery of replacement bonds shall be paid for by the City.

In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the City may appoint a successor Securities Depository provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Trustee upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

ARTICLE III

REDEMPTION OF BONDS BEFORE MATURITY

Section 301. Redemption of Bonds. (a) The Series 2011 Bonds will be subject to redemption prior to maturity as follows:

(1) The Series 2011 Bonds are subject to redemption prior to maturity, at the option of the City, on and after December 1, 2016, in whole or in part at any time and in any order of maturity directed by the City, from funds from any source, at a redemption price equal to one hundred percent (100%) of the principal amount of the Series 2011 Bonds being redeemed, plus accrued interest to the date of redemption.

(2) The Series 2011 Bonds shall be redeemed prior to maturity, in whole or in part, on any interest payment date, in inverse order of maturity, at a redemption price equal to one hundred percent (100%) of the principal amount of the Series 2011 Bonds being redeemed, plus accrued interest to the date of redemption, from unexpended proceeds of the Series 2011 Bonds (if such unexpended proceeds equal or exceed \$100,000) in the Project Fund not needed for paying Project Costs with respect to the 2011 Project and segregated for the purpose of redeeming the Series 2011 Bonds.

(3) The Series 2011 Bonds maturing on December 1, 20__, are subject to mandatory sinking fund redemption prior to maturity in part, on December 1 in the years and amounts set forth below at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption, without premium;

Year	Principal Amount
20__	\$
20__	\$
20__	\$
20__	\$
20__ (maturity)	\$

(4) The Series 2011 Bonds maturing on December 1, 20__, are subject to mandatory sinking fund redemption prior to maturity in part, on December 1 in the years and amounts set forth below at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption, without premium; and

Year	Principal Amount
20__	\$
20__	\$
20__	\$
20__	\$
20__ (maturity)	\$

(5) The Series 2011 Bonds maturing on December 1, 20__ are subject to mandatory sinking fund redemption prior to maturity in part, on December 1 in the years and amounts set forth below at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption, without premium.

Year	Principal Amount
20__	\$
20__	\$
20__	\$
20__ (maturity)	\$

At its option, to be exercised on or before the 45th day next preceding any mandatory sinking fund redemption date for any Series 2011 Bonds, the City may deliver to the Trustee for cancellation Series 2011 Bonds of the appropriate maturity, or portions thereof (\$5,000 or any integral multiple thereof), in any aggregate principal amount desired. Each such Series 2011 Bond, or portion thereof, so delivered or previously redeemed (otherwise than through mandatory sinking fund redemption) and canceled by the Trustee shall be credited by the Trustee at 100% of the principal amount thereof on the obligation of the City on such mandatory sinking fund redemption date,

and any excess over such amount shall be credited on future mandatory sinking fund redemption obligations of that maturity in chronological order, and the principal amount of such Series 2011 Bonds so to be redeemed shall be accordingly reduced.

Section 302. Notice. Notice of the call for any redemption, identifying the Bonds or portions thereof being called and the date on which they shall be presented for payment, shall be mailed by the Trustee by first class mail (or, so long as the Securities Depository or its nominee is the sole registered owner of the Bonds, by any other means acceptable to the Securities Depository, including facsimile) to the registered owner of each such Bond addressed to such registered owner at his registered address and placed in the mails not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceeding for the redemption of any Bond with respect to which no such failure or defect has occurred. Any notice mailed as provided in this Section 302 shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice.

Section 303. Selection of Bonds to be Redeemed. If less than all of the Bonds of like series, maturity, interest rate and otherwise identical payment terms shall be called for redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however, that the portion of any Bond of a denomination of larger than the minimum denomination may be redeemed in the principal amount of such minimum denomination or a multiple thereof, and that for purposes of selection and redemption, any such Bond of a denomination larger than the minimum denomination shall be considered to be that number of separate Bonds of such minimum denomination which is obtained by dividing the principal amount of such Bond by such minimum denomination. So long as the Securities Depository or its nominee is the sole registered owner of a series of Bonds, the procedures established by the Securities Depository shall control with respect to the selection of the particular Bonds of such series to be redeemed.

Section 304. Surrender of Bonds Upon Redemption. Notice having been given in the manner and under the conditions hereinabove provided, and moneys for payment of the redemption price being held by the Trustee as provided in this Indenture (i) the Bonds or portions of Bonds so called for redemption shall, on the date fixed for redemption designated in such notice, become due and payable at the redemption price provided for redemption of such Bonds, and interest on such Bonds or portions of Bonds so called for redemption shall cease to accrue, (ii) upon surrender of the Bonds or portions of Bonds so called for redemption in accordance with such notice, such Bonds or portions of Bonds shall be paid at the applicable redemption price, (iii) such Bonds or portions of Bonds shall cease to be entitled to any lien, benefit or security under this Indenture, and (iv) the owners of said Bonds or portions of Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

Section 305. Redemption in Part. Any Bond which is to be redeemed only in part shall be surrendered to the Trustee (with, if the City or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the City and the Trustee duly executed by, the owner thereof or his attorney duly authorized in writing), and the appropriate officials of the

City shall execute and the Trustee shall authenticate and deliver to the owner of such Bond, without service charge, a new Bond or Bonds of the same series, of any authorized denomination or denominations, having the same maturity and interest rate as requested by such owner, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

Section 306. Redemption of Additional Bonds. Additional Bonds may be made subject to optional, extraordinary and mandatory sinking fund redemption, in whole or in part, in such manner, at such times and at such prices as may be provided in the Supplemental Indenture providing for their issuance.

ARTICLE IV

GENERAL COVENANTS AND REPRESENTATIONS

Section 401. Payment of Principal, Premium, if any, and Interest. The City covenants that it will promptly pay or cause to be paid the principal of and premium, if any, and interest on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof. The principal, premium, if any, and interest (except interest paid from the proceeds from the sale of the Bonds and accrued interest) are payable solely from the Trust Estate which is hereby specifically pledged to the payment thereof in the manner and to the extent herein specified, and nothing in the Bonds or this Indenture should be considered as assigning or pledging any funds or assets of the City other than the Trust Estate. Anything in this Indenture to the contrary notwithstanding, it is understood that whenever the City makes any covenants involving financial commitments it pledges no funds or assets other than the Trust Estate in the manner and to the extent herein specified, but nothing herein shall be construed as prohibiting the City from using any other funds or assets. The City covenants, as permitted by the Act, that while any of the Bonds are Outstanding, it will use due diligence in causing the collection of the Parking Revenues.

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

Section 403. Instruments of Further Assurance. The City covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such indenture or indentures supplemental hereto and such further acts, instruments and transfers

as the Trustee may reasonably require for the better assuring, transferring, mortgaging, pledging, assigning and confirming unto the Trustee of the Trust Estate.

Section 404. Recordation and Filing. To the extent necessary, the City covenants that it will cause this Indenture, such security agreements, financing statements, and all supplements thereto and other instruments as may be required from time to time to be kept, to be recorded and filed in such manner and in such places as may be required by law in order to fully preserve and protect the security of the owners of the Bonds and the rights of Trustee hereunder, and to perfect the security interest created by this Indenture.

Section 405. Inspection of Books. All books and documents in the possession of the City relating to the Parking Revenues shall at all reasonable times be open to inspection by such accountants or other agencies as the Trustee may from time to time designate and by any Qualified Accountant required pursuant to the provisions hereof.

Section 406. Tax Covenants. The City shall not use or permit the use of any Bond proceeds or any other funds of the City, directly or indirectly, in any manner, and will not take or permit to be taken any other action or actions which would adversely effect the exclusion of interest on any Bond from gross income for federal income tax purposes. No part of the proceeds of the Bonds shall at any time be used, directly or indirectly, to acquire securities or obligations the acquisition of which would cause any of such Bonds to be an "arbitrage bond" as defined in Sections 148(a) and (b) of the Code. The City agrees that so long as any of the Bonds remain Outstanding, they will comply with the provisions of each applicable Tax Regulatory Agreement.

Section 407. Parking Fee Rates and Charges. The fees, leases, rents, fines and charges imposed by the City and generating the Parking Revenues are ratified, confirmed and continued by the Authorizing Ordinance.

The City covenants that the fees, leases, rents, fines and charges generating the Parking Revenues will not be reduced from current levels while any of the Bonds are Outstanding unless there is obtained from a Qualified Accountant a certificate to the effect that Net Parking Revenues in the then current and immediately succeeding Fiscal Years, with the reduced fees, leases, rents, fines or charges, will be at least equal to (i) 125% of the Annual Debt Service on all Bonds and Subordinate Obligations for the then current and immediately succeeding Fiscal Years, and (ii) the amount, if any, needed to make required deposits to the Debt Service Reserve Fund. The City further covenants that the fees, leases, rents, fines and charges generating the Parking Revenues shall, if and when necessary, from time to time, be increased in such a manner as will produce Net Parking Revenues in the then current and immediately succeeding Fiscal Years at least equal to (i) 125% of the Annual Debt Service on all Bonds and Subordinate Obligations for the then current and immediately succeeding Fiscal Years, and (ii) the amount, if any, needed to make required deposits to the Debt Service Reserve Fund.

Section 408. [RESERVED].

Section 409. Completion of Projects; Certification of Completion Dates. The City covenants that in the case of the Series 2011 Bonds and each series of Additional Bonds issued to finance Project Costs in connection with the acquisition, construction or equipping of a Project, it will forthwith proceed to acquire, construct and equip the Project for which the Bonds of such series shall be issued, in accordance with applicable plans and specifications and in conformity with law and all requirements of all governmental authorities having jurisdiction thereover, and that it will complete the acquiring, constructing and equipping of such Project with all expedition practicable. Promptly after the Completion Date, the City shall submit to the Trustee the certificate of an Authorized Representative which shall specify the Completion Date and shall state that acquisition, construction and equipping of the Project have been completed and the Project Costs have been paid, except for any Project Costs which have been incurred but are not then due and payable, or the liability for the payment of which is being contested or disputed by the City, and for the payment of which the Trustee is directed to retain specified amounts of moneys in specified accounts within the Project Fund. Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights against third parties which exist at the date thereof or which may subsequently come into being.

Section 410. Encumbrances. The City covenants that it will not create or suffer to be created any lien or charge upon the Trust Estate, except in accordance with the provisions of this Indenture.

Section 411. Parking Revenues to be Used as Provided in Indenture. The City covenants that no Parking Revenues will be used for any purpose other than as provided in this Indenture, and that no contract or contracts will be entered into or any action taken by which the rights of the Trustee or of the Bondholders might be impaired or diminished. The City further covenants that it will adopt such resolutions and such rules and regulations as may be necessary or appropriate to carry out the obligations of the City under the provisions of this Indenture and the Act.

Section 412. Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of each Continuing Disclosure Agreement. Notwithstanding any other provision of this Indenture to the contrary, failure of the City or any dissemination agent to comply with the provisions of a Continuing Disclosure Agreement shall not be considered an Event of Default hereunder; however, the Trustee may (and at the request of the Original Purchaser of a series of Bonds or the owners of at least 25% in aggregate Outstanding principal amount of such series of Bonds, shall) or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or any dissemination agent, as the case may be, to comply with its obligations under this Section 412. For purposes of this Section 412 only, "Beneficial Owner" shall mean any Person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including Persons holding Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of Bonds for federal income tax purposes.

Section 413. Representations, Warranties and Covenants Regarding Trust Estate.

(a) This Indenture creates a valid and binding pledge of and security interest in the Trust Estate in favor of the Trustee (on behalf of the Bondholders) as security for payment of the Series 2011 Bonds, enforceable by the Trustee and the Bondholders in accordance with the terms hereof.

(b) Under the laws of the State of Arkansas, (1) such pledge and security interest, (2) and each pledge, assignment, lien or other security interest made to secure any prior obligations of the City which, by the terms hereof, ranks on a parity with or prior to the pledge and assignment granted hereby, is and shall be prior to any judicial lien hereafter imposed on the Trust Estate to enforce a judgment against the City on a simple contract. By the date of issue of the Series 2011 Bonds, the City will have filed all financing statements describing, and transferring such possession or control over, such Trust Estate (and for so long as any Series 2011 Bond is outstanding the City will file, continue and amend all such financing statements and transfer such possession and control) as may be necessary to establish and maintain such priority in each jurisdiction in which the City is organized or such Trust Estate may be located or that may otherwise be applicable pursuant to the Uniform Commercial Code as enacted in the State of Arkansas.

(c) The City has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of such Trust Estate that ranks on a parity with or prior to the pledge and security interest granted hereby. The City shall not hereafter make or suffer to exist any pledge or assignment of, lien on, or security interest in the Trust Estate that ranks prior to or on a parity with the pledge and security interest granted hereby, or file any financing statement describing any such pledge, assignment, lien or security interest, except as expressly permitted hereby.

ARTICLE V

FUNDS AND DEPOSITS

Section 501. Creation of Funds. (a) There are hereby created and established the following Funds:

- (i) Project Fund;
- (ii) Revenue Fund;
- (iii) Bond Fund;
- (iv) Debt Service Reserve Fund;
- (v) Cost of Issuance Fund; and
- (vi) Rebate Fund.

(b) The Revenue Fund shall be maintained by the City with the Depository of its choice. All other Funds shall be held by the Trustee, which shall hold and maintain said Funds in trust, for the use and benefit of the Bondholders and the City, but subject to the permitted applications expressed herein.

Section 502. Project Fund. (a) The Trustee shall deposit a portion of the proceeds of the Series 2011 Bonds to the credit of the Project Fund in accordance with the written directions of the City given as provided in Section 209 of this Indenture.

(b) Moneys credited to the Project Fund shall be expended only as set forth in this Section 502.

(c) Amounts in the Project Fund shall be expended and applied for the payment of Project Costs. Disbursements shall be made from the Project Fund on the basis of consecutively numbered Requisitions in the form attached hereto as Exhibit B signed by an Authorized Representative. Requisitions may be submitted to the Trustee by certified mail, first class mail or facsimile transmission. If the Trustee deems that a Requisition submitted by the City is sufficient pursuant to this Section 502, the amount requested thereunder shall be disbursed in payment of the Project Costs set forth therein, or in reimbursement of such Project Costs, within two (2) Business Days of the date of receipt of such Requisition by the Trustee. Each Requisition shall specify:

(i) the name of the person or party to whom payment is to be made and the purpose of the payment;

(ii) the amount to be paid thereunder;

(iii) that such amount has not been previously paid by the City and is justly due and owing to the person(s) named therein as a proper payment or reimbursement of a Project Cost; and

(iv) that no Event of Default exists under the Indenture and that, to the knowledge of the Authorized Representative, no event has occurred and continues which with notice or lapse of time or both would constitute an Event of Default under the Indenture.

(d) The Trustee shall keep full and complete records concerning and reflecting all disbursements from the Project Fund and shall file an accounting of said disbursements if and when requested by the City. The Trustee shall only make payments from the Project Fund pursuant to and in accordance with Requisitions. In making payments from the Project Fund, the Trustee may rely on any Requisitions delivered to it pursuant to this Section 502, and the Trustee shall be relieved of all liability relating to payments made in accordance with such Requisitions and any supporting certificate or certificates requested by the Trustee without physical inspection of the Project. Within ninety (90) days following completion of the Project being financed with a particular series of Bonds, the City shall deliver to the Trustee its Certificate stating that the applicable portion of the Project is complete and the Trustee shall transfer the remaining

moneys in the Project Fund relating to such series of Bonds (save and except moneys needed to satisfy unpaid Project Costs) to the Bond Fund for application to the retirement of the corresponding series of Bonds by redemption or purchase, as provided by Section 301(a)(2) and Section 504 hereof.

(e) Upon the occurrence and continuance of an Event of Default or the occurrence and continuance of an event which with notice or lapse of time or both would constitute an Event of Default, amounts on deposit in the Project Fund shall not be disbursed but shall instead be applied to the payment of Debt Service or the redemption price of the Bonds.

Section 503. Revenue Fund. (a) There shall be deposited to the credit of the Revenue Fund to be held in a Depository selected by the City, as and when received, all Parking Revenues.

(b) No later than the last day of each month, commencing no later than [December 31, 2011], there shall be transferred from the Revenue Fund, in the following order, the amounts set forth below:

FIRST: For deposit to the Bond Fund, an amount equal to one-sixth (1/6) of the interest on the Outstanding Bonds due on the next interest payment date and an amount equal to one-twelfth (1/12) of the next scheduled principal maturity of Outstanding Bonds (including mandatory sinking fund redemptions);

SECOND: For deposit to the Debt Service Reserve Fund, an amount sufficient to cure any deficiency in the Debt Service Reserve Fund;

THIRD: For deposit to the Rebate Fund, an amount sufficient to satisfy the City's obligations under Section 506 hereof; and

FOURTH: For payment to the Trustee and Paying Agent, the amount, if any, necessary to pay or reimburse the Trustee and Paying Agent for fees and expenses related to the Bonds.

(c) Required deposits into the Bond Fund and the Debt Service Reserve Fund shall be reduced by investment earnings, if any, in said Funds and, with respect to required deposits to the Bond Fund only, by any accrued interest deposited to the Bond Fund upon the initial sale of a series of Bonds. In the event there shall be insufficient moneys in the Revenue Fund in a particular month to make the required transfers described above, then any deficiencies shall be added to the required deposits during the next month. So long as there is no Event of Default or the occurrence and continuance of an event which with notice or lapse of time or both would constitute an Event of Default, the City may utilize moneys in the Revenue Fund for the payment of Operation and Maintenance Expenses, and may utilize any surplus therein (after the payment of Operation and Maintenance Expenses and after making the transfers required in subsection (b) above) for any other valid governmental purpose under State law.

Section 504. Bond Fund. (a) There shall be deposited to the credit of the Bond Fund all moneys required to be transferred thereto pursuant to Sections 209, 502, 503, 505 and 507 of this Indenture and all other moneys received for said Fund.

(b) Moneys credited to the Bond Fund shall be expended only as set forth in this Section 504.

(c) (i) On each interest payment date for any of the Bonds Outstanding, the Trustee shall pay out of moneys credited to the Bond Fund the amounts required for the payment of interest on the Bonds due on such date, and on each redemption date, the amounts required for the payment of accrued interest on the Bonds then to be redeemed or purchased unless the payment of such accrued interest shall be otherwise provided for, and such amounts shall be applied to such payments.

(ii) On each principal payment or redemption date for any of the Bonds Outstanding, the Trustee shall pay out of moneys credited to the Bond Fund the amounts required for the payment of principal and premium, if any, due on the Bonds on such date and such amounts shall be applied to such payments.

(iii) If there shall be insufficient moneys in the Bond Fund to pay in full interest, principal or premium, if any, due on the Bonds on any interest or principal payment or redemption date, the Trustee shall, one day prior to such date, transfer an amount equal to the deficiency into the Bond Fund from the Funds indicated in the following order:

FIRST: the Revenue Fund; and

SECOND: the Debt Service Reserve Fund (for payment of principal and interest on the Bonds on any interest or principal payment date only).

(d) All payments made pursuant to this Section 504 shall be made in immediately available funds.

Section 505. Cost of Issuance Fund. There shall be deposited to the credit of the Cost of Issuance Fund all moneys received for said Fund pursuant to Section 209 hereof. The Trustee shall pay those Costs of Issuance as directed by the City pursuant to a Certificate delivered on a Closing Date. After all Costs of Issuance have been paid (and in any event not later than March 1, 2012 with respect to the Series 2011 Bonds), any remaining moneys in the Cost of Issuance Fund shall be transferred to the Bond Fund.

Section 506. Rebate Fund. (a) The Trustee shall establish and maintain, separate and apart from any other Funds established and maintained hereunder, a Fund to be designated as the Rebate Fund, which Fund is not pledged to the payment of any Bonds. Subject to the transfer provisions provided in subsection (c) below, all moneys at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Amount (as defined in each Tax Regulatory Agreement), for payment to the United States of America, and neither the City nor the Owner of any Bond shall have any rights in or claim to such money. All

amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section 506, by Section 406, and by each Tax Regulatory Agreement (which are incorporated herein by reference).

(b) As provided in Section 503(b) hereof, there shall be deposited in the Rebate Fund the amount of all income or gain on moneys deposited in any of the Funds established by this Indenture which is required to be rebated to the United States and is designated for deposit therein, as calculated by the City to be owing to the United States pursuant to the applicable Tax Regulatory Agreement, which shall be delivered by the City concurrently with the issuance of a series of Bonds.

(c) The Trustee, upon receipt of written instructions from an Authorized Representative, shall pay to the United States out of amounts in the Rebate Fund such amounts as are required pursuant to each Tax Regulatory Agreement.

(d) Any moneys remaining in the Rebate Fund after payment to the United States, within sixty (60) days after the date on which the last Bond is redeemed, of one hundred percent (100%) of the rebate amount as described in Section 148(f)(2) of the Code, shall be transferred to the Revenue Fund.

(e) The Trustee, as instructed by Certificate of the City, shall invest all amounts held in the Rebate Fund in Investment Securities, subject to the restrictions set forth in the applicable Tax Regulatory Agreement. Money shall not be transferred from the Rebate Fund except as provided in subsection (c).

(f) Notwithstanding any other provision of this Indenture, the obligation to remit the Rebate Amount to the United States and to comply with all other requirements of this Section 506, Section 406 and each Tax Regulatory Agreement shall survive the defeasance or payment in full of the Bonds.

Section 507. Debt Service Reserve Fund. As provided in Section 209 hereof, upon the issuance of each series of Bonds, there shall be deposited into the Debt Service Reserve Fund, from proceeds of the Bonds, an amount sufficient to cause the amounts on deposit therein to be equal to the Reserve Requirement. Each account within the Debt Service Reserve Fund shall be maintained in an amount equal to the related Reserve Requirement. Amounts on deposit in an account within the Debt Service Reserve Fund shall be used solely to pay the principal of and interest on the corresponding series of Outstanding Bonds for which there are no available funds in the Bond Fund to make such payments, as the same become due at maturity (including mandatory sinking fund redemption). If an account of the Debt Service Reserve Fund, by virtue of any such payment, is reduced below the related Reserve Requirement, it shall be reimbursed in the amount of any such deficiency as provided in Section 503. Notwithstanding the above provisions of this Section 507, the amount on deposit in an account of the Debt Service Reserve Fund may be used, together with other available funds, to provide for the payment at maturity or to redeem prior to maturity all, but not less than all, of the related series of Outstanding Bonds. If an excess shall exist in an account in the Debt Service Reserve Fund over and above the related Reserve Requirement, such excess shall be transferred to the Bond Fund.

Section 508. Cessation of Fund Deposits. When the moneys in the Bond Fund and the Debt Service Reserve Fund shall be and remain sufficient to pay in full the principal and interest on all Bonds then Outstanding in accordance with Article VIII of this Indenture, together with the required fees and expenses to be paid or reimbursed to the Trustee and any Paying Agent, the City shall have no further obligation to make further payments into said Funds.

Section 509. Separate Accounts Authorized. A Supplemental Indenture authorizing the issuance of Additional Bonds may provide for the creation of separate accounts within the Bond Fund, Debt Service Reserve Fund, Project Fund, Costs of Issuance Fund and Rebate Fund for such series of Bonds and such other accounts as the City may direct; provided, that the creation of such separate accounts shall be solely for the ease of administration and shall in no event affect the equal and ratable security of the Bonds of each series.

If any Supplemental Indenture authorizing the issuance of Additional Bonds provides for the establishment of separate accounts for a series of Bonds, then such Supplemental Indenture shall require that the Net Parking Revenues received by the City shall be deposited pursuant to written direction of the City into each of the accounts within the Bond Fund and Debt Service Reserve Fund for each series of Bonds on the basis of the installments of principal, premium, if any, and interest on each series of Bonds during the applicable period, to the end that the Bonds of each series shall be equally and ratably secured by the Net Parking Revenues.

Any Supplemental Indenture authorizing the issuance of Additional Bonds may provide that any proceeds of such series of Bonds and investment earnings thereon remaining after some specified date, or after the construction of all facilities to be financed with the proceeds of such series of Bonds, shall be applied to the redemption of such series of Bonds.

ARTICLE VI

[RESERVED]

ARTICLE VII

INVESTMENTS

Section 701. Investment of Moneys. At the direction of the City or absent such direction, the Trustee shall invest moneys in Funds held by the Trustee in Investment Securities with maturity or redemption dates consistent with the times at which said moneys will be required for the purposes provided in this Indenture; provided, however, the stated maturity dates of Investment Securities in the Debt Service Reserve Fund shall not exceed five years from the date of investment thereof. The City may invest moneys held in the Revenue Fund in any investment obligations permitted by Arkansas law. Moneys in separate Funds may be commingled for the purpose of investment.

Section 702. Investment Earnings. Subject to the provisions of the Tax Regulatory Agreements and Article V hereof, Investment Securities purchased with moneys held in or

attributable to any Fund held by the City or the Trustee under the provisions of this Indenture shall be deemed at all times to be a part of such Fund and the income or interest earned, profits realized or losses suffered by a Fund due to the investment thereof shall be retained in, credited or charged, as the case may be, to such Fund unless otherwise provided pursuant to this Indenture.

Section 703. Valuation of Funds. Investments in any Fund shall be evaluated monthly by the Trustee. The Trustee shall report the determined value of each Fund to the City. For the purpose of determining the amount in any Fund, the Trustee shall value all Investment Obligations credited to such Fund at the fair market value thereof. The Trustee shall determine the fair market value based on accepted industry standards and from accepted industry providers. As to certificates of deposit and bankers' acceptances, fair market value shall mean the face amount thereof, plus accrued interest thereon, and as to any other investment not specified above, fair market value is the value thereof as established by prior agreement among the City and the Trustee.

The Trustee shall sell or present for redemption any Investment Securities as necessary in order to provide money for the purpose of making any payment required hereunder, and the Trustee shall not be liable for any loss resulting from any such sale.

Section 704. Responsibility of Trustee. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of moneys made by it at the direction of the City.

ARTICLE VIII

DISCHARGE OF LIEN

Section 801. Discharge of Lien. If the City shall pay or cause to be paid to the owners of the Bonds the principal, premium, if any, and interest to become due thereon at the times and in the manner stipulated therein, and if the City shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed as to be kept, performed and observed by it on its part, then these presents and the estate and rights hereby granted shall cease, determine and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture, and execute and deliver to the City such instruments in writing as shall be requisite to satisfy the lien hereof, and reconvey to the City the estate hereby conveyed, and assign and deliver to the City any property at the time subject to the lien of this Indenture which may then be in its possession, except moneys or Government Securities held by it for the payment of the principal of and premium, if any, and interest on the Bonds.

Section 802. Bonds Deemed Paid. Any Bond shall be deemed to be paid within the meaning of this Article VIII when payment of the principal of and premium, if any, and interest on such Bond (whether at maturity or upon redemption as provided in this Indenture, or otherwise), either (i) 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 sufficient to make such payment

or (2) 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(a) of the Code, as reflected in an opinion of Bond Counsel delivered to the Trustee), maturing as to principal and interest in such amount 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 and any Paying Agent 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 and any said Paying Agent.

Government Securities used for the purpose of defeasing the Bonds must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the defeased Bonds (excluding Government Securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at the maturity or call date).

Section 803. Non-Presentation of Bonds. In the event any Bonds shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if there shall have been deposited with the Trustee for that purpose, or left in trust if previously so deposited, funds sufficient to pay the principal thereof, and premium, if any, together with all interest unpaid and due thereon, to the due date thereof, for the benefit of the Holder thereof, all liability of the City to the Holder thereof for the payment of the principal thereof, premium if any, and interest thereon, shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the Holder of such Bonds, who shall thereafter be restricted exclusively to such fund or funds, for any claim of whatever nature on his part under this Indenture or on, or with respect to, the Bonds.

ARTICLE IX

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

Section 901. Events of Default. Each of the following events shall constitute and is referred to in this Indenture as an "Event of Default":

- (a) Default in the due and punctual payment of any interest on any Bond;
- (b) Default in the due and punctual payment of the principal of or premium, if any, on any Bond, whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;
- (c) Default in the payment of any other amount required to be paid under this Indenture or the performance or observance of any other of the covenants, agreements or conditions contained in this Indenture, or in the Bonds issued hereunder, and continuance thereof for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied shall have been given to the City by the Trustee, which

may give such notice in its discretion and shall give such notice at the written request of Bondholders of not less than 51% in aggregate principal amount of the Bonds then Outstanding, unless the Trustee, or the Trustee and Holders of an aggregate principal amount of Bonds not less than the aggregate principal amount of Bonds the Holders of which requested such notice, as the case may be, shall agree in writing to an extension of such period prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Trustee will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the City within such period and is being diligently pursued;

(d) The filing of a petition in bankruptcy by or against the City under the United States Bankruptcy Code or the commencement of a proceeding by or against the City under any other law concerning insolvency, reorganization or bankruptcy; and

(e) If the State has limited or altered the rights of the City pursuant to the Act, as in force on the date of this Indenture, to fulfill the terms of any agreements made with the Trustee or the Bondholders or in any way impaired the rights and remedies of the Trustee or the Bondholders while any Bonds are outstanding.

The term "default" as used in clauses (a), (b) and (c) above shall mean default by the City in the performance or observance of any of the covenants, agreements or conditions on its part contained in this Indenture or in the Bonds Outstanding hereunder, exclusive of any period of grace required to constitute a default an "Event of Default" as hereinabove provided.

Section 902. Acceleration. Upon the occurrence of an Event of Default, the Trustee may, and upon the written request of the Holders of not less than 51% in aggregate principal amount of Bonds Outstanding hereunder shall, by notice in writing delivered to the City, declare the principal of all Bonds then Outstanding, together with the interest accrued thereon, immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

Section 903. Other Remedies; Rights of Bondholders. Upon the occurrence of an Event of Default, the Trustee may, as an alternative, pursue any available remedy by suit at law or in equity, including, without limitation, mandamus to enforce the payment of the principal of and premium, if any, and interest on the Bonds then Outstanding hereunder.

If an Event of Default shall have occurred, and if it shall have been requested so to do by the Holders of not less than 51% in aggregate principal amount of Bonds Outstanding hereunder and if it shall have been indemnified as provided in Section 1001 hereof, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred upon it by this Section 903 as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bondholders.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other remedy, but each and every such

remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

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

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

Section 904. Right of Bondholders to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, the Holders of not less than 51% in aggregate principal amount of Bonds Outstanding hereunder shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceeding hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

Section 905. Appointment of Receiver. Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders under this Indenture, the Trustee shall be entitled to the appointment of a receiver or receivers of the Trust Estate, including, without limitation, the Parking Revenues, pending such proceedings with such powers as the court making such appointment shall confer.

Section 906. Waiver. In case of an Event of Default on its part, as aforesaid, to the extent that such rights may then lawfully be waived, neither the City nor anyone claiming through the City or under the City shall or will set up, claim or seek to take advantage of any appraisalment, valuation, stay, extension or redemption laws now or thereafter in force, in order to prevent or hinder the enforcement of this Indenture, but the City, for itself and all who may claim through or under it, hereby waive, to the extent that they lawfully may do so, the benefit of all such laws and all right of appraisalment and redemption to which it may be entitled under the laws of the State.

Section 907. Application of Moneys. Available moneys remaining after discharge of costs, charges and liens prior to this Indenture shall be applied by the Trustee as follows:

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

First: To the payment to the Persons entitled thereto of all installments of interest then due, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due

on such installment, to the Persons entitled thereto, without any discrimination or privilege;

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

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

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

(c) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article IX then, subject to the provisions of paragraph (b) of this Section 907, in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section 907.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section 907, such moneys shall be applied by it at such times, and from time to time, as it shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 908. Remedies Vested in Trustee. All rights of action (including the right to file proof of claim) under this Indenture or under any of the Bonds may be enforced by the

Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Bondholders hereby secured, and any recovery of judgment shall be for the equal benefit of the Holders of all Outstanding Bonds.

Section 909. Rights and Remedies of Bondholders. No Bondholder shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless a default has occurred of which the Trustee has been notified as provided in subsection (g) of Section 1001, or of which by said subsection it is deemed to have notice, nor unless such default shall have become an Event of Default and the Holders of not less than 51% in aggregate principal amount of Bonds Outstanding hereunder shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in subsection (l) of Section 1001, nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by action of the Holder or Holders or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, held and maintained in the manner herein provided for the equal benefit of the Holders of all Bonds Outstanding hereunder. Nothing in this Indenture contained shall, however, affect or impair the right of any Bondholders to enforce the payment of the principal of and premium, if any, and interest on any Bonds at and after the maturity thereof, or the obligation of the City to pay the principal of and premium, if any, and interest on each of the Bonds issued hereunder to the respective Holders thereof at the time and place in said Bonds expressed.

Section 910. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the City and the Trustee shall be restored to their former positions and rights hereunder with respect to the property herein conveyed, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken, except to the extent the Trustee is legally bound by such adverse determination.

Section 911. Waivers of Events of Default. The Trustee may, and upon the written request of the Holders of not less than 51% in principal amount of all Bonds Outstanding hereunder shall, waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal; provided, however, there shall not be waived any Event of

Default described in clause (a) or (b) of the first paragraph of Section 901 hereof, unless prior to such waiver or rescission all arrears of principal (due otherwise than by declaration) and interest, and all expenses of the Trustee and Paying Agent, shall have been paid or provided for. In case of any such waiver or rescission the City, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right subsequent thereon.

ARTICLE X

TRUSTEE AND PAYING AGENTS

Section 1001. Acceptance of Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture and agrees to perform said trusts, but only upon and subject to the following expressed terms and conditions:

(a) The Trustee may execute any of the trusts or powers hereof and perform any duties required of it by or through attorneys, agents, receivers or employees, and shall be entitled to advice of counsel concerning all matters of trusts hereof and its duties hereunder, and may in all cases pay reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. Reimbursement of such compensation paid by the Trustee is subject to the provisions of Section 1002 hereof. The Trustee may act upon the opinion or advice of any attorney, surveyor, engineer or accountant selected by it in the exercise of reasonable care, or, if selected or retained by the City prior to the occurrence of a default of which the Trustee has been notified as provided in subsection (g) of this Section 1001, or of which by said subsection the Trustee is deemed to have notice, approved by the Trustee in the exercise of such care. The Trustee shall not be responsible for any loss or damage resulting from an action or nonaction in accordance with any such opinion or advice.

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

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

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

(e) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a Certificate of the City signed by its Mayor and attested by the City Clerk as sufficient evidence of the facts therein contained and, prior to the occurrence of a default of which it has been notified as provided in subsection (g) of this Section 1001, or of which by that subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion, at the reasonable expense of the City, in every case secure such further evidence as it may think necessary or advisable but shall in no case be bound to secure the same. The Trustee may accept a Certificate of the City Clerk under its seal to the effect that a resolution in the form therein set forth has been adopted by the City as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

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

(g) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder (except for defaults under clause (a) or (b) of the first paragraph of Section 901 hereof as to which the Trustee shall be deemed to have notice) unless the Trustee shall be specifically notified in writing of such default by the City or by the Holders of at least 10% in aggregate principal amount of Bonds Outstanding hereunder, and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered to the principal corporate trust office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no such default except as aforesaid.

(h) [Reserved].

(i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all of the property herein conveyed, including all books, papers and records of the City pertaining to the Parking Revenues and the Bonds, and to take such memoranda from and in regard thereto as may be desired.

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

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

(l) Before taking such action hereunder, the Trustee may require that it be furnished an indemnity bond satisfactory to it for the reimbursement to it of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from the gross negligence or willful misconduct of the Trustee, by reason of any action so taken by the Trustee.

Section 1002. Fees, Charges and Expenses of Trustee and Paying Agents; Trustee's Prior Lien.

(a) Subject to subsection (b) of this Section 1002, the City shall, from moneys lawfully available therefor, pay to the Trustee and Paying Agent reasonable compensation for all services performed hereunder and also all reasonable expenses, charges and other disbursements and those of their attorneys, agents and employees incurred in and about the administration and execution of the trusts hereby created and the performance of the powers and duties hereunder and, to the extent permitted by law and from moneys lawfully available therefor, shall indemnify and save the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder. With respect to the Series 2011 Bonds, the Trustee's initial authentication fee shall be \$2,500 and the annual administration fee of the Trustee shall be up to, but shall not exceed, \$2,500. If the City shall fail to make any payment required by this subsection (a), the Trustee may make such payment from any moneys in its possession under the provisions of this Indenture and shall be entitled to a preference therefor over any of the Bonds Outstanding hereunder. The City shall not be required to indemnify the Trustee against any liabilities which the Trustee may incur as a result of negligent or wrongful acts or omissions of the Trustee.

(b) The City shall pay to the Trustee compensation for its services as described in Section 1002(a), provided that such compensation, together with all expenses, charges and other disbursements of the Trustee and its attorneys, agents and employees and all reimbursements to the Trustee for all costs and other disbursements as described in Section 1002(a) hereof shall not exceed \$9,500 annually (not including the initial authentication fee) without the prior written approval of the City, which approval shall not be unreasonably withheld. If the Trustee wishes to consult with or retain counsel for any purpose hereunder whose anticipated fees, together with all other compensation, disbursements and reimbursements of the Trustee and its attorneys, agents and employees to be paid by the City hereunder, shall exceed \$10,000 annually, then such counsel shall have to be acceptable to the City and such fees shall have to be approved by the City as described above.

Section 1003. Additional Duties of Trustee. (a) In addition to the other duties of the Trustee described in this Indenture, it shall be the duty of the Trustee, on or before the tenth day of each month after the month in which the Series 2011 Bonds are delivered, to file with the City a statement setting forth in respect of the preceding calendar month:

- (i) the amount withdrawn or transferred by it and the amount deposited with it on account of each Fund held by it under the provisions of this Indenture;
- (ii) the amount on deposit with it at the end of such month to the credit of each such Fund;
- (iii) a brief description of all obligations held by it as an investment of moneys in each such Fund;
- (iv) the amount applied to the purchase or redemption of Bonds under the provisions of this Indenture and a description of the Bonds or portions of Bonds so purchased or redeemed; and
- (v) any other information that the City may reasonably request.

All records and files pertaining to each such Fund in the custody of the Trustee hereunder shall be open at all reasonable times to the inspection of the City and its agents and representatives, and the City may make copies thereof.

(b) The Trustee additionally shall be responsible for the preparation and timely distribution of any and all forms and reports required by law to all Bondholders, the State and the Internal Revenue Service in connection with the payment to the Bondholders of interest on the Bonds.

Section 1004. Notice to Bondholders of Default. If a default occurs of which the Trustee is pursuant to the provisions of Section 1001(g) deemed to have or is given notice, the Trustee shall promptly make demand upon the City and give notice to each owner of Bonds then Outstanding.

Section 1005. Intervention by Trustee. In any judicial proceeding to which the City is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of Holders of Bonds issued hereunder, the Trustee may intervene on behalf of Bondholders and shall do so if requested in writing by the Holders of at least 51% of the aggregate principal amount of Bonds Outstanding hereunder. The rights and obligations of the Trustee under this Section 1005 are subject to the approval of the court having jurisdiction in the premises.

Section 1006. Merger or Consolidation of Trustee. Any bank or trust company to which the Trustee may be merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any bank or trust company resulting from any such sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor trustee hereunder and vested with all of the title to the

whole property or Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding; provided, however, that such successor trustee shall have capital and surplus of at least \$20 million.

Section 1007. Resignation by Trustee. The Trustee and any successor trustee may at any time resign from the trusts hereby created by giving written notice to the City and the Bondholders, and such resignation shall take effect upon the appointment of a successor trustee by the Bondholders or by the City. Such notice may be served personally or sent by registered mail (to the City) or first class mail (to the Bondholders).

Section 1008. Removal of Trustee. (a) The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee and to the City, and signed by the Holders of not less than 51% in aggregate principal amount of Bonds Outstanding hereunder; provided, however, that such removal of the Trustee shall in no event take effect until a successor shall have been appointed and shall have accepted the duties of Trustee.

(b) The Trustee may be removed at any time by the City upon adoption of a resolution providing for such removal and delivery of a copy thereof to the Trustee; provided, however, that such removal of the Trustee shall in no event take effect until a successor shall have been appointed and shall have accepted the duties of Trustee.

Section 1009. Appointment of Successor Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by the court, a successor may be appointed by the Holders of not less than 51% in aggregate principal amount of Bonds Outstanding hereunder (except with respect to any removal of the Trustee by the City pursuant to Section 1008(b), in which case a successor shall be appointed by the City), by an instrument or concurrent instruments in writing signed by such Holders, or by their attorneys in fact, duly authorized; provided, nevertheless, that in case of such vacancy the City by an instrument executed and signed by its Mayor and attested by its City Clerk under its seal, shall appoint a temporary trustee to fill such vacancy until a successor trustee shall be appointed by the Bondholders in the manner above provided. Any such temporary trustee appointed by the City shall immediately and without further act be superseded by the trustee appointed by such Bondholders. Every such temporary trustee and every such successor trustee shall be a trust company or bank in good standing, having capital and surplus of not less than \$20 million.

Section 1010. Concerning Any Successor Trustee. Every successor or temporary trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the City an instrument in writing accepting such appointment hereunder, and thereupon such successor or temporary trustee, without any further act or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the City or of its successor trustee, execute and deliver an instrument transferring to such successor all the estate, properties,

rights, powers and trusts of such predecessor hereunder; and every predecessor trustee shall deliver all securities, moneys and any other property held by it as trustee hereunder to its successor. Should any instrument in writing from the City be required by any successor trustee for more fully and certainly vesting in such successor the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor trustee, any and all such instruments in writing shall, on request, be executed, acknowledged, and delivered by the City.

Section 1011. Reliance Upon Instruments. The resolutions, opinions, certificates and other instruments provided for in this Indenture may be accepted and relied upon by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for its actions taken hereunder.

Section 1012. Appointment of Co-Trustee. The City and the Trustee shall have power to appoint, and upon the request of the Trustee the City shall for such purpose join with the Trustee in the execution of all instruments necessary or proper to appoint, another corporation or one or more Persons approved by the Trustee, either to act as co-trustee or co-trustees jointly with the Trustee of all or any of the property subject to the lien hereof, with such powers as may be provided in the instrument of appointment and to vest in such corporation or Person or Persons as such co-trustee any property, title, right or power deemed necessary or desirable. In the event that the City shall not have joined in such appointment within fifteen (15) days after the receipt by it of a request so to do, the Trustee alone shall have the power to make such appointment. Should any deed, conveyance or instrument in writing from the City be required by the co-trustee so appointed for more fully and certainly vesting in and confirming to such co-trustee such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the City. Every such co-trustee shall, to the extent permitted by law, be appointed subject to the following provisions and conditions, namely:

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

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

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

trusts, duties and obligations of said co-trustee shall vest in and be exercised by the Trustee until the appointment of a new trustee or a successor to such co-trustee.

Section 1013. Designation and Succession of Paying Agents. The Trustee and any other banks or trust companies designated as Paying Agent or Paying Agents in any Supplemental Indenture or in an instrument appointing a successor Trustee shall be the Paying Agent or Paying Agents for the Bonds.

Any bank or trust company with which or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Indenture. If the position of Paying Agent shall become vacant for any reason, the City shall, within thirty (30) days thereafter, appoint such bank or trust company as shall be specified by the City as such Paying Agent to fill such vacancy; provided, however, that, if the City shall fail to appoint such Paying Agent within said period, the Trustee shall make such appointment.

The Paying Agents shall enjoy the same protective provisions in the performance of its duties hereunder as are specified in Section 1001 hereof with respect to the Trustee insofar as such provisions may be applicable.

ARTICLE XI

SUPPLEMENTAL INDENTURES

Section 1101. Supplemental Indentures Not Requiring Consent of Bondholders. The City and the Trustee may, from time to time and at any time, without the consent of or notice to the Bondholders, enter into Supplemental Indentures as follows:

- (a) to cure any formal defect, omission, inconsistency or ambiguity in this Indenture;
- (b) to grant to or confer or impose upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority, security, liabilities or duties which may lawfully be granted, conferred or imposed and which are not contrary to or inconsistent with this Indenture as theretofore in effect, provided that no such additional liabilities or duties shall be imposed upon the Trustee without its consent;
- (c) to add to the covenants and agreements of, and limitations and restrictions upon, the City in this Indenture other covenants, agreements, limitations and restrictions to be observed by the City which are not contrary to or inconsistent with this Indenture as theretofore in effect;
- (d) to confirm, as further assurance, any pledge under, and the subjection to any claim, lien or pledge created or to be created by, this Indenture, of the Trust Estate or of any other moneys, securities or funds;

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

(f) to authorize the issuance and sale of one or more series of Additional Bonds;

(g) to make such additions, deletions or modifications as may be necessary to assure compliance with Section 148(f) of the Code relating to required rebate to the United States or otherwise as may be necessary to assure exemption from federal income taxation of interest on the Bonds; or

(h) to modify, alter, amend or supplement this Indenture in any other respect which is not materially adverse to the Bondholders and which does not involve a change described in clause (a), (b), (c), (d), (e) or (f) of Section 1102 hereof and which, in the judgment of the Trustee, is not to the prejudice of the Trustee.

Section 1102. Supplemental Indentures Requiring Consent of Bondholders. Subject to the terms and provisions contained in this Section, and not otherwise, the Holders of not less than 2/3 in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the City and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the City for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any Supplemental Indenture; provided, however, that nothing herein contained shall permit or be construed as permitting (a) an extension of the maturity (or mandatory redemption date) of the principal of or the interest on any Bond issued hereunder, or (b) a reduction in the principal amount of or redemption premium or rate of interest on any Bond issued hereunder, or (c) the creation of any lien on the Trust Estate or any part thereof, except as hereinbefore expressly permitted, or (d) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indenture, or (f) deprive the Holder of any Bond then Outstanding of the lien hereby created on the Trust Estate. Nothing herein contained, however, shall be construed as making necessary the approval of Bondholders of the execution of any Supplemental Indenture as provided in Section 1101 of this Article XI.

If, at any time the City shall request the Trustee to enter into any Supplemental Indenture for any of the purposes of this Section, the Trustee shall, at the expense of the City, cause notice of the proposed execution of such Supplemental Indenture to be mailed by first class mail to each registered owner of the Bonds. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection by Bondholders. The Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail such notice, and any such failure shall not affect the validity of such Supplemental Indenture when consented to and approved as provided in this Section 1102. If the Holders of not less than 2/3 in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Holder of any Bond

shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the City from executing the same or from taking any action pursuant to the provisions thereof.

Section 1103. Effect of Supplemental Indentures. Upon the execution of any Supplemental Indenture entered into pursuant to Section 1101 or 1102 hereof, this Indenture shall be deemed to be modified and amended in accordance therewith.

ARTICLE XII

MISCELLANEOUS

Section 1201. Consents, etc. of Bondholders. Any request, direction, objection or other instrument required by this Indenture to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such request, direction, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument, namely:

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

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

Section 1202. Notices. Except as otherwise provided in this Indenture, all notices, certificates or other communications shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, postage prepaid, to the City or the Trustee. Notices, certificates or other communications shall be sent to the following addresses:

City:	City of Fayetteville City Administration Building 113 West Mountain Fayetteville, Arkansas 72701 Attention: Mayor
Trustee:	Simmons First Trust Company, N.A. 501 Main Street Pine Bluff, Arkansas 71601 Attention: Glenda L. Dean, Corporate Trust

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

Section 1203. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture, or the Bonds issued hereunder, is intended or shall be construed to give to any person or company other than the parties hereto, and the Holders of the Bonds secured by this Indenture any legal or equitable rights, remedy, or claim under or in respect to this Indenture or any covenants, conditions, and provisions hereof being intended to be and being for the sole exclusive benefit of the parties hereto and the Holders of the Bonds hereby secured as herein provided.

Section 1204. Severability. If any provisions of this Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any provisions or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

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

Section 1205. Applicable Provisions of Law. This Indenture shall be considered to have been executed in the State of Arkansas and it is the intention of the parties that the substantive law of the State of Arkansas govern as to all questions of interpretation, validity and effect.

Section 1206. Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1207. Successors and Assigns. All the covenants, stipulations, provisions, agreements, rights, remedies and claims of the parties hereto in this Indenture contained shall bind and inure to the benefit of their successors and assigns.

Section 1208. Captions. The captions or headings in this Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Indenture.

Section 1209. Photocopies and Reproductions. A photocopy or other reproduction of this Indenture may be filed as a financing statement pursuant to the Uniform Commercial Code, although the signatures of the City and the Trustee in such reproduction are not original manual signatures.

Section 1210. Bonds Owned by the City . In determining whether Bondholders of the requisite aggregate principal amount of the Bonds have concurred in any direction, consent or waiver under this Indenture, Bonds which are owned by the City shall be disregarded and

deemed not to be Outstanding for the purpose of any such determination, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver, only Bonds which the Trustee knows are so owned shall be so disregarded. Bonds so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the City. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

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

CITY OF FAYETTEVILLE, ARKANSAS

By: _____
Mayor

ATTEST:

City Clerk

SIMMONS FIRST TRUST COMPANY, N.A.,
as Trustee

By: _____
Title:

ATTEST:

By: _____
Title:

EXHIBIT A TO TRUST INDENTURE

Form of Series 2011 Bond

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the City or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by the authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), any transfer, pledge or other use hereof for value or otherwise by or to any person is wrongful inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R11-_____ \$ _____

**UNITED STATES OF AMERICA
STATE OF ARKANSAS
CITY OF FAYETTEVILLE, ARKANSAS
PARKING REVENUE IMPROVEMENT BOND,
SERIES 2011**

Interest Rate: _____% Maturity Date: December 1, 20__

Date of Bond: December 1, 20__ CUSIP: _____

Registered Owner: CEDE & CO.

Principal Amount: _____ Dollars

KNOW ALL MEN BY THESE PRESENTS:

That the City of Fayetteville, Arkansas, a municipality and political subdivision organized and existing by virtue of the laws of the State of Arkansas (the "City"), for value received, promises to pay to the Registered Owner shown above, or registered assigns, on the Maturity Date shown above, but solely from the source and in the manner hereinafter set forth, the Principal Amount shown above, and in like manner to pay interest on said amount from the date hereof until payment of such Principal Amount has been made or duly provided for, at the Interest Rate per annum shown above, such interest to be payable semiannually on June 1 and December 1 of each year, commencing on the June 1 or December 1 next succeeding the date of this bond shown above, except as the provisions hereinafter set forth with respect to redemption of this bond prior to maturity may become applicable hereto. The principal of and premium, if any, on this bond are payable in lawful money of the United States of America upon the presentation and surrender hereof at the principal corporate trust office of Simmons First Trust Company, N.A., Pine Bluff, Arkansas, or its successor or successors, as trustee (the "Trustee"). So long as Cede & Co. or another nominee of DTC is the registered owner of this bond, payment of interest hereon shall be made by wire transfer of immediately available funds by the Trustee to the Registered Owner as of the fifteenth day of the calendar month preceding the calendar month in which such interest payment date shall fall (the "Record Date"). At any time thereafter, payment of interest hereon shall be made by check or draft of the Trustee to the Registered

Owner as of the applicable Record Date, at the owner's address as it appears on the bond registration books of the City kept by the Trustee.

This bond, designated "City of Fayetteville, Arkansas Parking Revenue Improvement Bond, Series 2011," is a series of bonds in the aggregate original principal amount of \$ _____ (the "Series 2011 Bonds"), issued for the purpose of (i) financing costs of acquiring, constructing and equipping parking deck facilities and related roadway and other improvements (collectively, the "Project"), (ii) funding a debt service reserve, and (iii) paying expenses of issuing the Series 2011 Bonds.

The Series 2011 Bonds are issued under and are secured and entitled to the protection given by a Trust Indenture dated as of December 1, 2011 (the "Indenture"), by and between the City and the Trustee, which Indenture is available for inspection at the principal corporate trust office of the Trustee.

The Series 2011 Bonds are not general obligations of the City, but are limited and special obligations payable solely from and secured by a pledge of net revenues (after provision for operation and maintenance expenses, including previous debt for parking equipment) attributable to parking fees, leases, rents, fines, charges and other revenues collected by the City with respect to its meters, lots and other parking facilities, and including net revenues to be generated with respect to the Project and net revenues with respect to City management of parking facilities owned by third parties (the "Net Parking Revenues"), as specified in, and in accordance with the provisions of, the Indenture.

The Indenture provides that the City may hereafter issue Additional Bonds from time to time under certain terms and conditions contained in the Indenture and, if issued, such Additional Bonds will rank on a parity of security with the Series 2011 Bonds and be equally and ratably secured by and entitled to the protection of the Indenture. Reference is hereby made to the Indenture and to all indentures supplemental thereto for the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the City, the Trustee and the registered owners of the Series 2011 Bonds, and the terms upon which the Series 2011 Bonds are issued and secured.

The City has covenanted that the fees, leases, rents, fines and charges generating the Parking Revenues will not be reduced from current levels while any of the Series 2011 Bonds are Outstanding unless there is obtained from a Qualified Accountant a certificate to the effect that Net Parking Revenues in the then current and immediately succeeding fiscal years, with the reduced fees, leases, rents, fines or charges, will be at least equal to (i) 125% of the Annual Debt Service on all Bonds and Subordinate Obligations for the then current and immediately succeeding fiscal years, and (ii) the amount, if any, needed to make required deposits to the Debt Service Reserve Fund. The City has further covenanted that the fees, leases, rents, fines and charges generating the Parking Revenues shall, if and when necessary, from time to time, be increased in such a manner as will produce Net Parking Revenues in the then current and immediately succeeding fiscal years at least equal to (i) 125% of the Annual Debt Service on all Bonds and Subordinate Obligations for the then current and immediately succeeding fiscal years, and (ii) the amount, if any, needed to make required deposits to the Debt Service Reserve Fund.

The Series 2011 Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas, including particularly Amendment 65 to the Constitution and Arkansas Code Annotated (1998 Repl. & 2011 Supp.) §§14-164-401 *et seq.* (the "Act"), and pursuant to Ordinance No. _____ of the City adopted on _____, 2011. The Series 2011 Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation and the Series 2011 Bonds shall never constitute an obligation or charge against the general credit or taxing powers of the City.

The holder of this Series 2011 Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Series 2011 Bonds and Additional Bonds, if any, issued under the Indenture and then outstanding may be declared and may become due and payable before the stated maturity thereof, together with accrued interest thereon.

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

The Series 2011 Bonds will be subject to redemption prior to maturity as follows:

(a) The Series 2011 Bonds are subject to redemption prior to maturity, at the option of the City, on and after December 1, 2016, in whole or in part at any time and in any order of maturity directed by the City, from funds from any source, at a redemption price equal to one hundred percent (100%) of the principal amount of the Series 2011 Bonds being redeemed, plus accrued interest to the date of redemption.

(b) The Series 2011 Bonds shall be redeemed prior to maturity, in whole or in part, on any interest payment date, in inverse order of maturity, at a redemption price equal to one hundred percent (100%) of the principal amount of the Series 2011 Bonds being redeemed, plus accrued interest to the date of redemption, from unexpended proceeds of the Series 2011 Bonds (if such unexpended proceeds equal or exceed \$100,000) not needed for paying costs of the Project Costs.

(c) The Series 2011 Bonds maturing on December 1, 20__, are subject to mandatory sinking fund redemption prior to maturity in part, on December 1 in the years and amounts set forth below at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption, without premium;

Year	Principal Amount
20__	\$
20__	\$
20__	\$
20__	\$
20__ (maturity)	\$

(d) The Series 2011 Bonds maturing on December 1, 20__, are subject to mandatory sinking fund redemption prior to maturity in part, on December 1 in the years and amounts set forth below at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption, without premium; and

Year	Principal Amount
20__	\$
20__	\$
20__	\$
20__	\$
20__ (maturity)	\$

(e) The Series 2011 Bonds maturing on December 1, 20__, are subject to mandatory sinking fund redemption prior to maturity in part, on December 1 in the years and amounts set forth below at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption, without premium.

Year	Principal Amount
20__	\$
20__	\$
20__	\$
20__ (maturity)	\$

At its option, to be exercised on or before the 45th day next preceding any mandatory sinking fund redemption date for any Series 2011 Bonds, the City may deliver to the Trustee for cancellation Series 2011 Bonds of the appropriate maturity, or portions thereof (\$5,000 or any integral multiple thereof), in any aggregate principal amount desired. Each such Series 2011 Bond, or portion thereof, so delivered or previously redeemed (otherwise than through mandatory sinking fund redemption) and canceled by the Trustee shall be credited by the Trustee at 100% of the principal amount thereof on the obligation of the City on such mandatory sinking fund redemption date, and any excess over such amount shall be credited on future mandatory sinking fund redemption obligations of that maturity in chronological order, and the principal amount of such Series 2011 Bonds so to be redeemed shall be accordingly reduced.

This Series 2011 Bond may be transferred on the books of registration kept by the Trustee by the registered owner or by his duly authorized attorney upon surrender hereof, together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney.

The Series 2011 Bonds are issuable as registered bonds without coupons in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations and upon payment of the charges provided in the Indenture, Series 2011 Bonds may be exchanged for a like aggregate principal amount of Series 2011 Bonds of other authorized denominations.

No recourse shall be had for the payment of the principal of or premium, if any, or interest on any of the Series 2011 Bonds or for any claim based thereon or upon any obligation,

covenant or agreement contained in the Series 2011 Bonds or the Indenture against any past, present or future alderman, officer or employee of the City, or any successor, as such, either directly or through the City or any successor of the City, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such alderman, officer or employee as such is hereby expressly waived and released as a condition of and consideration for the issuance of any of the Series 2011 Bonds.

[The Series 2011 Bonds have been designated by the City as “qualified tax-exempt obligations” within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended.]

This Series 2011 Bond is issued with the intent that the laws of the State of Arkansas will govern its construction.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the Series 2011 Bonds do exist, have happened and have been performed in due time, form and manner as required by law; that the indebtedness represented by the Series 2011 Bonds, together with all obligations of the City, does not exceed any constitutional or statutory limitation; and that the revenues pledged to the payment of the principal of and premium, if any, and interest on the Series 2011 Bonds as the same become due and payable will be sufficient in amount for that purpose.

This Series 2011 Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the City of Fayetteville, Arkansas has caused this Series 2011 Bond to be executed by its Mayor and City Clerk, thereunto duly authorized (by their manual or facsimile signatures), and its corporate seal to be affixed or imprinted hereon, all as of the date hereof shown above.

CITY OF FAYETTEVILLE, ARKANSAS

By: _____
Mayor

ATTEST:

By: _____
City Clerk

(S E A L)

(Form of Trustee's Certificate)

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the Series 2011 Bonds of the issue described in and issued under the provisions of the within mentioned Indenture.

Attached hereto is the complete text of the opinion of Kutak Rock LLP, a signed original of which is on file with the undersigned, delivered and dated the date of the original delivery of and payment for the Series 2011 Bonds.

SIMMONS FIRST TRUST COMPANY, N.A.,
as Trustee

By: _____
Authorized Signature

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, _____, hereby sells, assigns, and transfers unto _____, the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ as attorney to transfer the within Bond on the books kept for registration thereof with full power of substitution in the premises.

DATE: _____, 20__.

Transferor

GUARANTEED BY:

NOTICE: Signature(s) must be guaranteed by an institution satisfactory to the Trustee or other transfer agent

EXHIBIT B TO TRUST INDENTURE

REQUISITION

City of Fayetteville, Arkansas
Series 2011 Parking Revenue Improvement Bonds

Date: _____

Requisition No.: _____

TO: Simmons First Trust Company, N.A., as Trustee

Pursuant to the provisions of Section 502 of the Trust Indenture dated as of December 1, 2011 (the "Indenture"), by and between the City of Fayetteville, Arkansas (the "Issuer") and you, as trustee, you are authorized to make the following described payment directly to the Payee named below from the Project Fund:

Name and Address of Payee: _____

Amount of Payment: \$ _____

General Classification of
the Expenditures: _____

The undersigned hereby certifies that he is authorized to deliver this Requisition on behalf of the Issuer.

The amount requested hereunder has not been the basis for any previous Requisition by the Issuer and is justly due and owing to the person(s) named herein as a proper payment or reimbursement of a Project Cost.

No Event of Default exists under the Indenture and, to the knowledge of the undersigned, no event has occurred and continues which with notice or lapse of time or both would constitute an Event of Default under the Indenture.

CITY OF FAYETTEVILLE, ARKANSAS

By: _____

Authorized Representative

Parking Revenue Bonds
Parking Deck
Entertainment District

CROSSLAND
CONSTRUCTION COMPANY, INC.

1800 S. 52nd Street, Suite 300

Rogers, Arkansas 72758

tel 479.464.7077

fax 479.464.7050

RE: City of Fayetteville Parking Garage

Option One – SE Deck

General Information

- Site to be the southeast corner of the intersection of Spring Street and West Ave.
- Cast-in-place structure utilizing post tensioning.
- Deep foundation will be required.
- Exterior skin to be architectural treatment such as brick
- Approx. 290 spaces, 230 net gain (Spacing and layout could produce more spaces)

Cost

- Approx. \$5,365,000, or \$18,500 per space
- Cost does not include any design fees
- Cost does not include any rock excavation beyond what is reasonably expected for foundation work

Site Information and Challenges

- Small site, will need to use grassy area across Spring Street for construction lay down area
- Inefficient size. To construct a six story deck on such a small site will cause the cost of each space to be greater than normal.
- Presence of ground water in the area of the site
- Presence of rock in area of the site will increase the cost of the foundation work
- Time: In order to construct this structure safely with such limited access to, in, and around the site will cause the project schedule to be around 15 to 19 months.
- Possible disruption of local utilities
- May require the addition of a traffic signal at the intersection (not included in cost)
- Would disrupt a relatively few amount of existing parking spaces
- Would require coordination with adjacent property owners
- Could require land acquisition of land from adjacent properties

CROSSLAND
CONSTRUCTION COMPANY, INC.

1800 S. 52nd Street, Suite 300

Rogers, Arkansas 72758

tel 479.464.7077

fax 479.464.7050

Option Two – WAC Lot

General Information

- Excavate existing approx. 290 space surface lot at the south west corner of West Ave. and Dickson Streets to accommodate an additional approx. 260 subterranean spaces.
- Structure will be cast in place foundation and basement walls with a precast concrete structure supporting new parking at or slightly above the level of the existing surface lot grade. New upper level will be approx. 305 spaces
- Approx. 565 spaces, 275 net gain (Spacing and layout could produce more spaces)

Cost

- Approximately 5,085,000, or \$9,000 per space
- Cost does not include any design fees
- Cost does not include any rock excavation beyond what is reasonably expected for foundation work

Site Information and Challenges

- Will require the disruption of major parking lot in the entertainment district
- Knowledge of existing conditions via as-built drawing of existing parking lot makes fewer unknowns about the site and subsurface conditions.
- Modification of existing Storm Sewer system will be required
- Creates opportunity to construction a permanent/semi-permanent stage or performance platform.
- Very efficient structure, creates additional parking at a much less than normal parking deck cost because of larger surface area of the site which makes constructing the required parking spaces possible without building a tall structure.
- Structure can be designed so that additional levels (probably one or two) could be added in the future as need arises.
- Not building a multi-level above grade structure eliminates the need for additional architectural finished on the exterior, which in turn lowers the cost.
- Time: This project could be constructed in approx. 9 to 12 months
- May require the addition of a traffic signal at the intersection (not included in cost)