NEW ISSUE - Book-Entry Only

RATING
S&P: A+

In the opinion of Bond Counsel, the Series 2013 Bonds and interest thereon are exempt from all state, county and municipal tax. See ***LEGAL MATTERS****, Arkansas Tax Exemption herein. In the opinion of Special Tax Counsel, under existing law interest on the Series 2013 Bonds is excludable from gross income for federal income tax purposes and the Series 2013 Bonds are not "private activity bonds". See* ***FEDERAL TAX MATTERS*** *for a discussion of the opinion of Special Tax Counsel, including a description of alternative minimum tax consequences for corporations.*

$84,200,000
CITY OF SPRINGDALE, ARKANSAS
SALES AND USE TAX
REFUNDING BONDS
SERIES 2013

Dated: October 1, 2013 Due: July 1, as shown below

The Series 2013 Bonds of each maturity will be initially issued as a single registered bond registered in the name of Cede & Co., the nominee of The Depository Trust Company ("DTC"), New York, New York. The Series 2013 Bonds will be available for purchase in book-entry form only, in denominations of $5,000 or any integral multiple thereof. Except in limited circumstances described herein, purchasers of the Series 2013 Bonds will not receive physical delivery of Series 2013 Bonds. Payments of principal of and interest on the Series 2013 Bonds will be made by First Security Bank, Searcy, Arkansas as the Trustee, directly to Cede & Co., as nominee for DTC, as registered owner of the Series 2013 Bonds, to be subsequently disbursed to DTC Participants and thereafter to the Beneficial Owners of the Series 2013 Bonds, all as further described herein.

Principal of and interest on the Series 2013 Bonds are payable from a pledge of receipts derived by the City of Springdale, Arkansas (the "City") from a 1% sales and use tax levied by the City. See **SECURITY FOR THE SERIES 2013 BONDS** herein. The Series 2013 Bonds are being issued to finance the refunding of the City's Sales and Use Tax Refunding and Improvement Bonds, Series 2006.

Interest on the Series 2013 Bonds is payable on each January 1 and July 1, commencing January 1, 2014. The Series 2013 Bonds mature (on July 1 of each year), bear interest and are priced to yield as follows:

MATURITY SCHEDULE

Maturity	Amount	Rate (%)	Yield(%)	Maturity	Amount	Rate(%)	Yield(%)
2014	$3,475,000	2.000	0.260	2020	$5,810,000	5.000	2.900*
2015	4,865,000	3.000	0.730	2021	6,100,000	5.000	3.210*
2016	5,015,000	3.000	1.120	2022	6,405,000	5.000	3.450*
2017	5,165,000	4.000	1.620	2026	7,565,000	3.875	3.875
2018	5,370,000	4.000	2.120	2027	7,855,000	2.600	2.600
2019	5,585,000	4.000	2.570*				

$20,990,000 4.0% Term Bonds due July 1, 2025 to Yield 4.162%

(Plus Accrued Interest from October 1, 2013)

The Series 2013 Bonds are offered, subject to prior sale, when, as and if issued and received by the Underwriters named below, subject to the approval of legality by Friday, Eldredge & Clark, LLP, Little Rock, Arkansas, Bond Counsel, and subject to certain other conditions. Certain federal tax matters will be passed upon by Bracewell & Giuliani LLP, Houston, Texas, as Special Tax Counsel. It is expected that the Series 2013 Bonds will be available for delivery on or about October 2, 2013.

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

Stephens Inc.
Investment Bankers

Crews&Associates
Member First Security Bancorp

Dated: August 30, 2013.

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* Priced to the first optional redemption date, July 1, 2018.

No dealer, broker, salesman or other person has been authorized by the City or the Underwriters to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or other solicitation of an offer to buy, nor shall there be any sale of the Series 2013 Bonds by any persons in any state in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City since the date hereof.

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OFFICIAL STATEMENT

$84,200,000
CITY OF SPRINGDALE, ARKANSAS
SALES AND USE TAX
REFUNDING BONDS
SERIES 2013

INTRODUCTION TO OFFICIAL STATEMENT

This Introduction is subject in all respects to the more complete information contained in this Official Statement. The offering of the bonds to potential investors is made only by means of the entire Official Statement, including the cover page hereof and exhibits hereto. A full review should be made of the entire Official Statement, as well as the Authorizing Ordinance described herein.

This Official Statement of the City of Springdale, Arkansas (the "City") is furnished in connection with the offering by the City of its $84,200,000 principal amount of Sales and Use Tax Refunding Bonds, Series 2013, dated October 1, 2013 (the "Bonds" or the "Series 2013 Bonds"). The Series 2013 Bonds are being issued for the purpose of refunding (the "Refunding") the City's Sales and Use Tax Refunding and Improvement Bonds, Series 2006 (the "Series 2006 Bonds").

The City is a city of the first class duly organized under the laws of the State of Arkansas (the "State") and is located in northwestern Arkansas. The City is authorized under Amendment No. 62 to the Constitution of the State ("Amendment 62") and Title 14, Chapter 164, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation") to issue capital improvement bonds and to expend the proceeds thereof for the intended purposes. See **THE CITY AND THE COUNTY.**

The Series 2013 Bonds are not general obligations of the City, but are special obligations payable solely from collections of a 1% sales and use tax (the "Tax") . See **SECURITY FOR THE SERIES 2013 BONDS,** The Tax. The Tax is levied under Ordinance No. 3895 of the City adopted May 23, 2006 (the "Tax Ordinance"). The issuance of the Series 2006 Bonds and the pledging of the Tax to the payment of the principal of and interest on the Series 2006 Bonds were approved at a special election held July 11, 2006. The Series 2013 Bonds are being issued pursuant to and in full compliance with Amendment 62 and the Authorizing Legislation and Ordinance No. 4728 of the City, adopted on August 23, 2013 (the "Authorizing Ordinance"). See **THE AUTHORIZING ORDINANCE.**

The Series 2013 Bonds are issuable only as fully registered bonds, without coupons, in the denomination of $5,000 or integral multiple thereof. Interest is payable January 1, 2014, and semiannually thereafter on each January 1 and July 1. Principal is payable at the principal office of First Security Bank, Searcy, Arkansas, as trustee and paying agent for the Series 2013 Bonds (the "Trustee"). Interest is payable by the Trustee to the registered owners as of the record date for each interest payment date. The record date for payment of interest on the Series 2013 Bonds shall be the fifteenth day of the calendar month next preceding each interest payment date. A Series 2013 Bond may be transferred, in whole or in part (in integral multiples of $5,000), but only upon delivery of the Series 2013 Bond, together with a written instrument of transfer, to the Trustee. See **THE SERIES 2013 BONDS,** Generally.

The Series 2013 Bonds will be initially issued in book-entry form and purchasers of the Series 2013 Bonds will not receive certificates representing their interest in the Series 2013 Bonds purchased. See **THE SERIES 2013 BONDS,** Book-Entry Only System. The Series 2013 Bonds will contain such other terms and provisions as described herein. See **THE SERIES 2013 BONDS,** Generally.

The Series 2013 Bonds are subject to optional redemption on and after July 1, 2018 and are also subject to extraordinary redemption as described herein. The Series 2013 Bonds maturing on July 1, 2025 are subject to mandatory sinking fund redemption as described herein. The Trustee shall give at least thirty (30) days' notice of redemption. See **THE SERIES 2013 BONDS,** Redemption.

Under existing law and assuming compliance with certain covenants described herein, the Series 2013 Bonds and interest thereon are exempt from all State, county and municipal tax. See **LEGAL MATTERS,** Arkansas Tax Exemption. Further, under existing law interest on the Series 2013 Bonds is excludable from gross income for federal income tax purposes and the Series 2013 Bonds are not "private activity bonds." See **FEDERAL TAX MATTERS** for a discussion of the opinion of Special Tax Counsel, including a description of alternative minimum tax consequences for corporations.

It is expected that the Series 2013 Bonds will be available for delivery on or about October 2, 2013 through the facilities of the Depository Trust Company in New York, New York.

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

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of the Authorizing Ordinance and the Continuing Disclosure Agreement summarized herein are available upon request from Stephens Inc., 111 Center Street, Little Rock, Arkansas 72201, Attention: Public Finance and Crews & Associates, Inc., First Security Center, 521 President Clinton Avenue, Suite 900, Little Rock, Arkansas 72201.

THE SERIES 2013 BONDS

Book-Entry Only System. The Depository Trust Company ("DTC"), New York, New York, or its successor, will act as securities depository for the Series 2013 Bonds. The Series 2013 Bonds will each be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2013 Bond certificate for each maturity will be issued in the principal amount of the maturity, and will be deposited with DTC.

DTC 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 securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Closing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and

Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2013 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2013 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2013 Bond (referred to herein as "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2013 Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in Series 2013 Bonds, except in the event that use of the book-entry system for the Series 2013 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2013 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 2013 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2013 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2013 Bonds are credited, which may or may not be the Beneficial Owners. Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices will be sent to Cede & Co. If fewer than all of the Series 2013 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2013 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2013 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and premium, if any, payments on the Series 2013 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2013 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, Series 2013 Bonds are required to be printed and delivered. The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2013 Bonds will be printed and delivered.

The information concerning DTC and DTC's book-entry system set forth above has been obtained from DTC. Neither the Underwriters nor the City make any representation or warranty regarding the accuracy or completeness thereof.

So long as the Series 2013 Bonds are in book-entry only form, Cede & Co., as nominee for DTC, will be treated as the sole owner of the Series 2013 Bonds for all purposes under the Authorizing Ordinance, including receipt of all principal of and interest on the Series 2013 Bonds, receipt of notices, voting and requesting or directing the Trustee to take or not to take, or consenting to, certain actions under the Authorizing Ordinance. The City and the Trustee have no responsibility or obligation to the Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any Participant; (b) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal of and interest on the Series 2013 Bonds; (c) the delivery or timeliness of delivery by any Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Authorizing Ordinance to be given to owners of Series 2013 Bonds; or (d) other action taken by DTC or Cede & Co. as owner of the Series 2013 Bonds.

Generally. The Series 2013 Bonds are dated, mature and bear interest as set forth on the cover page hereof. The principal of the Series 2013 Bonds is payable upon presentation and surrender at the principal office of the Trustee. Payment of interest on the Series 2013 Bonds will be made to each registered owner thereof by check or draft mailed by the Trustee to such owner at his address as such name and address appear on the registration book of the City kept by the Trustee on the record date which is the fifteenth day of the calendar month next preceding the calendar month in which such interest payment date falls. All such payments will be made in lawful money of the United States of America.

The Series 2013 Bonds are issuable in the form of registered Series 2013 Bonds without coupons in the denomination of $5,000 each or any integral multiple thereof, interchangeable in accordance with the provisions of the Authorizing Ordinance. In the event any Series 2013 Bond is mutilated, lost or destroyed, the City shall, if not then prohibited by law, execute and the Trustee may authenticate a new Series 2013 Bond in accordance with the provisions therefor in the Authorizing Ordinance.

Each Series 2013 Bond is transferable by the registered owner thereof or by his attorney duly authorized in writing at the principal office of the Trustee. Upon such transfer a new fully registered Series 2013 Bond or Series 2013 Bonds of the same maturity, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefor.

No charge shall be made to any owner of any Series 2013 Bond for the privilege of registration, but any owner of any Series 2013 Bond requesting any such registration shall pay any tax or other governmental charge required to be paid with respect thereto. Except as otherwise provided in the immediately preceding sentence, the cost of preparing each new Series 2013 Bond upon each exchange or transfer and any other expenses of the City or the Trustee incurred in connection therewith shall be paid by the City. Neither the City nor the Trustee shall be required to transfer or exchange any Series 2013 Bonds selected for redemption in whole or in part.

The person in whose name any Series 2013 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 or interest of any Series 2013 Bond shall be made only to or upon the order of the registered owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2013 Bond to the extent of the sum or sums so paid.

In any case where the date of maturity of interest on or principal of the Series 2013 Bonds or the date fixed for redemption of any Series 2013 Bonds shall be a Saturday or Sunday or shall be in the State a legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal need not be made on such date but may be made on the next succeeding business day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after the date of maturity or date fixed for redemption.

Redemption. The Series 2013 Bonds are subject to extraordinary, optional and mandatory sinking fund redemption as follows:

(1) Extraordinary Redemption. The Series 2013 Bonds shall be redeemed from proceeds of the Series 2013 Bonds not needed for the purposes intended and Surplus Tax Receipts (hereinafter defined), at least annually, in inverse order of maturity (and by lot within a maturity in such manner as the Trustee shall determine), in whole at any time or in part on any interest payment date, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date.

"Surplus Tax Receipts" are collections of the Tax in excess of the amount necessary to (1) insure the prompt payment of the principal, interest on, Trustee's and administrative fees and expenses in connection with the Series 2013 Bonds, (2) fund and maintain a debt service reserve in the required amount, (3) pay any arbitrage rebate due under Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and (4) pay the issuer of the Debt Service Reserve Policy (as hereinafter defined) for any amounts owing with respect thereto.

In the case of any defeasance of the Series 2013 Bonds, the dates of redemption, the principal amounts and the maturities of the Series 2013 Bonds to be redeemed will be determined by taking into consideration the mandatory redemption requirements set forth above and the Tax receipts for the most recent twelve months.

(2) Optional Redemption. The Series 2013 Bonds are subject to redemption at the option of the City, from funds from any source, on and after July 1, 2018, in whole at any time or in part on any interest payment date, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date. If fewer than all of the Series 2013 Bonds shall be called for redemption, the particular maturities of the Series 2013 Bonds to be redeemed shall be selected by the City in its discretion. If fewer than all of the Series 2013 Bonds of any one maturity shall be called for redemption, the particular Series 2013 Bonds or portion thereof to be redeemed from such maturity shall be selected by lot by the Trustee.

(3) Mandatory Sinking Fund Redemption. To the extent not previously redeemed, the Series 2013 Bonds maturing on July 1, 2025 are subject to mandatory sinking fund redemption by lot in such manner as the Trustee shall determine, on July 1 in the years and in the amounts set forth below, at a redemption price equal to the principal amount being redeemed plus accrued interest to the date of redemption:

Bonds Maturing July 1, 2025

Years	Principal Amount
2023	$6,725,000
2024	6,995,000
2025 (maturity)	7,270,000

The City has covenanted in the Authorizing Ordinance that "Surplus Tax Collections", being collections from the Tax in excess of the amount necessary to (1) insure the prompt payment of the principal of, interest on and Trustee's and administrative fees and expenses in connection with the Series 2013 Bonds as the same become due, (2) fund and maintain the Debt Service Reserve Account in the required amount, (3) make any arbitrage rebate payment due the United States and (4) pay the issuer of a debt service reserve insurance policy for the Series 2013 Bonds for any amounts owing such issuer with respect thereto must be used from time to time, at least annually, as and to the extent available, to redeem outstanding Series 2013 Bonds prior to maturity.

In the case of any redemption of Series 2013 Bonds prior to maturity, the Trustee shall mail a copy of the redemption notice to the registered owners of the Series 2013 Bonds to be redeemed, in each case not less than 30 nor more than 60 days prior to the date of redemption. After the date for redemption no further interest shall accrue on any Series 2013 Bond called for redemption if funds for redemption of such Series 2013 Bond have been deposited with the Trustee as provided in the Authorizing Ordinance.

Notwithstanding the above, so long as the Series 2013 Bonds are issued in book-entry only form, if fewer than all the Series 2013 Bonds of an issue are called for redemption, the particular Series 2013 Bonds to be redeemed will be selected pursuant to the procedures established by DTC. So long as the Series 2013 Bonds are issued in book-entry only form, notice of redemption will be given only to Cede & Co., as nominee for DTC. **The Trustee will not give any notice of redemption to the Beneficial Owners of the Series 2013 Bonds.**

Otherwise, any selection of Series 2013 Bonds by lot shall be effected by the Trustee, by any method chosen by the Trustee in its discretion.

PURPOSES FOR THE SERIES 2013 BONDS

The Series 2013 Bonds are being issued to current refund the Series 2006 Bonds, to fund a debt service reserve and to pay expenses of issuing the Series 2013 Bonds. The Series 2006 Bonds were issued for the purpose of financing the following:

(a) the advance refunding of the City's Sales and Use Tax Bonds, Series 2004, which financed street improvements (the "2004 Street Improvements");

(b) the financing of street improvements (the "2006 Street Improvements"); and

(c) the financing of certain baseball stadium improvements (the "Baseball Stadium Improvements"). The Baseball Stadium Improvements are used as a baseball stadium facility for a professional baseball team. The baseball stadium facility is leased to Wichita Baseball, Inc., which is a Class Double A baseball franchise.

The Series 2006 Bonds are expected to be redeemed on October 2, 2013.

The City will provide a debt service reserve and pay costs of issuing the Series 2013 Bonds from Series 2013 Bond proceeds. The proceeds of the Series 2013 Bonds (exclusive of accrued interest) are estimated to be expended by the City approximately as follows:

Sources:	
Principal Amount of Bonds	$84,200,000
Existing Funds from Series 2006 Bonds	4,622,915
Net Original Issue Premium	2,874,047
Total	$91,696,962
Uses:	
Refunding Costs	$89,598,801
Debt Service Reserve	1,054,759
Underwriters' Discount	715,700
Debt Service Reserve Policy Premium and Costs of Issuance	325,836
Contingency	1,866
Total	$91,696,962

The payment of Underwriters' discount and the costs of issuing the Series 2013 Bonds relating to the payment of professional fees will be contingent on the Series 2013 Bonds being issued. See **MISCELLANEOUS**, Underwriting for a description of the Underwriters' discount.

SECURITY FOR THE SERIES 2013 BONDS

General. The Series 2013 Bonds are not general obligations of the City but are special obligations, secured by a first and prior pledge of collections of the Tax ("Tax receipts"). Tax receipts shall be used first to pay the principal of and interest on the Series 2013 Bonds, and thereafter to pay Trustee's fees and expenses and other administrative charges, to pay any arbitrage rebate due under Section 148(f) of the Code, to maintain the debt service reserve, hereinafter described, at the required level and to pay the issuer of the Debt Service Reserve Policy amounts owed with respect thereto. The Series 2013 Bonds are secured under the Authorizing Ordinance. For a summary of the terms of the Authorizing Ordinance, see **THE AUTHORIZING ORDINANCE.**

Debt Service Reserve. There will be a debt service reserve securing the Series 2013 Bonds in an amount equal to one-half of the maximum annual debt service requirements on the Series 2013 Bonds as originally issued. See **THE AUTHORIZING ORDINANCE**, The Bond Fund. A portion of the debt service reserve will be funded with Series 2013 Bond proceeds. The balance of the debt service reserve will be funded with an insurance policy issued by Assured Guaranty Municipal Corp., a stock insurance company (the "Debt Service Reserve Policy"). The amount of the Debt Service Reserve Policy is $2,976,727.60 and the amount of cash will be $1,054,759.28.

Additional Bonds. The City covenants that it will not issue any additional bonds, or incur any other additional obligations, secured by a lien on or pledge of the Tax receipts.

The Tax. Pursuant to the Authorizing Legislation and the Tax Ordinance, the City has levied the Tax, which is a tax within the City on all items which are subject to taxation under The Arkansas Gross Receipts Act of 1941 and a tax on the receipts from storing, distributing, using or consuming tangible personal property under The Arkansas Compensating (Use) Tax Act of 1949. The Tax was approved at a special election held on July 11, 2006. Pursuant to and in full compliance with Amendment 62, the Authorizing Legislation and the Authorizing Ordinance, the City has pledged the Tax receipts to the payment of the Series 2013 Bonds.

The Streamline Sales and Use Tax Agreement ("Streamline") has been adopted by the State and became effective on January 1, 2008. Streamline amended Arkansas sales and use tax law to allow the State to collect sales and use taxes from internet sales from vendors outside the State. Streamline limits the collection of the local sales and use tax on the first $2,500 of sales proceeds only on the following sales: motor vehicles, aircraft, watercraft, modular homes, manufactured homes or mobile homes. There is no limit of the amount of local sales and use tax to be paid on all other items. The State allows businesses, nonprofits and governmental entities to file for a credit or rebate on a local sales and use tax if the amount on an invoice totals more than $2,500 on certain qualified purchases. Claims for credit or rebates must be filed with the Arkansas Department of Finance and Administration ("DF&A") within six (6) months from the date of purchase or six (6) months from the date of payment, if later. DF&A will then cause the State Treasurer to withhold the amount of the refund from future disbursements to the local government levying the sales and use tax. Prior to January 1, 2008, sales and use taxes were collected on the first $2,500 of sales proceeds for each single transaction, as defined by the City.

Pursuant to Act 757 of 2011 (the "Sales Tax Holiday Act"), the State has created an annual sales tax holiday in which clothing (which are less than $100 per item), clothing accessories or equipment (which are less than $50 per item), school art supplies, school instructional materials and school supplies are exempt from taxation under The Arkansas Gross Receipts Tax Act of 1941. The annual sales tax holiday is from 12:01 a.m. on the first Saturday in August until 11:59 p.m. the following Sunday. The City cannot predict the future impact of the Sales Tax Holiday Act.

Set forth in Exhibit A attached hereto is a summary of certain provisions of the statutes authorizing the Tax. The summary does not purport to be complete statements of the laws. Reference is made to the Arkansas Code Annotated §§26-52-101 et seq. and 26-53-101 et seq. for the full text and complete descriptions of such provisions.

Administration. Pursuant to the Authorizing Legislation, the Commissioner of Revenues of the State (the "Commissioner") performs all functions incidental to the administration, collection, enforcement and operation of the Tax. All Tax receipts collected, less certain charges payable and retainage due the Commissioner for administrative services in the amount of 3% of the gross Tax receipts, shall be remitted by the State Treasurer to the Trustee monthly for deposit into the Bond Fund. See **THE AUTHORIZING ORDINANCE**, The Bond Fund.

Historical Tax Receipts. The City has collected the Tax since 2006. According to the Office of the State Treasurer, collections of the Tax have been as follows:

Calendar Year	Tax Collections	Annual Growth (Decline)(%)
2008	$10,512,756	--
2009	9,806,596	(7.2)
2010	9,671,458	(1.4)
2011	9,951,967	2.9
2012	10,219,412	2.7

According to the Office of the State Treasurer, collections of the Tax remitted to the City for the 12-month periods ended July 31, 2011, 2012 and 2013 are as follows:

Period (Ended July 31)	Tax Collections	Annual Growth(%)
2011	$9,604,453	--
2012	10,245,181	6.7
2013	10,384,966	1.4

Future Tax Receipts. Tax receipts will be contingent upon the sale and use of property and services within the City, which activity is generally dependent upon economic conditions within the City. Also, Tax receipts may be affected by changes to transactions exempted from the Tax made by legislation adopted by the General Assembly of the State or by the people of the State in the form of a constitutional amendment or initiated act. In the past the General Assembly of the State has considered new exemptions to the sales tax, such as food sales, which, if adopted, would materially reduce Tax receipts. The City has no control over actions of the General Assembly or the people of the State and cannot predict whether changes to the Tax may be made. Accordingly, the City cannot predict with certainty the expected amount of Tax receipts to be received and, therefore, there can be no assurance that Tax receipts will be sufficient to pay the principal of and interest on the Series 2013 Bonds.

DEBT SERVICE REQUIREMENTS

The Series 2013 Bonds are structured to provide approximately level scheduled debt service requirements in each year. However, the City expects to retire the Series 2013 Bonds earlier than scheduled from Surplus Tax Receipts through the use of redemptions of the Series 2013 Bonds. See **THE SERIES 2013 BONDS**, Redemption and **PROJECTED MANDATORY REDEMPTION.**

The following table shows amounts required to pay scheduled principal and interest on the Series 2013 Bonds during each year:

Year	Series 2013 Bond Principal	Series 2013 Bond Interest	Total Debt Service
2014	$3,475,000	$2,447,567.82	$5,922,567.82
2015	4,865,000	3,193,923.76	8,058,923.76
2016	5,015,000	3,047,973.76	8,062,973.76
2017	5,165,000	2,897,523.76	8,062,523.76
2018	5,370,000	2,690,923.76	8,060,923.76
2019	5,585,000	2,476,123.76	8,061,123.76
2020	5,810,000	2,252,723.76	8,062,723.76
2021	6,100,000	1,962,223.76	8,062,223.76
2022	6,405,000	1,657,223.76	8,062,223.76
2023	6,725,000	1,336,973.76	8,061,973.76
2024	6,995,000	1,067,973.76	8,062,973.76
2025	7,270,000	788,173.76	8,058,173.76
2026	7,565,000	497,373.76	8,062,373.76
2027	7,855,000	204,230.00	8,059,230.00
TOTAL	$84,200,000	$26,520,932.94	$110,720,932.94

DEBT SERVICE COVERAGE

Set forth below is the debt service coverage information for the Series 2013 Bonds. In arriving at the estimate of annual Tax receipts for this calculation, the City examined collections of the Tax for the 12 month period ended July 31, 2013. See **SECURITY FOR THE SERIES 2013 BONDS**, Historical Tax Receipts.

Actual Tax receipts collected by the City will depend upon, among other things, the level of retail activity within the City, the economic health of the City and surrounding trade area, possible future actions by the people of the State or General Assembly of the State defining

transactions subject to the Tax and granting exemptions from the Tax, such as exemptions for food sales. The figure set forth below is only an estimate based on actual collections of the 1% sales and use tax and there can be no assurance that future Tax receipts will equal the estimate shown below. See **SECURITY FOR THE SERIES 2013 BONDS**, Future Tax Receipts.

Based upon the pledge of 100% of estimated Tax receipts, debt service coverage is as follows:

Estimated Tax Receipts Available for Debt Service[(A)]	$10,384,966
Maximum Annual Debt Service for Series 2013 Bonds[(B)]	8,062,973
Estimated Debt Service Coverage[(A/B)]	1.29x

PROJECTED MANDATORY REDEMPTION

The table under the caption **DEBT SERVICE REQUIREMENTS** does not reflect possible redemptions from the Surplus Tax Receipts, if available. Surplus Tax Receipts are derived solely from Tax receipts in excess of the amounts needed to pay principal of, interest on, Trustee's and administrative fees, amounts due the issuer of the Debt Service Reserve Policy and rebate obligations in connection with the Series 2013 Bonds when due and to fund and maintain the Debt Service Reserve Account at its required level. Based upon the Tax collections for the 12 month period ended July 31, 2013 and no projected growth, the City estimates that Tax receipts will approximate $10,384,966 for each 12 month period while the Series 2013 Bonds are outstanding. The City has estimated that the cash in the Debt Service Reserve Account will be used to redeem the Series 2013 Bonds upon the final redemption date. **THERE IS NO GUARANTEE THAT THESE ESTIMATES WILL BE TRUE. See SECURITY FOR THE SERIES 2013 BONDS, Future Tax Receipts**. The Series 2013 Bonds would be paid in full by January 1, 2024 from Surplus Tax Receipts and moneys in the Debt Service Reserve Account, if these estimates are accurate, as follows:

Year	Principal Amount	Principal Redeemed	Total Principal Retired
2014	$3,475,000	$1,010,000	$4,485,000
2015	4,865,000	2,365,000	7,230,000
2016	5,015,000	2,425,000	7,440,000
2017	5,165,000	2,490,000	7,655,000
2018	5,370,000	2,570,000	7,940,000
2019	5,585,000	2,670,000	8,255,000
2020	5,810,000	2,775,000	8,585,000
2021	6,100,000	2,885,000	8,985,000
2022	6,405,000	3,000,000	9,405,000
2023	6,725,000	3,120,000	9,845,000
2024	--	4,375,000	4,375,000

THE CITY AND THE COUNTY

Location. The City is located in northwest Arkansas, approximately 200 miles northwest of Little Rock, Arkansas and 93 miles east of Tulsa, Oklahoma. The City lies in Washington and Benton Counties with the vast majority of the City's population located in Washington County (the "County").

Population. According to the United States Department of Commerce, Bureau of the Census, population trends of the City and the County are as follows:

Year	City	% Increase	County	% Increase
1960	10,076	--	55,797	--
1970	16,783	66.56	77,370	38.66
1980	23,458	39.77	100,494	29.89
1990	29,941	27.64	113,409	12.85
2000	45,798	52.96	157,715	39.07
2010	69,797	52.40	203,065	28.80

Transportation. The City is served by U.S. Highway Nos. 62, 71 and 412, State Highway Nos. 12, 264 and 265 and Interstate No. 540. The City is served by the Springdale Municipal Airport which offers charter service. The Northwest Arkansas Regional Airport, located in nearby Highfill, offers commercial service by American Airlines to Chicago, Dallas and New York, by United Airlines to Houston, Chicago, Denver and Newark, by Delta Airlines to Atlanta, Memphis, Minneapolis/St. Paul, Detroit and Cincinnati, and by US Airways Express to Charlotte and Washington, D.C., and by Allegiant Air to Las Vegas and Orlando.

Government. The City has the Mayor-City Council form of government, under which the City is governed by a City Council and a Mayor. The Mayor is elected for a four-year term (current term expires December 31, 2016) and members of the City Council serve staggered four-year terms. Four aldermen's terms expire on December 31, 2014 and four aldermen's terms expire on December 31, 2016. There is one vacancy on the City Council. The current Mayor and members of the City Council and their occupations are as follows:

Name	Occupation/Employer
Doug Sprouse	Mayor
Jim Reed	Springdale School District
Kathy Jaycox	Homemaker
Mike Overton	Realtor
Rick Evans	Springdale Dodge
Jeff Watson	Lawyer
Eric Ford	Ball Corporation
Brad Bruns	Realtor

Medical Facilities. The City has one hospital with 222 licensed beds.

Financial Institutions. The City is served by United Bank and by branches of Arvest Bank, Bank of America, N.A., Bank of the Ozarks, Chambers Bank, First Federal Bank, First State Bank, Iberia Bank, First Security Bank, Legacy National Bank, Liberty Bank of Arkansas, Metropolitan National Bank, Regions Bank, Signature Bank of Arkansas and Simmons First Bank of Northwest Arkansas.

Education. Primary and secondary education for the inhabitants of the City are provided by a public school system fully accredited by the North Central Association of Secondary Schools and Colleges. The University of Arkansas is located 7 miles away in Fayetteville and Northwest Arkansas Community College is located 18 miles from the City in Bentonville, Arkansas.

Economy. The following are the major industrial employers within the City:

Employer	Product/Service	Number of Employees
Tyson Foods, Inc.	Poultry processing	4,300
George's Inc.	Poultry processing	2,500
Cargill, Inc.	Protein processing	1,200
AERT	Fabrication, building products	530
Rockline Industries	Moist towelettes	525
Kawneer Company	Aluminum extrusion	470
Multi-Craft Contractors	Fabrication, machine building	400
Apex Tools	Tools	290
Brunner & Lay	Carbide rock	250
JV Manufacturing	Recycle equipment	220
Nilfisk-Advance	Floor cleaning equipment	200
Ball Corporation	Metal cans	180
Newly Weds Foods	Batter coatings	175
Pratt & Whitney	Jet engine repair	170
Dayco Products, Inc.	Auto tensioning devices	120

The City currently has 6,200 more jobs than it did prior to 2009. Total employment in June 2013 was 33,857 and in November 2008 was 27,608.

Litigation. There is no material litigation pending or threatened against the City that would materially adversely affect the financial condition of the City.

Economic Data. Per capita personal income estimates for the County are as follows:[1]

Year	Per Capita Personal Income
2007	$31,891
2008	32,742
2009	30,970
2010	32,269
2011	33,220

Total personal income estimates for the County are as follows for the years indicated:[1]

Year	Total Personal Income
2007	$6,203,534,000
2008	6,457,464,000
2009	6,187,018,000
2010	6,584,819,000
2011	6,893,898,000

[1] Source: Bureau of Economic Analysis, U.S. Department of Commerce.

Set forth below are the annual average unemployment rates for the City, the County and the State since 2008 according to the Arkansas Department of Workforce Services:

Year	Annual Average Unemployment Rate (%) City	County	State
2008	4.7	4.1	5.4
2009	6.8	6.0	7.5
2010	7.1	6.2	7.9
2011	5.8	6.0	7.9
2012	5.1	5.4	7.3
2013*	5.4	5.6	7.3

* As of May 2013.

Construction Activity and Estimated Values. The following are the construction activity for the past five years and the estimated real property values resulting from construction in the City:

Years	Commercial Construction Number of Units	Value	Residential Construction Number of Units	Value
2008	131	$73,034,468	331	$39,835,852
2009	74	76,034,848	268	20,267,364
2010	107	15,365,178	242	23,734,339
2011	110	50,370,621	309	35,321,489
2012	106	23,728,330	346	42,585,181

THE AUTHORIZING ORDINANCE

Set forth below is a summary of certain portions of the Authorizing Ordinance. This summary does not purport to be comprehensive and reference is made to the full text of the Authorizing Ordinance for a complete description of its provisions. All references under this heading to "Bonds" shall mean the Series 2013 Bonds. The City will covenant as set forth below in the Authorizing Ordinance.

The Bond Fund. (a) The Trustee shall deposit all Tax receipts as and when received into a special fund of the City in the Trustee which is created by the Authorizing Ordinance and designated "2013 Sales and Use Tax Bond Fund" (the "Bond Fund"), for the purpose of providing funds for the payment of principal of and interest on the Bonds as they become due at maturity or at redemption prior to maturity, the Trustee's fees and expenses and other administrative charges, any arbitrage rebate due under Section 148(f) of the Code and any amounts owed to the issuer of the Debt Service Reserve Policy. Moneys in the Bond Fund shall be used on each interest payment date (or in the case of a rebate or bond redemption payment under clauses (6) or (7) or the payment to the issuer of the Debt Service Reserve Policy on any date due) in the following order of priority as and when necessary:

(1) to pay the interest on the Bonds then due; and

(2) to pay the principal of the Bonds then due at maturity; and

(3) to make provision in the Bond Fund for payment of one-half of the principal next due on the Bonds at maturity if principal is not due on such interest payment date; and

(4) to transfer into the Debt Service Reserve Account (hereinafter identified) such amounts as necessary to fund and maintain the Debt Service Reserve Account at the required level (hereinafter defined) and to pay any amounts owed to the issuer of the Debt Service Reserve Policy when due; provided, however, that the issuer of the Debt Service Reserve Policy shall be fully paid prior to the replacement of any cash amounts; and

(5) to pay the Trustee's fees and expenses and other administrative charges then due; and

(6) to pay the amount which is payable as arbitrage rebate to the United States Treasury under Section 148(f) of the Code; and

(7) to redeem Bonds prior to maturity.

(b) There shall be established and maintained in the Bond Fund a Debt Service Reserve Account in an amount equal to one-half of the maximum annual debt service requirements on the Bonds as originally issued (the "required level"). Moneys in the Debt Service Reserve Account shall be used to make the payments required by clauses (1) and (2) of paragraph (a) above if moneys in the Bond Fund are not otherwise sufficient for that purpose. Moneys in the Debt Service Reserve Account over and above the required level shall be immediately transferred from the Debt Service Reserve Account into the Bond Fund. Moneys in the Debt Service Reserve Account shall be used to pay the final principal and interest on the Bonds due at maturity or redemption prior to maturity.

For all purposes of the Authorizing Ordinance, the required level shall be satisfied by a combination of cash which may be invested in Permitted Investments (as hereinafter defined) and by the Debt Service Reserve Policy. In all provisions hereof whereby it is required that the Debt Service Reserve Account be maintained at or restored to the required level, the Debt Service Reserve Policy shall be taken into account at par or face amount thereof. The cash shall be withdrawn completely before any demand is made under the Debt Service Reserve Policy.

(c) There shall be established and maintained in the Bond Fund a Redemption Account into which shall be deposited all funds in the Bond Fund available for the redemption of the Bonds arising from Surplus Tax Receipts. The City covenants that moneys in the Redemption Account shall be used on the next available interest payment date, or in the case of the redemption in full of the Bonds, on the redemption date, for the purpose of redeeming Bonds in accordance with clause (7) of subsection (a) above.

(d) When the moneys in the Bond Fund shall be and remain sufficient to pay (1) the principal of all the Bonds then outstanding, (2) interest on the Bonds until the next interest payment date, (3) the Trustee's fees and expenses and other administrative charges, (4) any arbitrage rebate due the United States Treasury under Section 148(f) of the Code and (5) any amount due the issuer of the Debt Service Reserve Policy, there shall be no obligation to make any further payments into the Bond Fund and any Tax receipts remaining in the Bond Fund after the principal of, premium, if any and interest on the Bonds have been paid may be used by the City for any lawful purpose.

Investments. (a) Moneys held for the credit of the Bond Fund (other than the Debt Service Reserve Account) shall be invested and reinvested in Permitted Investments (as hereinafter defined), which will mature, or which will be subject to redemption by the holder thereof, at the option of the holder, not later than the date or dates on which the money shall be required for the payment of the principal of and interest on the Bonds when due.

(b) Moneys held for the credit of the Debt Service Reserve Account shall be invested and reinvested in Permitted Investments, which shall mature, or which shall be subject to

redemption by the holder thereof, at the option of such holder, not later than five (5) years after the date of investment or the final maturity date of the outstanding Bonds, whichever is earlier.

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

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

(e) "Permitted Investments" are defined as (i) direct or fully guaranteed obligations of the United States of America ("Government Securities"), (ii) direct obligations of an agency, instrumentality or government-sponsored enterprise created by an act of the United States Congress and authorized to issue securities or evidences of indebtedness, regardless of whether the securities or evidences of indebtedness are guaranteed for repayment by the United States Government, (iii) certificates of deposit or demand deposits of banks, including the Trustee, which are insured by Federal Deposit Insurance Corporation or, if in excess of insurance coverage, collateralized by Government Securities or other securities authorized by Arkansas law to secure public funds or (iv) money market funds invested exclusively in Government Securities and the obligations described in (ii) above.

Certain Covenants. The City covenants that: (a) it will not take, suffer or permit any action which may cause the interest payable on the Bonds to be included in gross income for federal income tax purposes, including any use of proceeds of the sale of the Bonds or Tax receipts directly or indirectly in such manner as to cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code.

(b) It will not use or permit the use of the 2004 Street Improvements, the 2006 Street Improvements, the Baseball Stadium Improvements (the "Improvements") or the proceeds of the Bonds in such manner as to cause the Bonds to be private activity bonds within the meaning of Section 141 of the Code.

(c) It will faithfully and punctually perform all duties with reference to the Tax and the Bonds, required by the Constitution and laws of the State and by the Authorizing Ordinance, including the collection of Tax, as therein specified and covenanted, the segregating of the Tax receipts and the applying of the Tax receipts as provided in the Authorizing Ordinance.

(d) It will make any arbitrage rebate payment due the United States under Section 148(f) of the Code from moneys in the Bond Fund.

Defaults and Remedies. (a) If there be any default in the payment of the principal of and interest on the Bonds, or if the City defaults in the performance of any covenant contained in the Authorizing Ordinance, the Trustee may, and upon the written request of the owners of not less than 25% in principal amount of the Bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the City and officials of the State, under the Authorizing Ordinance, to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

(b) No owner of any Bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or in law for the protection or enforcement of any right under the Authorizing Ordinance or under the Constitution and laws of the State unless such owner previously shall have given to the Trustee written notice of the default on account of which such suit, action or proceeding is to be taken, and unless the owners of not less than 25% in principal amount of the Bonds then outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers

herein granted or granted by the Constitution and laws of the State, or to institute such action, suit or proceeding in its name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the cost, expense and liabilities to be incurred therein or thereby and the Trustee shall have refused or neglected to comply with such request within a reasonable time, and such notification, request and offer of indemnity are in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trust of the Authorizing Ordinance or to any other remedy thereunder. No one or more owners of the Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Authorizing Ordinance, or to enforce any right thereunder except in the manner therein provided, that all proceedings at law or in equity shall be instituted, had and maintained in the manner therein provided and for the benefit of all owners of the outstanding Bonds, and any individual rights of action or other right given to one or more of such owners by law are restricted by the Authorizing Ordinance to the rights and remedies therein detailed.

(c) All rights of action under the Authorizing Ordinance or under any of the Bonds secured thereby, enforceable by the Trustee, may be enforced by it without the possession of any of the Bonds, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name and for the benefit of all the owners of the Bonds, subject to the provisions of the Authorizing Ordinance.

(d) No remedy conferred upon or reserved to the Trustee or to the owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Authorizing Ordinance or given by any law or by the Constitution of the State.

(e) No delay or omission of the Trustee or of any owners of the Bonds to exercise any right or power accrued upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy given by the Authorizing Ordinance to the Trustee and to the owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

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

(g) Upon a failure to pay amounts when due to the issuer of the Debt Service Reserve Policy or any other breach of the covenants in the Authorizing Ordinance in favor of the issuer of the Debt Service Reserve Policy, the issuer of the Debt Service Reserve Policy shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Authorizing Ordinance, other than (i) acceleration at the maturity of the Bonds or (ii) remedies which would adversely affect owners of the Bonds.

Defeasance. Any Bond shall be deemed to be paid within the meaning of the Authorizing Ordinance when payment of the principal of and interest on such Bond (whether at maturity or upon redemption as provided herein, 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 and/or (2) non-callable Government Securities (provided that such deposit will not cause any of the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code), maturing as to principal and interest in such amounts and at such times as will provide sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee.

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

When all the Bonds shall have been paid within the meaning of the Authorizing Ordinance, if the Trustee has been paid its fees and expenses or provision has been made therefor, if any arbitrage rebate payment has been paid to the United States or provision made therefor and if there are no other amounts due the issuer of the Debt Service Reserve Policy, the Trustee shall take all appropriate action to cause (i) the pledge and lien of the Authorizing Ordinance to be discharged and cancelled, (ii) all moneys held by it pursuant to the Authorizing Ordinance and which are not required for the payment of such Bonds and any rebate due the United States, to be paid over or delivered to or at the direction of the City.

In the case of any defeasance of the Bonds, the dates of redemption of such Bonds and the principal amounts and maturities of such Bonds to be redeemed will be determined by taking into consideration the applicable mandatory redemption requirements with respect to the Bonds to be defeased and the Tax receipts for the most recent twelve months.

The Trustee. The Trustee shall be responsible for the exercise of good faith and ordinary prudence in the execution of its trusts and duties. The recitals in the Authorizing Ordinance and in the Bonds are the recitals of the City and not of the Trustee. The Trustee shall not be required to take any action unless it shall have been requested to do so in writing by the owners of not less than 25% in principal amount of Bonds then outstanding and shall have been offered reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby. The Trustee may resign at any time by 60 days' notice in writing to the City and the owners of the Bonds, and either the City, so long as it is not in default under the Authorizing Ordinance, or the majority in principal amount of the owners of the outstanding Bonds may at any time, with or without cause, remove the Trustee. In the event of a vacancy in the office of Trustee either by resignation or by removal, the City shall forthwith designate a new Trustee. Every successor Trustee shall be a trust company or bank duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than $50,000,000. The preceding criteria may be met by a parent corporation if the parent corporation has guaranteed the obligations of the successor trustee. The Trustee and any successor Trustee shall file a written acceptance and agreement to execute the trusts and duties imposed upon it by the Authorizing Ordinance, but only upon the terms and conditions set forth in the Authorizing Ordinance and subject to the provisions of the Authorizing Ordinance, to all of which the respective owners of the Bonds agree. Such written acceptance shall be filed with the City and a copy thereof shall be placed in the bond transcript. Any successor Trustee shall have all the powers herein granted to the original Trustee.

Supplemental Ordinances. The terms of the Authorizing Ordinance constitute a contract between the City and the owners of the Bonds and no variation or change in the undertaking set forth in the Authorizing Ordinance shall be made while any of the Bonds are outstanding, except as hereinafter set forth. The owners of not less than 75% in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, to consent to and approve the adoption by the City of a supplemental ordinance as shall be necessary or desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Authorizing Ordinance or in any supplemental ordinance. The Trustee may consent to any change without the consent of 75% of the owners of the aggregate principal amount of Bonds outstanding (i) that the Trustee determines is not to the material prejudice of the owners of the Bonds or (ii) in order to cure any ambiguity or formal defect or omission in the Authorizing Ordinance or any amendment thereto, provided, however, that nothing therein contained shall permit or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Bond issued thereunder, or (b) a reduction in the principal amount of any Bond or the rate of interest thereon, or (c) the creation of a pledge of

Tax receipts superior to the pledge created by the Authorizing Ordinance, 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 ordinance.

CONTINUING DISCLOSURE AGREEMENT

The City will enter into a Continuing Disclosure Agreement with the Trustee in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). The City is a party to continuing disclosure agreements with respect to outstanding indebtedness of the City. The City has complied in all material respects with its obligations under those agreements.

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

Purpose of the Continuing Disclosure Agreement. The Continuing Disclosure Agreement is executed and delivered by the City and the Trustee for the benefit of the Beneficial Owners of the Series 2013 Bonds and in order to assist the Underwriters in complying with the Securities and Exchange Commission, Rule 15c2-12(b)(5).

Definitions. In addition to the definitions set forth in this Official Statement, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any annual report provided by the City pursuant to, and as described in, the Continuing Disclosure Agreement.

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

"Dissemination Agent" shall mean the Trustee, acting in its capacity as Dissemination Agent, 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" shall mean the Electronic Municipal Market Access System as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule.

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

"MSRB" shall mean the Municipal Securities Rulemaking Board.

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

Provision of Annual Report. (a) The City shall, or cause the Dissemination Agent to, not later than one hundred eighty (180) days after the end of the City's fiscal year (presently December 31), commencing with the report after the end of the 2013 fiscal year, provide to the MSRB, through its continuing disclosure service portal provided through EMMA at http://www.emma.msrb.org or any similar system acceptable to the Securities and Exchange Commission, an Annual Report which is consistent with the requirements of the Continuing Disclosure Agreement. The Annual Report shall be in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in the Continuing Disclosure

Agreement; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date, but, in such event, such audited financial statements shall be submitted within thirty (30) days after receipt thereof by the City. If the City's fiscal year changes, it shall give notice of such change in the manner as for a Listed Event.

(b) Not later than fifteen (15) business days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the City shall provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). If by such date, the Trustee has not received a copy of the Annual Report, the Trustee shall contact the City and the Dissemination Agent to determine if the City is in compliance with the first sentence of this subsection (b).

(c) If the Trustee is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Trustee shall send a notice to the MSRB.

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

(a) Tax receipts for the latest calendar year and the four (4) previous years, if available.

(b) The annual audit of the City prepared in accordance with Government Auditing Standards issued by the Comptroller General of the United States and applicable state law.

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

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

1. Principal and interest payment delinquencies.

2. Non-payment related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity providers, or their failure to perform.

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security.

7. Modification to rights of security holders, if material.

8. Bond calls (excluding mandatory sinking fund redemptions), if material.

9. Defeasances and tender offers.

10. Release, substitution, or sale of property securing repayment of the securities, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership or similar event of the obligated person.

13. The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

Termination of Reporting Obligation. The City's obligations under the Continuing Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all the Series 2013 Bonds.

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

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

(a) If the amendment or waiver relates to the requirements for providing an Annual Report, to the contents of the Annual Report or the reporting of Listed Events, it may only be made in connection with a change in circumstances that arises from a change in legal

requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2013 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2013 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Beneficial Owners of the Series 2013 Bonds in the same manner as provided in the Authorizing Ordinance for amendments to the Authorizing Ordinance with the consent of Beneficial Owners, or (ii) does not, in the opinion of the Trustee, materially impair the interests of the Beneficial Owners of the Series 2013 Bonds.

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

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

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

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

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

LEGAL MATTERS

Legal Proceedings. There is no litigation pending seeking to restrain or enjoin the Tax or the issuance or delivery of the Series 2013 Bonds, or questioning or affecting the legality of the Tax or Series 2013 Bonds or the proceedings and authority under which the Series 2013 Bonds are to be issued, or questioning the right of the City to adopt the Authorizing Ordinance or to issue the Series 2013 Bonds or the levy and pledge of the Tax by the City.

Legal Opinions. Legal matters incident to the authorization and issuance of the Series 2013 Bonds are subject to the unqualified approving opinion of Friday, Eldredge & Clark, LLP, Little Rock, Arkansas, Bond Counsel.

Bracewell & Giuliani LLP, Special Tax Counsel, will render an opinion to the effect that (i) interest on the Series 2013 Bonds is excludable from gross income of the holders for federal tax purposes under existing law; and (ii) the Series 2013 Bonds are not "private activity bonds" under the Internal Revenue Code of 1986, as amended (the "Code") and, as such, interest on the Series 2013 Bonds will not be subject to the alternative minimum tax on individuals and corporations, except as described in the **FEDERAL TAX MATTERS**, Federal Tax Exemption section below in the discussion regarding the adjusted current earnings adjustments for corporations.

Bond Counsel will not be responsible in any manner for matters addressed in the opinion of Special Tax Counsel and, likewise, Special Tax Counsel will not be responsible in any manner for matters addressed in the opinion of Bond Counsel. Moreover, Bond Counsel and Special Tax Counsel have no joint responsibility with respect to the Series 2013 Bonds or the proceedings relating to the Series 2013 Bonds. Bond Counsel will be solely responsible its opinion and Special Tax Counsel will be solely responsible for its opinion. Bond Counsel's and Special Tax Counsel's fees for services rendered with respect to the sale of the Series 2013 Bonds are contingent upon the issuance and delivery of the Series 2013 Bonds.

Arkansas Tax Exemption. In the opinion of Friday, Eldredge & Clark, LLP, Bond Counsel, under existing law the Series 2013 Bonds and the interest thereon are exempt from all Arkansas state, county and municipal tax.

FEDERAL TAX MATTERS

Federal Tax Exemption. In the opinion of Bracewell & Giuliani LLP, Special Tax Counsel, under existing law (i) interest on the Series 2013 Bonds is excludable from gross income for federal income tax purposes and (ii) the Series 2013 Bonds are not "private activity bonds" under the Code, and, as such, interest on the Series 2013 Bonds is not subject to the alternative minimum tax on individuals and corporations, except as described below in the discussion regarding the adjusted current earnings adjustment for corporations.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Series 2013 Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the "Service"). The City has covenanted in the Authorizing Ordinance that it will comply with these requirements.

Special Tax Counsel's opinion will assume continuing compliance with the covenants of the Authorizing Ordinance pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Series 2013 Bonds for federal income tax purposes and, in addition, will rely on representations by the City and the Underwriters with respect to matters solely within the knowledge of the City and the Underwriters, respectively, which Special Tax Counsel has not independently verified. If the City fails to comply with the covenants in the Authorizing Ordinance or if the foregoing representations are determined to be inaccurate or incomplete, interest on the Series 2013 Bonds could become includable in gross income from the date of delivery of the Series 2013 Bonds, regardless of the date on which the event causing such inclusion occurs. Special Tax Counsel's opinion will also rely on the opinion of Bond Counsel as to the validity of the Series 2013 Bonds.

The Code also imposes a 20% alternative minimum tax on the "alternative minimum taxable income" of a corporation if the amount of such alternative minimum tax is greater than the amount of the corporation's regular income tax. Generally, the alternative minimum taxable income of a corporation (other than any S corporation, regulated investment company, REIT, or REMIC), includes 75% of the amount by which its "adjusted current earnings" exceeds its other "alternative minimum taxable income." Because interest on tax-exempt obligations, such as the Series 2013 Bonds, is included in a corporation's "adjusted current earnings," ownership of the Series 2013 Bonds could subject a corporation to alternative minimum tax consequences.

Except as stated above, Special Tax Counsel will express no opinion as to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Series 2013 Bonds.

Special Tax Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on Special Tax Counsel's knowledge of facts as of the date thereof. Special Tax Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Special Tax Counsel's attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Special Tax Counsel's opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent Special Tax Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether or not the Service will commence an audit of the Series 2013 Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the City as the taxpayer and the Owners may not have a right to participate in such audit. Public awareness of any future audit of the Series 2013 Bonds could adversely affect the value and liquidity of the Series 2013 Bonds regardless of the ultimate outcome of the audit.

Additional Federal Income Tax Considerations

Collateral Tax Consequences. Prospective purchasers of the Series 2013 Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle taxpayers qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Series 2013 Bonds. These categories of prospective purchasers should consult their own tax advisors as to

Statement. Neither the City nor Special Tax Counsel has made any investigation or offers any comfort that the Original Issue Discount Bonds will be offered and sold in accordance with such assumptions.

Under existing law, the original issue discount on each Original Issue Discount Bond accrues daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Series 2013 Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (i) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (ii) the amounts payable as current interest during such accrual period on such Bond.

The federal income tax consequences of the purchase, ownership, and redemption, sale or other disposition of Original Issue Discount Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

Tax Legislative Changes. Current law may change so as to directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the Series 2013 Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the Series 2013 Bonds. Prospective purchasers of the Series 2013 Bonds should consult with their own tax advisors with respect to any proposed, pending or future legislation.

MISCELLANEOUS

Underwriting. Under a Bond Purchase Agreement (the "Agreement") entered into by and between the City and the Underwriters, Stephens Inc. and Crews & Associates, Inc., the Series 2013 Bonds are being purchased at a price of $86,358,347.05 (principal amount plus net original issue premium of $2,874,042.05 less Underwriters' discount of $715,700 or 0.850% of par) plus accrued interest. The Agreement provides that the Underwriters will purchase all of the Series 2013 Bonds if any are purchased. The obligation of the Underwriters to accept delivery of the Series 2013 Bonds is subject to various conditions contained in the Agreement, including the absence of pending or threatened litigation questioning the validity of the Series 2013 Bonds or any proceedings in connection with the issuance thereof, and the absence of material adverse changes in the financial or business condition of the City.

The Underwriters intend to offer the Series 2013 Bonds to the public initially at the offering prices set forth on the cover page of this Official Statement, which prices may subsequently change without any requirement of prior notice. The Underwriters reserve the right to join with dealers and other underwriters in offering the Series 2013 Bonds to the public. The Underwriters may offer and sell Series 2013 Bonds to certain dealers (including dealers depositing Series 2013 Bonds into investment trusts) at prices lower than the public offering price.

The City has agreed to indemnify the Underwriters against certain civil liabilities in connection with the offering and sale of the Series 2013 Bonds, including certain liabilities under federal securities laws.

Enforceability of Remedies. Rights of the registered owners of the Series 2013 Bonds and the enforceability of the remedies available under the Authorizing Ordinance may depend on judicial action and may be subject to the valid exercise of the constitutional powers of the United States of America and of the sovereign police powers of the State or other governmental units having jurisdiction, and to the application of federal bankruptcy laws or other debtor relief or moratorium laws in general. Therefore, enforcement of those remedies may be delayed or limited, or the remedies may be modified or unavailable, subject to the exercise of judicial discretion in accordance with general principles of equity. Bond Counsel expresses no opinion as to any effect upon any right, title, interest or relationship created by or arising under the Authorizing Ordinance resulting from the application of state or federal bankruptcy, insolvency, reorganization, moratorium or similar debtor relief laws affecting creditors' rights which are presently or may from time to time be in effect.

Rating. S&P has assigned its municipal bond rating of "A+" to the Series 2013 Bonds. An explanation of the significance of such rating may be obtained from S&P. The City furnished to S&P the information contained in a preliminary form of this Official Statement and other information. Generally, rating agencies base their ratings on such material and information, as well as their own investigations, studies, assumptions, and policies. It should be noted that ratings may be changed at any time and that no assurance can be given that they will not be revised or withdrawn by the rating agencies if, in their respective judgments, circumstances should warrant such action. Any downward revision or withdrawal of the rating could have an adverse effect on market prices of the Series 2013 Bonds. The Underwriters and the City have undertaken no responsibility after issuance of the Series 2013 Bonds to assure the maintenance of the rating or to oppose any such revision or withdrawal.

Information in Official Statement. Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or owners of any of the Series 2013 Bonds.

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

Bond Counsel and Special Tax Counsel have not independently verified factual information contained in this Official Statement, nor have such firms conducted an investigation of the affairs of the City for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon each such firm's limited participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to the accuracy or completeness of any of the other information contained herein.

The execution of this Official Statement has been duly authorized by the City.

CITY OF SPRINGDALE, ARKANSAS

By /s/ Doug Sprouse
Mayor

Dated: As of the Cover Page hereof.

EXHIBIT A

SUMMARY OF STATE SALES AND USE TAX PROVISIONS

Sales Tax. The sales tax portion of the Tax is generally levied upon the gross proceeds and receipts derived from all sales to any person within the City of the following (list not exclusive):

(a) Tangible personal property;

(b) Natural or artificial gas, electricity, water, ice, steam, or any other utility or public service except transportation services, sewer services and sanitation or garbage collection services;

(c) (i) Service by telephone, telecommunications and telegraph companies to subscribers or users, including transmission of messages or images, whether local or long distance, including all service, installation, construction and rental charges having any connection with transmission of any message or image;

(ii) Service of furnishing rooms, suites, condominiums, townhouses, rental houses or other accommodations by hotels, apartment hotels, lodging houses, tourist camps, tourist courts, property management companies, or any other provider of accommodations to transient guests;

(iii) Service of cable television, community antenna television, and any and all other distribution of television, video, or radio services with or without the use of wires provided to subscribers, paying customers or users, including installation, service, rental, repair and other charges having any connection with the providing of the said services;

(iv) Service of initial installation, alteration, addition, cleaning, refinishing, replacement and repair of motor vehicles, aircraft, farm machinery and implements, motors of all kinds, tires and batteries, boats, electrical appliances and devices, furniture, rugs, flooring, upholstery, household appliances, televisions and radios, jewelry, watches and clocks, engineering instruments, medical and surgical instruments, machinery of all kinds, bicycles, office machines and equipment, shoes, tin and sheet metal, mechanical tools and shop equipment; however, the tax does not apply to (A) coin operated car washes, (B) the maintenance or repair of railroad parts, railroad cars and equipment brought into the City solely and exclusively for the purpose of being repaired, refurbished, modified, or converted within the City, (C) the service of alteration, addition, cleaning, refinishing, replacement or repair of commercial jet aircraft or commercial jet aircraft components or subcomponents, (D) the repair or remanufacture of industrial metal rollers or platens that have a remanufactured non-metallic material covering on all or a part of the roller or platen surface, or (E) the initial installation, alteration, addition, cleaning, refinishing, replacement or repair of non-mechanical, passive or manually operated components of buildings or other improvements or structures affixed to real estate;

(v) Service of providing transportation or delivery of money, property or valuables by armored car; service of providing cleaning or janitorial work; service of pool cleaning and servicing; pager services; telephone answering services; landscaping and non-residential lawn care services; service of parking a motor vehicle or allowing a motor vehicle to be parked; service of storing a motor vehicle; service of storing furs; and the service of providing indoor tanning at a tanning salon;

(d) Printing of all kinds, types and characters, including the service of overprinting, and photography of all kinds;

(e) Tickets or admissions to places of amusement, to athletic, entertainment, recreational events, or fees for the privilege of having access to or the use of amusement, entertainment, athletic or recreational facilities, including free or complimentary passes and tickets, admissions, dues or fees;

(f) Dues and fees to health spas, health clubs and fitness clubs; dues and fees to private clubs which hold any permit from the Alcoholic Beverage Control Board allowing the sale, dispensing or serving of alcoholic beverages of any kind on the premises;

(g) Contracts, including service contracts, maintenance agreements, and extended warranties, which in whole or in part provide for future performance of or payment for services which are subject to gross receipts tax;

(h) Retail sale of any device used in playing bingo and any charge for admittance to facilities or for the right to play bingo or other games of chance;

(i) Prepaid telephone calling cards or prepaid authorization numbers and the recharge of such cards or numbers;

(j) Beer, wine, liquor, or any intoxicating beverages;

(k) Tangible personal property and services sold to financial institutions.

(l) Wrecker and towing services;

(m) Collection and disposal of solid wastes;

(n) Cleaning of parking lots and gutters;

(o) Dry cleaning and laundry services;

(p) Industrial laundry services;

(q) Body piercing, tattooing, and electrolysis services;

(r) Pest control services;

(s) Security and alarm monitoring services;

(t) Boat storage and docking fees;

(u) Furnishing camping spaces or trailer spaces at public or privately-owned campgrounds, except for federal campgrounds, on less than a month-to-month basis;

(v) Locksmith services;

(w) Pet grooming and kennel services; and

(x) Portable toilet lease or rental and services associated with the lease or rental of portable toilets.

Exemptions from Sales Tax. As summarized below, several types of transactions have been exempted from the sales tax by the General Assembly of the State. Some of the current exemptions include the sale of:

(a) New or used house trailers, mobile homes, aircraft, motor vehicles, trailers or semi-trailers and a used house trailer, mobile home, aircraft, motor vehicle, trailer or semi-trailer is taken as a credit or part payment of the purchase price, when the total consideration is less than the following: $2,000 for aircraft, house trailers and mobile homes (or $10,000 in case the house trailer or mobile home is a "manufactured home"); and $4,000 for motor vehicles, trailers and semi-trailers;

(b) Aircraft held for resale and used for rental or charter, whether by a business or an individual for a period not to exceed one year from the date of purchase of aircraft;

(c) Tangible personal property or services by churches, except where such organizations may be engaged in business for profit;

(d) Tangible personal property or services by charitable organizations, except where such organizations may be engaged in business for profit;

(e) Food in public, common, high school or college cafeterias and lunchrooms operated primarily for teachers and pupils, and not operated primarily for the public or for profit;

(f) Newspapers;

(g) Property or services to the United States Government; motor vehicles and adaptive equipment to disabled veterans who have purchased said vehicles or equipment with financial assistance of the Veterans Administration; tangible personal property to and leasing motor vehicles to the Boy Scouts of America, the Girl Scouts of America or any of the Scout Councils in the State; tangible personal property or service to the Salvation Army, Heifer Project International, Inc., or Habitat for Humanity; tangible personal property or service to the Boys Clubs of America or any local councils or organizations of the Boys Clubs of America, the Girls Clubs of America or any local councils or organizations of the Girls Clubs of America, to the Poets' Roundtable of Arkansas, to 4-H Clubs and FFA Clubs, to the Arkansas 4-H Foundation, the Arkansas Future Farmers of America Foundation and the Arkansas Future Farmers of America Association;

(h) Gasoline or motor vehicle fuel on which the motor vehicle fuel or gasoline tax has been paid to the State, special fuel or petroleum products sold for consumption by vessels, barges and other commercial watercraft and railroads, dyed distillable special fuel on which a tax has been paid and biodiesel fuel;

(i) Property resales to persons regularly engaged in the business of reselling the articles purchased;

(j) Advertising space in newspapers and publications and billboard advertising services;

(k) Gate admissions at State, district, county or township fairs or at any rodeo if the receipts derived from gate admissions to the rodeo are used exclusively for the improvement, maintenance and operation of such rodeo, and if no part of the net earnings thereof inures to the benefit of any private stockholder or individual;

(l) Property or services which the State is prohibited by the constitution or laws of the United States or by the constitution of the State from taxing or further taxing and tangible personal property exempted from taxation by the Arkansas Compensating (Use) Tax Act of 1949, as amended;

(m) Isolated sales not made by an established business;

(n) Cotton, seed cotton, lint cotton, baled cotton, whether compressed or not, or cotton seed in its original condition; seed for use in commercial production of an agricultural product or of seed; raw products from the farm, orchard or garden, where such sale is made by the producer of such raw products directly to the consumer and user; livestock, poultry, poultry products and dairy products of producers owning not more than five cows; and baby chickens;

(o) Foodstuffs to governmental agencies for free distribution to any public, penal and eleemosynary institutions or for free distribution to the poor and needy, and the rental or sale of medical equipment, for the benefit of persons enrolled in and eligible for Medicare or Medicaid programs;

(p) Tangible personal property or services provided to any hospital or sanitarium operated for charitable and nonprofit purposes or any nonprofit organization whose sole purpose is to provide temporary housing to the family members of patients in a hospital or sanitarium;

(q) Used tangible personal property when the used property was (1) traded in and accepted by the seller as part of the sale of other tangible personal property and (2) the Arkansas Gross Receipts Tax was collected and paid on the total amount of consideration for the sale of the other tangible personal property without any deduction or credit for the value of the used tangible personal property; provided, however, this exemption does not apply to transactions involving used automobiles, used mobile homes, or used aircraft;

(r) Unprocessed crude oil;

(s) Tangible personal property consisting of machinery and equipment used directly in producing, manufacturing, fabricating, assembling, processing, finishing or packaging of articles of commerce at (i) new manufacturing or processing plants or facilities in the State or (ii) existing manufacturing or processing plants or facilities in the State if the tangible personal property is used to replace existing machinery and equipment;

(t) Property consisting of machinery and equipment required by State law or regulation to be installed and utilized by manufacturing or processing plants or facilities to prevent or reduce air and/or water pollution or contamination;

(u) Electricity used in the manufacture of aluminum metal by the electrolytic reduction process and sale of articles sold on the premises of the Arkansas Veterans Home;

(v) Automobile parts which constitute "core charges," which are received for the purpose of securing a trade-in for the article purchased;

(w) Bagging and other packaging and tie materials sold to and used by cotton gins for packaging and/or tying baled cotton and from the sale of twine which is used in the production of tomato crops;

(x) Prescription drugs by licensed pharmacists, hospitals, oncologists or dispensing physicians, and oxygen sold for human use on prescription of a licensed physician;

(y) Property or services to humane societies;

(z) Vessels, barges and towboats of at least fifty tons load displacement and parts and labor used in the repair and construction of the same;

(aa) Property or sales to all orphans' homes, or children's homes, which are not operated for profit and whether operated by a church, religious organization or other benevolent charitable association;

(bb) Agricultural fertilizer, agricultural limestone, agricultural chemicals, and water purchased from a public surface-water delivery project to reduce or replace water used for in-ground irrigation or reduce dependence on ground water for agriculture.

(cc) Sale of tickets or admissions, by municipalities and counties, to places of amusement, to athletic entertainment, recreational events, or fees for the privilege of having access to or the use of amusement, entertainment, athletic or recreational facilities, including free or complimentary passes, tickets, admissions, dues or fees;

(dd) New and used farm machinery and equipment;

(ee) New automobiles to a veteran of the United States Armed Services who is blind as a result of a service connected injury;

(ff) Motor vehicles sold to municipalities, counties, school districts, and state supported colleges and universities;

(gg) School buses sold to school districts and, in certain cases, to other purchasers providing school bus service to school districts;

(hh) Catalysts, chemicals, reagents, and solutions which are consumed or used by manufacturing or processing plants or facilities in the State in producing, manufacturing, fabricating, processing, or finishing articles of commerce or to prevent or reduce air or water pollution or contamination;

(ii) Feedstuffs used in the commercial production of livestock or poultry;

(jj) New custom manufactured homes constructed from materials on which the State sales tax has been paid;

(kk) The first 500 kilowatt hours of electricity per month and the total franchise tax billed to each residential customer whose household income is less than $12,000 per year;

(ll) Electricity and natural gas to qualified steel manufacturers;

(mm) Tangible personal property lawfully purchased with food stamps, food coupons, food instruments or vouchers in connection with certain Federal programs;

(nn) Publications sold through regular subscriptions;

(oo) Tickets for admission to athletic events and interscholastic activities of public and private elementary and secondary schools in the State and tickets for admission to athletic events at public and private colleges and universities in the State;

(pp) Prescriptive adaptive medical equipment and prescriptive disposable medical equipment;

(qq) Insulin and test strips for testing blood sugar levels in humans;

(rr) Telephone instruments sent into the State for refurbishing or repair and then shipped back to the state of origin;

(ss) Industrial metal rollers sent into the State for repair or remanufacture and then shipped back to the state of origin;

(tt) New motor vehicles purchased by non-profit organizations and used for the performance of contracts with the Department of Human Services, and new motor vehicles purchased with Urban Mass Transit Administration funds if (i) the vehicles are purchased in lots of ten vehicles, (ii) meet minimum State specifications, and (iii) vehicles are used for transportation under the Department of Human Services' programs for the aging, disabled, mentally ill, and children and family services;

(uu) Motor fuels to owners or operators of motor buses operated on designated streets according to regular schedule and under municipal franchise which are used for municipal transportation purposes;

(vv) Parts or other tangible personal property incorporated into or which become a part of commercial jet aircraft component or subcomponents;

(ww) Transfer of fill material by a business engaged in transporting or delivering fill material;

(xx) Long-term leases, thirty days or more, of commercial trucks used for interstate transportation of goods under certain conditions;

(yy) Foodstuffs to nonprofit agencies;

(zz) Tangible personal property consisting of forms constructed of plaster, cardboard, fiberglass, natural fibers, synthetic fibers or composites and which are destroyed or consumed during the manufacture of the item;

(aaa) Natural gas used as a fuel in the process of manufacturing glass;

(bbb) Sales to Fort Smith Clearinghouse;

(ccc) Substitute fuel used in producing, manufacturing, fabrication, assembling, processing, finishing or packaging of articles at manufacturing facilities or processing plants in the State;

(ddd) Railroad rolling stock used in transporting persons or property in interstate commerce;

(eee) Parts or other tangible personal property which become a part of railroad parts, railroad cars and equipment brought into the State for the purpose of being repaired, refurbished, modified or converted within the State;

(fff) Fire protection and emergency equipment to be owned by and exclusively used by a volunteer fire department, and supplies and materials to be used in the construction and maintenance of volunteer fire departments;

(ggg) Gas produced from biomass and sold for the purpose of generating energy to be sold to the gas producer;

(hhh) Fuel packaging materials sold to a person engaged in the business of processing hazardous and non-hazardous waste materials into fuel products at an approved site and machinery and equipment, including analytical equipment and chemicals used directly in the processing and packaging of hazardous and non-hazardous waste materials into fuel products at an approved site;

(iii) Electricity and natural gas used in the manufacturing of wall and floor tile by approved manufacturers;

(jjj) Textbooks, library books, and instructional materials purchased by an Arkansas school district or the State for free distribution to Arkansas schools or school districts;

(kkk) Tangible personal property or services to the Arkansas Symphony Orchestra, Inc.;

(lll) Electricity used for the production of chlorine and other chemicals using a chlor-alkali manufacturing process;

(mmm) Tangible personal property or services to a qualified museum;

(nnn) Livestock reproduction equipment or services;

(ooo) Natural gas and electricity used in the manufacturing of tires in the State;

(ppp) Thermal imaging equipment purchased by a county government for use by law enforcement aircraft;

(qqq) Tangible property or services to the Arkansas Search Dog Association, Inc.;

(rrr) Certain new or used trucks to be engaged in interstate commerce;

(sss) Tangible personal property or services to the Arkansas Black Hall of Fame Foundation;

(ttt) Kegs purchased by a wholesale beer manufacturer and used to sell beer wholesale;

(uuu) Repair parts and labor for pollution control machinery and equipment (effective October 1, 2013);

(vvv) Sales by commercial farmers of baling twine, net wrap, silage wrap, and similar products (effective October 1, 2013);

(www) Sales of tangible personal property or a service to a nonprofit blood donation organization (effective October 1, 2013);

(xxx) Sales of utilities used by qualifying agriculture and horticultural equipment (effective January 1, 2014);

(yyy) Sales of utilities used by a grain drying and storage facility (effective July 1, 2014); and

(zzz) Dental appliances sold by or to dentists or certain other professionals (effective July 1, 2014).

Reference is made to "The Arkansas Gross Receipts Act of 1941," Title 26, Chapter 52 of the Arkansas Code of 1987 Annotated, for more information concerning the sales tax.

Use Tax. The use tax portion of the Tax is levied on every person for the privilege of storing, using, distributing or consuming in the City any article of tangible personal property purchased

for storage, use, distribution or consumption. The use tax applies to the use, distribution, storage or consumption of every article of tangible personal property except as hereinafter provided. The use tax does not apply to aircraft equipment, and railroad parts, cars, and equipment, nor to tangible personal property owned or leased by aircraft, automotive or railroad companies brought into the City solely and exclusively for refurbishing, conversion, or modification within the City or storage for use outside or inside the City regardless of the length of time any such property is so stored in the City. The use tax is levied on the following described tangible personal property:

(a) Tractors, trailers, semi-trailers, trucks, buses and other rolling stock, including replacement tires, used directly in the transportation of persons or property in intrastate or interstate common carrier transportations;

(b) Property (except fuel) consumed in the operation of railroad rolling stock;

(c) Transmission lines and pumping or pressure control equipment used directly in or connected to the primary pipeline facility engaged in intrastate or interstate common carrier transportation of property;

(d) Airplanes and navigation instruments used directly in or becoming a part of flight aircraft engaged in transportations of persons or property in regular scheduled intrastate or interstate common carrier transportation;

(e) Exchange equipment, lines, boards and all accessory devices used directly in and connected to the primary facility engaged in the transmission of messages;

(f) Transmission and distribution pipelines in pumping or pressure control and equipment used in connection therewith used directly in primary pipeline facility for the purpose of transporting and delivering natural gas;

(g) Transmission and distribution lines, pumping machinery and controls used in connection therewith in cleaning or treating equipment of primary water distribution system;

(h) Property of public electric power companies consisting of all machinery and equipment including reactor cores and related accessory devices used in the generation and production of electric power and energy and transmission facilities consisting of the lines, including poles, towers and other supporting structures, transmitting electric power and energy together with substations located on or attached to such lines;

(i) Computer software; and

(j) Tangible personal property provided to a financial institution.

Exemptions from Use Tax. Some of the property exempted from the use tax by the General Assembly of the State is as follows:

(a) Property, the storage, use or consumption of which the State is prohibited from taxing under the Constitution or laws of the United States of America or the State;

(b) Sales of tangible personal property in which the tax under the Arkansas Gross Receipts Act of 1941 is levied;

(c) Tangible personal property which is exempted from the sales tax under the Arkansas Gross Receipts Act of 1941;

(d) Feedstuffs used in the commercial production of livestock or poultry in the State;

(e) Unprocessed crude oil;

(f) Machinery and equipment used directly in producing, manufacturing, fabricating, assembling, processing, finishing or packaging of articles of commerce at manufacturing or processing plants or facilities in the State, including facilities and plants for manufacturing feed, processing of poultry and/or eggs and livestock and the hatching of poultry and such equipment is either (1) purchased to create or expand manufacturing or processing plants in the State, (2) purchased to replace existing machinery and used directly in producing, manufacturing, fabricating, assembling, processing, finishing or packaging of articles of commerce at manufacturing or processing plants in the State, or (3) required by State law to be installed and utilized by manufacturing or processing plants to prevent or reduce air and/or water pollution or contamination;

(g) Custom manufactured homes constructed with materials on which the sales or use tax has once been paid;

(h) Aircraft, aircraft equipment, railroad parts, cars, and equipment, and tangible personal property owned or leased by aircraft, airmotive, or railroad companies, brought into the State solely and exclusively for refurbishing, conversion, or modification or for storage for use outside or inside the State;

(i) Vessels, barges, and towboats of at least 50 tons load displacement and parts and labor used in the repair and construction of them;

(j) Motor fuels to the owners or operators of motor buses operated on designated streets according to regular schedule, under municipal franchise, which are used for municipal transportation purposes;

(k) Agricultural fertilizer, agricultural limestone, agricultural chemicals, including agricultural pesticides and herbicides used in commercial production of agricultural products, and vaccines, medications, and medicinal preparations, used in treating livestock and poultry being grown for commercial purposes and other ingredients used in the commercial production of yeast;

(l) All new and used motor vehicles, trailers or semi-trailers that are purchased for a total consideration of less than $4,000;

(m) Any tangible personal property used, consumed, distributed, or stored in this State upon which a like tax, equal to or greater than the Arkansas Compensating (Use) Tax, has been paid in another state;

(n) Prescriptive adaptive medical equipment and prescriptive disposable medical equipment;

(o) Fire protection and emergency equipment to be owned by and exclusively used by a volunteer fire department, and supplies and materials to be used in the construction and maintenance of volunteer fire departments;

(p) Electricity and natural gas used in the manufacturing of wall and floor tile by approved manufacturers;

(q) Tangible personal property consisting of forms constructed of plaster, cardboard, fiberglass, natural fibers, synthetic fibers or composites and which are destroyed or consumed during the manufacture of the item;

(r) Natural gas used as a fuel in the process of manufacturing glass;

(s) Sales to Fort Smith Clearinghouse;

(t) Prepaid telephone calling cards or prepaid authorization numbers and the recharge of such cards or numbers;

(u) Foodstuffs to nonprofit agencies;

(v) Tangible personal property or services for a qualified museum;

(w) Certain new or used trucks to be engaged in interstate;

(x) Railroad rolling stock manufactured for use in transporting persons or property in interstate commerce;

(y) Sales of tangible personal property or a service to a nonprofit blood donation organization (effective October 1, 2013);

(z) Sales of utilities used by qualifying agriculture and horticultural equipment (effective January 1, 2014);

(aa) Sales of utilities used by grain drying and storage facilities effective July 1, 2014); and

(bb) Dental appliances sold by or to dentists or certain other professionals (effective July 1, 2014).

Reference is made to "The Arkansas Compensating (Use) Tax Act of 1949," Title 26, Chapter 53 of the Arkansas Code of 1987 Annotated, for more information concerning the use tax.

EXHIBIT B

FORM OF BOND COUNSEL OPINION

October 2, 2013

First Security Bank
Searcy, Arkansas, as Trustee

Stephens Inc.
Little Rock, Arkansas

Crews & Associates, Inc.
Little Rock, Arkansas

Re: $84,200,000 City of Springdale, Arkansas Sales and Use Tax Refunding Bonds, Series 2013

Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the City of Springdale, Arkansas (the "City") of $84,200,000 City of Springdale, Arkansas Sales and Use Tax Refunding Bonds, Series 2013, dated October 1, 2013 (the "Series 2013 Bonds"). The Series 2013 Bonds are being issued to refund the City's Sales and Use Tax Refunding and Improvement Bonds, Series 2006, provide a debt service reserve and pay expenses of authorizing and issuing the Series 2013 Bonds. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion, including particularly a certified copy of Ordinance No. 4728 of the City adopted on August 23, 2013, authorizing the issuance of the Series 2013 Bonds (the "Authorizing Ordinance"), and Ordinance No. 3895 of the City adopted on May 23, 2006 (the "Tax Ordinance"), levying a 1% sales and use tax within the City (the "Tax").

As to questions of fact material to our opinion we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation.

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

1. The Series 2013 Bonds have been lawfully authorized and issued under the Constitution and laws of the State of Arkansas now in force, including particularly Amendment No. 62 to the Constitution of the State of Arkansas and Title 14, Chapter 164, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation"), and are valid and binding obligations of the City enforceable in accordance with their terms.

2. The Series 2013 Bonds are not general obligations of the City but are special obligations payable from and secured by a pledge of collections of the Tax duly levied by the City under the authority of the Authorizing Legislation and the Tax Ordinance. The Series 2013 Bonds are not secured by any lien on or security interest in any physical properties of the City.

3. The Series 2013 Bonds and income thereon are exempt from all Arkansas state, county and municipal tax.

EXHIBIT C

FORM OF SPECIAL TAX COUNSEL OPINION

[Closing Date]

First Security Bank
Searcy, Arkansas, as Trustee

Stephens Inc.
Little Rock, Arkansas

Crews & Associates, Inc.
Little Rock, Arkansas

WE HAVE ACTED AS SPECIAL TAX COUNSEL for the City of Springdale, Arkansas (the "City"), in connection with an issue of bonds (the "Bonds") described as follows:

> City of Springdale, Arkansas Sales and Use Tax Refunding Bonds, Series 2013 aggregating $84,200,000 in initial principal amount and dated as of October 1, 2013.

WE HAVE ACTED AS SPECIAL TAX COUNSEL for the sole purpose of rendering an opinion with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes. We have not investigated or verified original proceedings, records, data or other material, but have relied upon certificates executed by officers, agents and representatives of the City and other public officials. We have assumed no responsibility with respect to the financial condition of the City or the reporting or disclosure thereof in connection with the sale of the Bonds. We have acted only as special tax counsel. We understand that the City's bond counsel, Friday, Eldredge & Clark, LLP ("Bond Counsel"), is not responsible for our opinion as special tax counsel and our law firm is not responsible for any of the matters that are the subject of opinions rendered by Bond Counsel. In like manner, neither Bond Counsel nor our law firm has exercised joint responsibility or supervised the work of the other firm with respect to the Bonds or the proceedings relating to the same, but Bond Counsel has been solely responsible therefor, and we have been solely responsible only for our opinion as special tax counsel. The two firms are not part of a partnership and each firm is an independent entity.

IN OUR CAPACITY AS SPECIAL TAX COUNSEL, we have examined a transcript of certified proceedings pertaining to the Bonds on which we have relied in giving our opinion. The transcript contains certified copies of certain proceedings of the City;; and customary certificates of officers, agents and representatives of the City and other public officials. We have also examined such applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), court decisions, Treasury Regulations and published rulings of the Internal Revenue Service (the "Service") as we have deemed relevant. Capitalized terms used herein, unless otherwise defined, have the meanings set forth in the ordinance adopted by the City with respect to the issuance of the Bonds.

BASED ON SUCH EXAMINATION, IT IS OUR OPINION that:

1. Interest on the Bonds is excludable from gross income for federal income tax purposes under existing law.

2. The Bonds are not "private activity bonds" within the meaning of the Code, and interest on the Bonds is not subject to the alternative minimum tax on individuals

and corporations, except that interest on the Bonds will be included in the "adjusted current earnings" of a corporation (other than any S corporation, regulated investment company, REIT or REMIC) for purposes of computing its alternative minimum tax liability.

In providing such opinions, we have relied on legal opinions of Bond Counsel of even date herewith regarding the legality and validity of the Bonds under the Constitution and laws of the State of Arkansas. We have further relied on representations of the City and the underwriters of the Bonds with respect to matters solely within the knowledge of the City and the underwriters of the Bonds, respectively, which we have not independently verified. In addition, we have assumed for purposes of this opinion continuing compliance with the covenants in the ordinance pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. If such representations are determined to be inaccurate or incomplete or the City fails to comply with the foregoing covenants of the ordinance, interest on the Bonds could become includable in gross income from the date of their original delivery, regardless of the date on which the event causing such inclusion occurs.

Except as stated above, we express no opinion as to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or the acquisition, ownership or disposition of, the Bonds.

Owners of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle taxpayers qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively-connected earnings and profits (including tax-exempt interest such as interest on the Bonds).

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the City as the taxpayer. We observe that the City has covenanted in the ordinance not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

BRACEWELL & GIULIANI LLP