Mayor – Sandy Sanders

City Administrator – Ray Gosack

City Clerk – Sherri Gard

Board of Directors

Ward 1 – Keith Lau
Ward 2 – Andre' Good
Ward 3 – Mike Lorenz
Ward 4 – George Catsavis
At Large Position 5 – Pam Weber
At Large Position 6 – Kevin Settle
At Large Position 7 – Philip H. Merry Jr.

AGENDA

Fort Smith Board of Directors
REGULAR MEETING
January 21, 2014 ~ 6:00 P.M.
Fort Smith Public Schools Service Center
3205 Jenny Lind Road

THIS MEETING IS BEING TELECAST LIVE ON THE GOVERNMENT ACCESS CHANNEL 214

INVOCATION & PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENTATION BY MEMBERS OF THE BOARD OF DIRECTORS OF ANY ITEMS OF BUSINESS NOT ALREADY ON THE AGENDA FOR THIS MEETING
(Section 2-37 of Ordinance No. 24-10)

APPROVE MINUTES OF THE JANUARY 6, 2014 SPECIAL MEETING AND JANUARY 7, 2014 REGULAR MEETING

ITEMS OF BUSINESS:

1. Presentation: Good Neighbor Award

2. Ordinance authorizing the issuance of Sales and Use Tax Bonds, Series 2014 for the purpose of financing all or a portion of the cost of capital improvements; pledging collections of a 0.75% sales and use tax to pay the principal of and interest on the bonds; prescribing other matters related thereto; and declaring an emergency

3. Ordinance amending the 2014 Parks Capital Improvement Program (Budget Program 6208 – 1/8% Sales and Use Tax) *~ Settle/Good placed on agenda at the January 14, 2014 study session ~*

4. Ordinance amending Chapter 12, Article II, Ambulance, Emergency Medical Services, etc. of the Fort Smith Municipal Code

5. Ordinance ordering the owners of certain dilapidated and substandard structures to demolish same, authorizing the City Administrator to cause the demolition of such structures to occur, and for other purposes *(3015 Alabama Avenue)*

6. Consent Agenda

   A. Resolution authorizing the Mayor to execute a lease agreement with SRCA for the Fort Smith Senior Activity Center *(2700 Cavanaugh Road)*

   B. Resolution authorizing the Mayor to execute a lease agreement with SRCA for the Baker Senior Activity Center *(3600 North Albert Pike)*

   C. Resolution authorizing the Mayor to execute a non-exclusive fiber optics network franchise agreement with Centurytel Fiber Company II, LLC for use of the city rights-of-way to provide fiber optic services within the corporate limits of the City of Fort Smith, Arkansas

OFFICIALS FORUM ~ presentation of information requiring no official action

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

- Mayor
- Directors
- City Administrator

EXECUTIVE SESSION

- Appointments: Animal Services Advisory Board (1) and Sebastian County Regional Solid Waste Management Board (1)

ADJOURN

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF SALES AND USE TAX BONDS, SERIES 2014 FOR THE PURPOSE OF FINANCING ALL OR A PORTION OF THE COST OF CAPITAL IMPROVEMENTS; PLEDGING COLLECTIONS OF A 0.75% SALES AND USE TAX TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, there was submitted to the qualified electors of the City of Fort Smith, Arkansas (the "City") the questions of issuing, under Amendment No. 62 to the Constitution of the State of Arkansas (the "State") and under Title 14, Chapter 164, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation"), capital improvement bonds as follows: (a) bonds in the maximum principal amount of $55,380,000 for the purpose of refunding the City's outstanding Sales and Use Tax Refunding and Improvement Bonds, Series 2006 (the “Series 2006 Bonds”), Sales and Use Tax Bonds, Series 2008 (the “Series 2008 Bonds”) and Sales and Use Tax and Water and Sewer Revenue Bonds, Series 2009 (the “Series 2009 Bonds”); (b) bonds in the maximum principal amount of $71,070,000 to finance all or a portion of the costs of extensions, betterments and improvements to the City's wastewater system, including particularly, without limitation, wet weather sewer improvements, and any facility, land or equipment acquisition therefor (the ”Wastewater Improvements”); (c) bonds in the maximum principal amount of $28,120,000 to finance all or a portion of the costs of extensions, betterments and improvements to the City's water system, including particularly, without limitation, water transmission improvements, water storage and pump stations, and any land or equipment acquisition therefor (the “Water Improvements”); (d) bonds in the maximum principal amount of $9,110,000 to finance all or a portion of the costs of firefighting facilities and apparatus, including particularly, without limitation, apparatus replacements, a new fire station, and improvements to existing fire stations and any land acquisition, parking, equipment, furnishings and utility improvements therefor (the “Firefighting Improvements”); and (e) bonds in the maximum principal amount of $4,260,000 to finance a portion of the costs of an aquatic center consisting of swimming and other recreational facilities and any parking, equipment, furnishings and utility improvements therefor (the “Aquatic Center Improvements”); and

WHEREAS, at the special election held March 13, 2012, a majority of the electors voting on the questions approved the issuance of such bonds; and

WHEREAS, pursuant to Ordinance No. 31-12 of the City duly adopted on April 17, 2012, as amended by Ordinance No. 53-12 of the City, adopted on July 17, 2012 (collectively, “Ordinance No. 31-12"), the City has issued its Sales and Use Tax Refunding and Improvement Bonds, Series 2012 (the “Series 2012 Bonds”) to finance all or a portion of the costs of the Wastewater Improvements, the Water Improvements, the Firefighting Improvements, the Aquatic Center Improvements and the refunding of the Series 2006 Bonds, the Series 2008 Bonds and the Series 2009 Bonds (the “Refunding”); and

WHEREAS, of the authority granted for the issuance of bonds at the March 13, 2012 special election, all of the bonds for the Aquatic Center Improvements, the Firefighting Improvements and the Refunding have been issued and there remains unissued $29,127,142.68 in principal amount of bonds approved for Wastewater Improvements and $6,199,986.47 in principal amount of bonds approved for Water Improvements; and

WHEREAS, the Board of Directors is prepared to proceed with the issuance of the second series of bonds in aggregate principal amount of $_____ designated as "City of Fort Smith, Arkansas Sales and Use Tax Bonds, Series 2014" (the "Series 2014 Bonds"); and

WHEREAS, the Series 2014 Bonds are being issued pursuant to Ordinance No. 31-12 as “Additional Parity Bonds” thereunder; and

WHEREAS, the principal amount of the Series 2014 Bonds is allocated as follows: $_____ for the Wastewater Improvements; and $_____ for the Water Improvements; and

WHEREAS, the City has made arrangements for the sale of the Series 2014 Bonds to Stephens Inc. (the "Purchaser"), at a price of $_____ (principal amount less Underwriter's discount of $_____ plus net original issue premium of $_____), plus accrued interest (the "Purchase Price"), pursuant to a Bond Purchase Agreement between the Purchaser and the City (the "Agreement"), which has been presented to and is before this meeting; and

WHEREAS, the Preliminary Official Statement, dated January ___, 2014, offering the Series 2014 Bonds for sale (the "Preliminary Official Statement"), has been presented to and is before this meeting; and

WHEREAS, the Continuing Disclosure Agreement between the City and BancorpSouth Bank, Stuttgart, Arkansas, as Dissemination Agent (the "Disclosure Agreement"), providing for the ongoing disclosure obligations of the City with respect to the Series 2014 Bonds, has been presented to and is before this meeting;

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

Section 1. The offer of the Purchaser for the purchase of the Series 2014 Bonds from the City at the Purchase Price, for Series 2014 Bonds bearing interest at the rates per annum, maturing and otherwise subject to the terms and provisions hereafter in this Ordinance set forth in detail be, and is hereby accepted and the Agreement, in substantially the form submitted to this meeting, is approved and the Series 2014 Bonds are hereby sold to the Purchaser. The Mayor is hereby authorized and directed to execute and deliver the Agreement on behalf of the City and to take all action required on the part of the City to fulfill its obligations under the Agreement.

Section 2. The Preliminary Official Statement is hereby approved and the previous use of the Preliminary Official Statement by the Purchaser in connection with the sale of the Series 2014 Bonds is hereby in all respects approved and confirmed, and the Mayor be and he is hereby authorized and directed, for and on behalf of the City, to execute the Preliminary Official Statement and the final Official Statement in the name of the City as set forth in the Agreement.

Section 3. The Disclosure Agreement, in substantially the form submitted to this meeting, is approved, and the Mayor is hereby authorized and directed to execute and deliver the Disclosure Agreement on behalf of the City. The Mayor and City Treasurer are each authorized and directed to take all action required on the part of the City to fulfill the City's obligations under the Disclosure Agreement. Any legal fees and other administrative costs incurred by the City in connection with making the annual report pursuant to the Disclosure Agreement (except audit fees) shall be considered administrative charges that may be payable from moneys in the Bond Fund.

Section 4. Under the authority of the Constitution and laws of the State, including particularly Amendment No. 62 to the Constitution of the State and the Authorizing Legislation, the Series 2014 Bonds are hereby authorized and ordered issued in the total principal amount of $_____, the proceeds of the sale of which are necessary to provide funds for the Water Improvements and the Wastewater Improvements (collectively, the "2014 Improvements"), for the funding of a debt service reserve and for the payment of expenses of issuing the Series 2014 Bonds.

The Series 2014 Bonds shall bear interest at the rates and shall mature on May 1 in the amounts and in the years as follows:

Year (May 1)	Amount	Interest Rate

The Series 2014 Bonds shall be issuable only as fully registered bonds without coupons in the denomination of $5,000 or any integral multiple thereof. Unless the City shall otherwise direct, the Series 2014 Bonds shall be numbered from 1 upward in order of issuance. Each Series 2014 Bond shall have a CUSIP number but the failure of a CUSIP number to appear on any Series 2014 Bond shall not affect its validity.

Each Series 2014 Bond shall be dated as of _____, 2014. Interest on the Series 2014 Bonds shall be payable on May 1, 2014, and semiannually thereafter on May 1 and November 1 of each year. Payment of each installment of interest shall be made to the person in whose name the Series 2014 Bond is registered on the registration books of the City maintained by BancorpSouth Bank, Stuttgart, Arkansas, as Trustee and Paying Agent (the "Trustee"), at the close of business on the fifteenth day of the month (whether or not a business day) next preceding each interest payment date (the "Record Date"), irrespective of any transfer or exchange of any such bond subsequent to such Record Date and prior to such interest payment date, by check or draft mailed by the Trustee to such owner at his address on such registration books; provided, however, payment of interest shall be made by wire transfer if requested by a registered owner of the Series 2014 Bonds in the aggregate principal amount of $1,000,000 or more. Principal of the Series 2014 Bonds shall be payable at the principal corporate trust office of the Trustee.

Each Series 2014 Bond shall bear interest from the payment date next preceding the date on which it is authenticated unless it is authenticated on an interest payment date, in which event it shall bear interest from such date, or unless it is authenticated prior to the first interest payment date, in which event it shall bear interest from _____ 2014, or unless it is authenticated during the period from the Record Date to the next interest payment date, in which case it shall bear interest from such interest payment date, or unless at the time of authentication thereof interest is in default thereon, in which event it shall bear interest from the date to which interest has been paid.

Only such Series 2014 Bonds as shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in Section 6 hereof (the "Certificate") duly executed by the Trustee shall be entitled to any right or benefit under this Ordinance. No Series 2014 Bond shall be valid and obligatory for any purpose unless and until the Certificate shall have been duly executed by the Trustee, and the Certificate of the Trustee upon any such Series 2014 Bond shall be conclusive evidence that such bond has been authenticated and delivered under this Ordinance. The Certificate on any Series 2014 Bond shall be deemed to have been executed if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the Certificate on all of the Series 2014 Bonds.

Section 5. The Series 2014 Bonds shall be registered initially in the name of Cede & Co., as nominee for the Depository Trust Company ("DTC"), which shall be considered to be the registered owner of the Series 2014 Bonds for all purposes under this Ordinance, including, without limitation, payment by the City of principal of, redemption price, premium, if any, and interest on the Series 2014 Bonds, and receipt of notices and exercise of rights of registered owners. There shall be one certificated, typewritten Series 2014 Bond for each stated maturity date and interest rate which shall be immobilized in the custody of DTC with the beneficial

owners having no right to receive the Series 2014 Bonds in the form of physical securities or certificates. DTC and its participants shall be responsible for maintenance of records of the ownership of beneficial interests in the Series 2014 Bonds by book-entry on the system maintained and operated by DTC and its participants, and transfers of ownership of beneficial interests shall be made only by DTC and its participants, by book-entry, the City having no responsibility therefor. DTC is expected to maintain records of the positions of participants in the Series 2014 Bonds, and the participants and persons acting through participants are expected to maintain records of the purchasers of beneficial interests in the Series 2014 Bonds. The Series 2014 Bonds as such shall not be transferable or exchangeable, except for transfer to another securities depository or to another nominee of a securities depository, without further action by the City.

If any securities depository determines not to continue to act as a securities depository for the Series 2014 Bonds for use in a book-entry system, the City may establish a securities depository/book-entry system relationship with another securities depository. If the City does not or is unable to do so, or upon request of the owners of all outstanding Series 2014 Bonds, the City and the Trustee, after the Trustee has made provision for notification of the beneficial owners by the then securities depository, shall permit withdrawal of the Series 2014 Bonds from the securities depository, and authenticate and deliver Series 2014 Bond certificates in fully registered form (in denominations of $5,000 or integral multiples thereof) to the assigns of the securities depository or its nominee, all at the cost and expense (including costs of printing definitive Series 2014 Bonds) of the City or of the beneficial owners of the Series 2014 Bonds.

Prior to issuance of the Series 2014 Bonds, the City shall have executed and delivered to DTC a written agreement (the "Representation Letter") setting forth (or incorporating therein by reference) certain undertakings and responsibilities of the City with respect to the Series 2014 Bonds so long as the Series 2014 Bonds or a portion thereof are registered in the name of Cede & Co. (or a substitute nominee) and held by DTC. Notwithstanding such execution and delivery of the Representation Letter, the terms thereof shall not in any way limit the provisions of this Section or in any other way impose upon the City any obligation whatsoever with respect to persons having interests in the Series 2014 Bonds other than the registered owners, as shown on the registration books kept by the Trustee. The Trustee shall take all action necessary for all representations of the City in the Representation Letter with respect to the Trustee to at all times be complied with.

The authorized officers of the Trustee and the City shall do or perform such acts and execute all such certificates, documents and other instruments as they or any of them deem necessary or advisable to facilitate the efficient use of a securities depository for all or any portion of the Series 2014 Bonds; provided that neither the Trustee nor the City may assume any obligations to such securities depository or beneficial owners of Series 2014 Bonds that are inconsistent with their obligations to any registered owner under this Ordinance.

Section 6. The Series 2014 Bonds and the Trustee's Certificate shall be in substantially the following form and the Mayor and City Clerk are hereby expressly authorized and directed to make all recitals contained therein:

(Form of Series 2014 Bond)

REGISTERED
No. _____

REGISTERED
$_____

UNITED STATES OF AMERICA
STATE OF ARKANSAS
COUNTY OF SEBASTIAN
CITY OF FORT SMITH
SALES AND USE TAX BOND
SERIES 2014

Interest Rate: _____%
Maturity Date: May 1, _____
Dated Date: _____, 2014
CUSIP No.: _____
Registered Owner: _____
Principal Amount: _____ Dollars

KNOW ALL MEN BY THESE PRESENTS:

That the City of Fort Smith, County of Sebastian, State of Arkansas (the "City"), for value received, hereby promises to pay to the Registered Owner shown above upon the presentation and surrender hereof at the principal corporate trust office of BancorpSouth Bank, Stuttgart, Arkansas, or its successor or successors, as Trustee and Paying Agent (the "Trustee"), on the Maturity Date shown above, the Principal Amount shown above, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts and to pay by check or draft to the Registered Owner shown above interest thereon, in like coin or currency from the interest commencement date described below at the Interest Rate per annum shown above, payable on each May 1 and November 1 after the Dated Date shown above, until payment of such Principal Amount or, if this bond or a portion hereof shall be duly called for redemption, until the date fixed for redemption, and to pay interest on overdue principal and interest (to the extent legally enforceable) at the rate borne by this bond. Payment of each installment of interest shall be made to the person in whose name this bond is registered on the registration books of the City maintained by the Trustee at the close of business on the fifteenth day of the month (whether or not a business day) next preceding each interest payment date (the "Record Date"), irrespective of any transfer or exchange of this bond subsequent to such Record Date and prior to such interest payment date. Notwithstanding the above, payment of interest shall be made by wire transfer when requested by the Registered Owner hereof if it is the registered owner of bonds of this issue in the aggregate principal amount of $1,000,000 or more.

Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is

made to Cede & Co. or to such other entity as is required by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

This bond shall bear interest from the payment date next preceding the date on which it is authenticated unless it is authenticated on an interest payment date, in which event it shall bear interest from such date, or unless it is authenticated during the period from the Record Date to the next interest payment date, in which case it shall bear interest from such interest payment date, or unless it is authenticated prior to the first interest payment date, in which event it shall bear interest from the Dated Date shown above, or unless at the time of authentication hereof interest is in default hereon, in which event it shall bear interest from the date to which interest has been paid.

This bond is one of an issue of City of Fort Smith, Arkansas Sales and Use Tax Bonds, Series 2014, aggregating _____ Dollars ($_____) in aggregate principal amount (the "bonds"), and is issued for the purpose of financing the costs of accomplishing wastewater improvements and water improvements, paying necessary expenses incidental thereto, funding a debt service reserve, and paying expenses of authorizing and issuing the bonds.

The bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas (the "State"), particularly Amendment No. 62 to the Constitution of the State and Title 14, Chapter 164, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation"), and pursuant to Ordinance No. 31-12 of the City duly adopted on April 17, 2012, as amended by Ordinance No. 53-12 of the City duly adopted on July 17, 2012, and Ordinance No. _____-14 of the City duly adopted on _____, 2014 (collectively, the "Authorizing Ordinance"), and an election duly held on March 13, 2012 at which the majority of the legal voters of the City voting on the questions approved the issuance of the bonds. Reference is hereby made to the Authorizing Ordinance for the details of the nature and extent of the security and of the rights and obligations of the City, the Trustee and the registered owners of the bonds. The bonds are special obligations of the City, payable from the collections derived by the City from a 0.75% sales and use tax (the "Tax") levied by the City under the Authorizing Legislation and Ordinance No. 1-12 of the City duly adopted on January 3, 2012, and the City hereby pledges its collections of the Tax for the payment of the bonds on a parity of security with the City's Sales and Use Tax Refunding and Improvement Bonds, Series 2012 (the "Series 2012 Bonds").

The bonds are subject to extraordinary and optional redemption prior to maturity as follows:

(1) The bonds shall be redeemed by the City from proceeds of the bonds not needed for the intended purposes and Surplus Tax Collections (defined below), 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.

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 bonds and the Series 2012 Bonds as the same become due, (2) establish and maintain the Debt Service Reserve Account in the required amount, and (3) make any arbitrage rebate payment due the United States, must be used from time to time, at least annually, as and to the extent available, to redeem outstanding bonds prior to maturity. The moneys in the Debt Service Reserve Account shall be considered Surplus Tax Collections when making the redemption in full of the bonds and the Series 2012 Bonds.

While the Series 2012 Bonds (or any additional parity bonds issued to refund the Series 2012 Bonds ("Additional Parity Bonds")) are outstanding, the City shall use 50% of the Surplus Tax Collections to redeem the bonds and 50% of the Surplus Tax Collections to redeem the Series 2012 Bonds or Additional Parity Bonds. If there are no Series 2012 Bonds or Additional Parity Bonds outstanding, the City shall apply 100% of the Surplus Tax Collections to the redemption of the bonds. In the event of a redemption from Surplus Tax Collections or from bond proceeds, the bonds shall be redeemed in inverse order of maturity and by lot within a maturity in such manner as the Trustee shall determine.

In the case of any defeasance of the bonds, redemption of defeased bonds shall be scheduled on the basis of the mandatory redemption requirements and assuming annual Tax receipts in an amount equal to Tax receipts for a twelve-month period that ends not less than 30 and not more than 90 days prior to the defeasance.

(2) The bonds may be redeemed at the option of the City from funds from any source, on and after May 1, 2024, 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 bonds shall be called for redemption, the particular maturities and interest rates of the bonds to be redeemed shall be selected by the City in its discretion. If fewer than all of the bonds of any one maturity and interest rate shall be called for redemption, the particular bonds or portion thereof to be redeemed from such maturity and interest rate shall be selected by lot by the Trustee.

In case any outstanding bond is in a denomination greater than $5,000, each $5,000 of face value of such bond shall be treated as a separate bond of the denomination of $5,000.

Notice of redemption identifying the bonds or portions thereof (which shall be $5,000 or a multiple thereof) to be redeemed and the date they shall be presented for payment shall be given by the Trustee, not less than 30 nor more than 60 days prior to the date fixed for redemption, by mailing a copy of the redemption notice by first class mail, postage prepaid, to all registered owners of bonds to be redeemed. Failure to mail an appropriate notice or any such notice to one or more registered owners of bonds to be redeemed shall not affect the validity of the proceedings for redemption of other bonds as to which notice of redemption is duly given in proper and timely fashion. All such bonds or portions thereof thus called for redemption and for

the retirement of which funds are duly provided in accordance with the Authorizing Ordinance prior to the date fixed for redemption will cease to bear interest on such redemption date.

This bond is transferable by the Registered Owner shown above in person or by his attorney-in-fact duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Authorizing Ordinance, and upon surrender and cancellation of this bond. Upon such transfer a new fully registered bond or bonds of the same maturity and interest rate, of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor. This bond is issued with the intent that the laws of the State shall govern its construction.

The City and the Trustee may deem and treat the Registered Owner shown above as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the City nor the Trustee shall be affected by any notice to the contrary.

The bonds are issuable only as fully registered bonds in the denomination of $5,000, and any integral multiple thereof. Subject to the limitations and upon payment of the charges provided in the Authorizing Ordinance, fully registered bonds may be exchanged for a like aggregate principal amount of fully registered bonds of the same maturity and interest rate of other authorized denominations.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed, under the Constitution and laws of the State, particularly Amendment No. 62 to the Constitution of the State and the Authorizing Legislation, precedent to and in the issuance of this bond have existed, have happened and have been performed in due time, form and manner as required by law; that the indebtedness represented by this bond and the issue of which it forms a part does not exceed any constitutional or statutory limitation; and that a tax sufficient to pay the bonds and interest thereon has been duly levied and receipts derived therefrom are pledged to the payment of the bonds in accordance with the Authorizing Legislation.

This bond shall not be valid until it shall have been authenticated by the Certificate hereon duly signed by the Trustee.

IN WITNESS WHEREOF, the City of Fort Smith, Arkansas has caused this bond to be executed by its Mayor and City Clerk and its corporate seal to be impressed or imprinted on this bond, all as of the Dated Date shown above.

CITY OF FORT SMITH, ARKANSAS

ATTEST:

By _____
Mayor

_____
City Clerk

(SEAL)

(Form of Trustee's Certificate)

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds issued under the provisions of the within mentioned Authorizing Ordinance.

Date of Authentication: _____.

BANCORPSOUTH BANK
Stuttgart, Arkansas
TRUSTEE

By _____
Authorized Signature

(A Form of Assignment shall be attached to the bonds.)

Section 7. The City hereby expressly pledges and appropriates all of the revenues derived by the City from the 0.75% sales and use tax (the "Tax") levied by Ordinance No. 1-12, adopted January 3, 2012 to the payment of the principal of and interest on the Series 2014 Bonds on a parity with the Series 2012 Bonds. The Series 2014 Bonds are being issued as Additional Parity Bonds under Ordinance No. 31-12 and shall be a part of "the bonds" within the meaning of such ordinance. In this regard, all provisions of Ordinance No. 31-12 pertaining to "the bonds" shall inure and appertain to the Series 2014 Bonds to the same extent and with like force and effect as if herein set out in full. The effect of the above provisions shall be to continue the applicable provisions of Ordinance No. 31-12 in full force and effect after the Series 2012 Bonds are paid or provision is made therefor.

Section 8. The Series 2014 Bonds shall be callable for payment prior to maturity in accordance with the terms set out in the face of the bond form set forth in Section 6 of this Ordinance. The City hereby covenants to use Series 2014 Bond proceeds not necessary for the purposes intended to redeem Series 2014 Bonds on the first available interest payment date.

Section 9. When the Series 2014 Bonds have been executed and sealed as herein provided, they shall be delivered to the Trustee, which shall authenticate them and deliver them to the Purchaser upon payment of the Purchase Price. The accrued interest shall be deposited in the Bond Fund established by Ordinance No. 31-12. The expenses of issuing the Series 2014 Bonds as set forth in the delivery instructions to the Trustee signed by the Mayor and City Clerk shall be paid from the Purchase Price.

The amount necessary from the Purchase Price to increase the amount in the Debt Service Reserve Account established by Ordinance No. 31-12 to its required level shall be deposited therein.

The balance of the Purchase Price shall be deposited in two special accounts of the City hereby created in one or more banks or trust companies that are members of the Federal Deposit Insurance Corporation (each a "Construction Fund"). Moneys shall be allocated between the Construction Funds in proportion to the principal amount of Series 2014 Bonds allocated for each purpose. Each Construction Fund shall be designated to reflect the series of the bonds and the purpose, e.g., "Series 2014 Wastewater Construction Fund." The amounts credited to each Construction Fund shall be expended to accomplish the purpose for which the account was created. Issuance costs and other expenses not specific to any one purpose shall be joint obligations to be paid from each Construction Fund in proportion to the initial moneys credited thereto. Disbursements shall be made from each Construction Fund on the basis of checks or requisitions which shall specify: the name of the person, firm or corporation to whom payment is to be made; the amount of the payment; and the purpose by general classification of the payment. Each check or requisition must be signed by the City Administrator or Deputy City Administrator and the City Treasurer. The City shall keep records as to all payments made from the Construction Funds.

Moneys in each Construction Fund shall also be used to pay the principal of and interest on the Series 2014 Bonds when due on a pro rata basis if moneys in the Bond Fund are not sufficient for that purpose.

When the 2014 Improvements of a particular type (e.g., wastewater improvements) have been completed and all required expenses paid and expenditures made from the related Construction Fund for and in connection with the accomplishment of such 2014 Improvements and the financing thereof, this fact shall, if moneys remain in such Construction Fund, be evidenced by a certificate signed by the Mayor, which certificate shall state, among other things, the date of the completion and that all obligations payable from such Construction Fund have been discharged. A copy of the certificate shall be filed with the Trustee. The City shall transfer any remaining balance to the Redemption Account in the Bond Fund.

Section 10. (a) Moneys held for the credit of each Construction Fund may be invested and reinvested in Permitted Investments (as defined in Ordinance No. 31-12) or other investments permitted by State law, which shall mature, or which shall be subject to redemption by the holder thereof, at the option of such holder, not later than the date or dates when such money will be required for the purposes intended.

(b) Obligations purchased as an investment of each Construction Fund 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.

Section 11. (a) The City covenants that it will not reimburse itself from Series 2014 Bond proceeds for any costs paid prior to the date the Series 2014 Bonds are issued except

in compliance with United States Treasury Regulation No. 1.150-2 (the "Regulation"). This Ordinance shall constitute an "official intent" for the purpose of the Regulation.

(b) The City covenants that it will, in compliance with the requirements of Section 148(f) of the Code, pay with moneys in the Bond Fund to the United States Government in accordance with the requirements of Section 148(f) of the Code, from time to time, an amount equal to the sum of (1) the excess of (A) the amount earned on all Non-purpose Investments (as therein defined) attributable to the Series 2014 Bonds, other than investments attributable to such excess over (B) the amount which would have been earned if such Non-purpose Investments attributable to the Series 2014 Bonds were invested at a rate equal to the Yield (as defined in the Code) on the Series 2014 Bonds, plus (2) any income attributable to the excess described in (1), subject to the exceptions set forth in Section 148 of the Code. The City further covenants that in order to assure compliance with its covenants herein, it will employ a qualified consultant to advise the City in making the determination required to comply with this subsection (b). Anything herein to the contrary notwithstanding this provision may be modified or rescinded if in the opinion of Bond Counsel such modification or rescission will not affect the tax-exempt status of the Series 2014 Bonds for federal income tax purposes.

Section 12. The City covenants that it will take no action which would cause the bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code. The City further covenants that it will submit to the Secretary of the Treasury of the United States, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Series 2014 Bonds are issued, a statement concerning the Series 2014 Bonds which contains the information required by Section 149(e) of the Code.

Section 13. The Mayor, and other officers of the City in accordance with their offices, are authorized to execute such writings and take such action as may be appropriate to cause the bonds to be issued.

Section 14. The provisions of this Ordinance are separable and in the event that any section or part hereof shall be held to be invalid, such invalidity shall not affect the remainder of this Ordinance.

Section 15. All ordinances and resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 16. It is hereby ascertained and declared that the 2014 Improvements are immediately needed for the preservation of the public peace, health and safety and to remove existing hazards thereto. The 2014 Improvements cannot be accomplished without the issuance of the Series 2014 Bonds, which cannot be sold at the interest rates specified herein unless this Ordinance is immediately effective. Therefore, it is declared that an emergency exists and this Ordinance being necessary for the preservation of the public peace, health and safety shall be in force and take effect immediately upon and after its passage.

PASSED: _____, 2014.

APPROVED:

ATTEST:

_____
Mayor

_____
City Clerk

(SEAL)

CERTIFICATE

The undersigned, City Clerk of the City of Fort Smith, Arkansas (the "City"), hereby certifies that the foregoing pages are a true and correct copy of Ordinance No. _____, passed at a regular session of the Board of Directors of the City, held at the regular meeting place of the Board, at 6:00 o'clock p.m. on the _____ day of _____, 2014, and that the Ordinance is of record in Ordinance Record Book No. _____ at Page _____, now in my possession.

GIVEN under my hand and seal this _____ day of _____, 2014.

_____
City Clerk

(SEAL)

Memo

To: Ray Gosack, City Administrator

From: Jeff Dingman, Deputy City Administrator

Date: 1/15/2014

Re: Bond Ordinance: Sales and Use Tax Bonds, Series 2014

For consideration by the Board at its January 21 regular meeting is an ordinance authorizing the sale of $34,720,000 in Sales and Use Tax Improvement Bonds, Series 2014. The offering of these sales and use tax improvement bonds represents the balance of bonds overwhelmingly authorized by voters at the March 13, 2012 special election, and the proposed ordinance is required to authorize the remaining bonds. Included in the documentation attached to this memo are the following:

1. Bond Ordinance
2. Preliminary Official Statement
3. Bond Purchase Agreement
4. Continuing Disclosure Agreement

These documents have been prepared for the Board's consideration by Friday, Eldredge & Clark, LLP serving as the City's bond counsel.

The purpose of this bond issuance is to complete the bonds authorized by voters for wastewater projects and for water transmission projects. This second and final series of bonds based on March 13, 2012 voter approval is in the aggregate principal amount of $34,720,000 and designated as City of Fort Smith, Arkansas Sales and Use Tax Bonds, Series 2014. The principal amount of the Series 2014 bonds is allocated as follows: $28,627,000 for Wastewater Improvements related to the city's ongoing efforts to remediate Wet Weather Sanitary Sewer Overflows; and $6,093,000 for Water Improvements related to water transmission projects.

These bonds are payable from revenue derived from the ¾-cent sales and use tax authorized by voters at the March 13, 2012 special election. The City has received a favorable "AA" rating from Standard & Poor's for this bond issue. The bonds are scheduled to be paid in full by 2029, but the City expects to retire both the Series 2012 and Series 2014 bonds earlier than scheduled from Surplus Tax Receipts, which are expected to retire this debt by 2024.

The ordinance presented for the Board packet is a draft and does not yet include pricing. The bonds will be priced and offered for sale on Tuesday, January 21, at such time the pricing will be determined for inclusion in the bond ordinance and other documentation. The ordinance will be updated and presented to the Board at the meeting for authorization to sell the bonds at those specific prices. The final ordinance will also reflect that both Stephens and Raymond James will be underwriting the bonds, whereas the draft does not.

Shep Russell, bond counsel, and Dennis Hunt of Stephens, Inc. Investment Bankers will be in attendance at the Board meeting to answer any questions the Board may have. In the meantime, the Board may direct questions regarding this agenda item to me.

Some hard copies of the Board meeting packet may not include all documents relating to this bond issue in the interest of reducing waste. All documents may be obtained by contacting Wendy Beshears in the City Administrator's office.

BOND PURCHASE AGREEMENT

$_____ City of Fort Smith, Arkansas
Sales and Use Tax Bonds,
Series 2014

City of Fort Smith, Arkansas
Attention: Mayor

January 21, 2013

Gentlemen:

The undersigned Stephens Inc., on behalf of itself and Raymond James & Associates, Inc. (collectively, the "Underwriter"), hereby offers to enter into this Bond Purchase Agreement (the "Agreement") with you, the City of Fort Smith, Arkansas (the "Issuer"), for the purchase by the Underwriter and the sale by you of the Bonds of the Issuer more particularly described below. Upon approval by you and by the execution of the acceptance hereof by the Mayor this Agreement shall be in full force and effect in accordance with its terms and shall be valid, binding and enforceable upon both the Issuer and the Underwriter. The further terms of this Agreement are:

1. Upon the terms and conditions and upon the basis of the representations herein set forth, the Underwriter hereby agrees to purchase from the Issuer and the Issuer hereby agrees to sell to the Underwriter the entire principal amount of an issue of bonds designated "City of Fort Smith, Arkansas Sales and Use Tax Bonds, Series 2014" (the "Bonds") to be issued under and secured by Ordinance Nos. 31-12 and _____-14 of the Issuer (collectively, the "Bond Ordinance") substantially in the form heretofore delivered by you to the Underwriter, with only such changes therein as shall be mutually agreed upon between the Issuer and the Underwriter.

2. The Bonds are being issued for the purpose of financing the costs of water and wastewater improvements for the Issuer (collectively, the "Project"), funding a debt service reserve and paying costs incidental thereto and to the issuance of the Bonds.

3. The Bonds shall be secured by a pledge of a city-wide 0.75% sales and use tax (the "Tax"), levied by Ordinance No. 1-12 of the Issuer, adopted January 3, 2012 (the "Tax Ordinance"), and approved by the voters of the Issuer for the payment of the Bonds at a special election held March 13, 2012. The pledge in favor of the Bonds is on a parity with the pledge in favor of the Issuer's Sales and Use Tax Refunding and Improvement Bonds, Series 2012 (the "Series 2012 Bonds").

4. The Bonds shall be dated February 1, 2014. Interest on the Bonds shall be payable on May 1 and November 1 of each year, commencing May 1, 2014. The Bonds shall be authorized in the principal amount of $_____ bearing interest at the rates per annum and maturing on May 1 in each of the years and in the amounts as set forth in the schedule attached hereto, Exhibit A. BancorpSouth Bank, Stuttgart, Arkansas shall be Trustee and Paying Agent for the Bonds (the "Trustee").

5. The Bonds shall be subject to redemption prior to maturity, shall be payable, and shall be as otherwise described in the Bond Ordinance and the Official Statement (identified in paragraph 7 below).

6. The Underwriter hereby agrees to purchase all of the Bonds from the Issuer and the Issuer hereby agrees to sell all of the Bonds to the Underwriter at a price of $_____ (principal amount less Underwriter's discount of $_____ plus net original issue premium of $_____), plus interest accrued thereon from February 1, 2014 to the date of Closing as hereinafter defined. The sale and purchase of the Bonds shall take place at a closing (the "Closing") at 10:00 a.m., prevailing local time, on February 27, 2014, or at such other time or on such earlier or later date as is mutually agreed upon, and at the offices of Friday, Eldredge & Clark, LLP, 400 West Capitol Avenue, Suite 2000, Little Rock, Arkansas. The Issuer will cause the Trustee to authenticate and deliver the Bonds with CUSIP numbers to the Depository Trust Company, New York, New York ("DTC"), with instructions to place the Bonds in safekeeping and await further instructions from the Trustee. The Bonds shall be received by DTC not later than 1:15 P.M. Eastern Standard Time on the last business day preceding the date of Closing. There shall be delivered to DTC one fully-registered, typewritten Bond certificate for each maturity and interest rate of the Bonds, in the aggregate principal amount of such maturity and interest rate, registered in the name of Cede & Co. At the Closing, and subject to satisfaction (or proper waiver by the Underwriter) of the conditions to its obligations to purchase the Bonds, the Underwriter will pay the purchase price of the Bonds by wire transfer of immediately available funds to the order of the Trustee for the account of the Issuer. Upon receipt of the purchase price, the Trustee shall authorize DTC to credit the Bonds to the Underwriter’s account.

7. The Issuer has delivered to the Underwriter, prior to the date of this Agreement, a Preliminary Official Statement relating to the Bonds dated January 8, 2014 (the "Preliminary Official Statement"). In accordance with Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (the "Rule"), the Issuer deems the Preliminary Official Statement final as of its date, except for omissions of no more than the following information: the offering prices, interest rates, Underwriter’s discount, aggregate principal amount per maturity, rating, delivery date, and other terms of the Bonds depending on such matters.

8. Should the Issuer fail to cause the Trustee to deliver the Bonds to DTC as provided herein, or should the Issuer be unable to satisfy the conditions set forth in this Agreement (unless waived by the Underwriter), or should any obligation of the Underwriter hereunder be terminated for any reason permitted by this Agreement, except as set forth in Paragraph 16 hereof, neither party hereto shall have any further rights against the other hereunder. The Underwriter and the Issuer understand that in any of such events the Issuer's and the Underwriter's actual expenses, costs, or damages may be unequal, and any such amounts incurred by either party may be greater or may be less than those amounts incurred by the other. Accordingly, and subject to Paragraph 16, the Underwriter hereby waives any right to claim

that the Underwriter's actual expenses, costs, or damages are or will be greater than the actual expenses, costs, or damages incurred or suffered by the Issuer, and the Issuer hereby waives any right to claim that the Issuer's actual expenses, costs, or damages are or will be greater than any actual expenses, costs, or damages incurred or suffered by the Underwriter, and neither party shall be entitled to claim any damages from the other.

9. The Issuer will sell the Bonds to the Underwriter and the Underwriter will make a public offering thereof in reliance upon representations and agreements herein set forth solely pursuant to the Official Statement hereinafter described at the initial offering price or yields set forth in the Official Statement, reserving, however, the right to change such initial offering prices as the Underwriter shall deem necessary in connection with the marketing of the Bonds. The Issuer shall deliver or cause to be delivered to the Underwriter, within seven (7) business days after acceptance of this Agreement, at least 100 copies of the Official Statement, substantially in the form of the Preliminary Official Statement, with only such changes therein as shall be accepted by us (such Official Statement with such subsequent modifications and changes, if any, and including the cover page and all appendices, exhibits, reports and statements included therein or attached thereto being herein called the "Official Statement"), signed on behalf of the Issuer by its Mayor. The Issuer authorizes the use of copies of the Official Statement and Bond Ordinance in connection with the public offering and sale of the Bonds. The Issuer ratifies the lawful use by the Underwriter prior to the date hereof of the Preliminary Official Statement.

10. The Issuer represents and warrants to, and agrees with, the Underwriter that:

(a) The Issuer is a city of the first class, duly organized and existing under the laws of the State of Arkansas, and has, and at the date of Closing will have, full legal right, power, and authority (i) to enter into this Agreement, (ii) to adopt the Bond Ordinance and the Tax Ordinance (the "Ordinances"), (iii) to issue, sell, and deliver the Bonds to the Underwriter as provided herein, (iv) to levy and pledge the Tax, and (v) to carry out and consummate the transactions contemplated by this Agreement, the Ordinances, and the Official Statement;

(b) The Issuer has complied, and will at the Closing be in compliance, in all respects, with Amendment No. 62 to the Constitution of the State of Arkansas ("Amendment 62") and Title 14, Chapter 164, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation");

(c) By adoption of the Bond Ordinance, pursuant to the Authorizing Legislation, the Issuer has duly authorized and approved the Official Statement, has duly authorized and approved the execution and delivery of, and the performance by the Issuer of the obligations contained in the Bonds and this Agreement and has duly authorized the consummation by it of all other transactions contemplated by the Official Statement. When delivered to and paid for by the Underwriter at the Closing in accordance with the provisions of this Agreement, the Bonds will have been duly authorized, executed, authenticated, issued, and delivered and will constitute

valid and binding obligations of the Issuer in accordance with their terms, in conformity with the Authorizing Legislation, entitled to the benefit and security of the Bond Ordinance;

(d) The execution and delivery of this Agreement, the Bonds, the adoption of the Ordinances, the levy of the Tax and the carrying out and consummation of the transactions contemplated by the Official Statement, will not conflict with or constitute a breach of or default under any applicable law of administrative regulation of the State of Arkansas or the United States or any judgment or decree or any agreement or other instrument to which the Issuer is a party or is otherwise subject;

(e) At the time of the Issuer's acceptance hereof and at all times subsequent thereto, to and including the time of the Closing, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(f) The Issuer will immediately notify the Underwriter of any adverse change of a material nature in the financial or economic condition of the Issuer;

(g) There is no action, suit, proceeding, or investigation involving the Issuer before or by any court, public board, or body pending or, to the knowledge of the Issuer, threatened wherein an unfavorable decision, ruling, or finding would: (i) affect the creation, organization, existence or powers of the Issuer or the titles of its officials to their offices, (ii) enjoin or restrain the issuance, sale, and delivery of the Bonds or the collection of the Tax or the pledge thereof, (iii) in any way question or affect any of the rights, powers, duties, or obligations of the Issuer with respect to the Tax, (iv) in any way question or affect any authority for the issuance of the Bonds or the validity or enforceability of the Bonds or the Ordinances, or (v) in any way question or affect this Agreement or the transactions contemplated by this Agreement, the Official Statement, the Bond Ordinance or any other agreement or instrument relating thereto to which the Issuer is a party;

(h) The Issuer shall enter into a Continuing Disclosure Agreement (the "Disclosure Agreement") with the Trustee, as Dissemination Agent, as required by the Rule, and as described in the Official Statement;

(i) The Issuer is now, and will on the date of the Closing be, in compliance with its obligations under the continuing disclosure undertakings to which it is a party with respect to its bonds pursuant to the Rule. For the past five years, the Issuer has been in compliance in all material respects with its continuing disclosure undertakings to which it is a party with respect to its bonds pursuant to the Rule;

(j) The Tax has been duly levied under the Tax Ordinance, and the collections of such Tax have been duly pledged to the payment of the Bonds on a parity with the pledge in

favor of the Series 2012 Bonds, all under the Bond Ordinance pursuant to the authority granted by the Authorizing Legislation; and

(k) The Issuer will furnish such information, execute such instruments, and take such other action in cooperation with Underwriter, as the Underwriter may reasonably request, to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Underwriter may designate and will assist, if necessary therefor, in the continuance of such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that Issuer shall not be required to qualify as a foreign corporation or to file any general consents to service of process under the laws of any state.

11. The Issuer covenants and agrees with the Underwriter that:

(a) It will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement or any part thereof. If between the date of this Agreement and twenty-five (25) days after the end of the underwriting period an event occurs which is materially adverse to the purpose for which the Official Statement is to be used and is not disclosed in the Official Statement, or if there shall exist any event which in the reasonable judgment of the Underwriter makes untrue or incorrect in any material respect any statement or information contained in the Official Statement, or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect, the Issuer will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter, the expense of which shall be paid by the Issuer. The "end of the underwriting period" shall mean the later of (i) the date of the delivery of the Bonds by the Issuer to the Underwriter, or (ii) the date the Underwriter no longer retains (directly or as a syndicate member) an unsold balance of the securities for sale to the public. The Underwriter agrees to notify the Issuer in writing when the underwriting period has ended and if no such notification is given within twenty-five (25) days after the date of the Closing, the Issuer may assume that the underwriting period ended on the day of the Closing;

(b) It will indemnify and hold harmless the Underwriter and each person, if any, who controls (as such term is defined in Section 15 of the Securities Act of 1933, as amended) the Underwriter against any and all losses, claims, damages, and liabilities of any kind, including the expenses of defense thereof, (i) arising out of any statement or information contained in the Official Statement relating to the Issuer, the Bond Ordinance, the Bonds, security for the Bonds, the Tax and use of Bond proceeds that is untrue or incorrect in any material respect or the omission from the Official Statement of any statement or information relating to the Issuer, the Bonds, security for the Bonds, the Tax, use of Bond proceeds and the Bond Ordinance, which is necessary to make the statements therein not misleading in any material respect, and (ii) to the extent of the aggregate amount paid in settlement of any litigation commenced or threatened arising from a claim based upon any such untrue statement or omission if such settlement is effected with the written consent of the Issuer (which consent shall not be unreasonably

withheld). In case any claim shall be made or action brought against the Underwriter or any controlling person (as aforesaid) based upon the Official Statement, in respect of which indemnity may be sought against the Issuer, the Underwriter shall notify the Issuer in writing within 15 days of the claim being received in writing by the Underwriter, setting forth the particulars of such claim or action, and the Issuer shall assume the defense thereof, including the retaining of counsel and the payment of all expenses. The Underwriter or any such controlling person shall have the right to retain separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the Underwriter's expense or the expense of such controlling person unless the retaining of such counsel has been specifically authorized by the Issuer.

12. The Underwriter has entered into this Agreement in reliance upon the representations and agreements of the Issuer herein and the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the Closing. The Underwriter's obligations under this Agreement are and shall be subject to the following further conditions:

(a) At the Closing, the Ordinances shall be in full force and effect and shall not have been amended, modified or supplemented after the date hereof except as may have been agreed to by the Underwriter, and the Issuer shall have duly adopted and there shall be in full force and effect such other ordinances and resolutions as, in the opinion of Friday, Eldredge & Clark, LLP, Little Rock, Arkansas ("Bond Counsel"), and the Underwriter, shall be necessary in connection with the transactions contemplated hereby;

(b) The representations and warranties of the Issuer contained herein shall be true, complete, and correct on the date hereof and on and as of the date of the Closing, as if made on and as of the date of the Closing;

(c) At or prior to the Closing, the Underwriter shall have received the following:

(1) The Official Statement of the Issuer executed on behalf of the Issuer by its Mayor;

(2) The Ordinances, certified by the Issuer under its seal as having been duly adopted and as being in full force and effect, with only such amendments as may have been agreed to by the Underwriter;

(3) An unqualified approving opinion, dated the date of the Closing, of Bond Counsel, in form and substance satisfactory to the Underwriter, and a supplemental opinion of Bond Counsel, dated the date of the Closing, in form and substance satisfactory to the Underwriter, to the effect that, (i) this Agreement has been duly authorized, executed, and delivered by the Issuer and, assuming due execution by the Underwriter, and subject to the extent that (A) the enforceability of the rights and remedies set forth herein may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights generally and (B) that the rights to indemnification hereunder may be limited by federal or state securities laws or public policy

underlying such laws and may not be enforceable, constitutes a valid and binding agreement in accordance with its terms, (ii) the Issuer has ratified the distribution of the Preliminary Official Statement; (iii) the Bond Ordinance conforms as to form and tenor with the terms and provisions thereof as summarized and set out in the Official Statement, (iv) that the Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Bond Ordinance is exempt from qualification under the Trust Indenture Act of 1939, as amended, and (v) the Disclosure Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due execution by the Trustee, and subject to the extent that (A) the enforceability of the rights and remedies set forth therein might be limited by bankruptcy, insolvency, or other laws affecting creditors' rights generally and (B) that the right to indemnification thereunder may be limited by federal and state securities laws or public policy underlying such laws and may not be enforceable, constitutes a valid and binding agreement in accordance with its terms. In addition, such counsel shall state in the opinion or in a separate letter, or letters, dated the date of the Closing and addressed to the Underwriter, that based upon the examinations which they have made as Bond Counsel, which shall be specified, nothing has come to their attention which would lead them to believe that the Official Statement (except for the statistical data included in the Official Statement, as to which no view need be expressed) contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(4) A certificate dated the date of the Closing and signed by the Mayor, City Administrator and City Clerk of the Issuer to the effect that, (i) the representations and warranties of the Issuer contained herein are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing, (ii) there is no action, suit, proceeding, or investigation involving the Issuer before or by any court or public board or body pending or, to the knowledge of the Issuer, threatened wherein an unfavorable decision, ruling, or finding would: (A) affect the creation, organization, existence, or powers of the Issuer or the titles of its officials to their respective offices, (B) enjoin or restrain the issuance, sale, and delivery of the Bonds, the collection of the Tax or the pledge thereof or the accomplishment of the Project, (C) in any way question or affect any of the rights, powers, duties, or obligations of the Issuer with respect to the Tax, (D) in any way question or affect any authority for the issuance of the Bonds or the validity or enforceability of the Bonds, the Tax or the Ordinances, or (E) in any way question or affect this Agreement or the transactions contemplated hereby, or by the Official Statement, or any other agreement or instrument to which the Issuer is a party and relating to the Bonds, (iii) the Issuer has complied with all agreements and covenants and satisfied all conditions on its part to be complied with or satisfied at or prior to the Closing, and (iv) to the best of their knowledge, neither the Official Statement nor any amendment or supplement thereto, as of their issue dates, contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading;

(5) An opinion of Daily & Woods, P.L.L.C., dated the date of Closing, in form and content satisfactory to the Underwriter;

(6) The Disclosure Agreement shall have been executed by the Issuer and the Trustee, with only such amendments as may have been agreed to by the Underwriter;

(7) Evidence that as of the Closing, the Bonds are rated "AA" by Standard & Poor's; and

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

All of the opinions, letters, certificates, instruments, and other documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter and its counsel. The performance of any and all obligations of the Issuer under this Agreement and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in its sole discretion.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of, and to pay for the Bonds contained in this Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of, and to pay for the Bonds shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriter nor the Issuer shall be under further obligation hereunder, except that the obligations of the Issuer and the Underwriter set forth in Paragraph 16 hereof shall continue in full force and effect.

13. The Underwriter and the Issuer shall each have the right to cancel and terminate its obligations under this Agreement at any time before the Closing if any of the following occurs (except only the Underwriter may cancel under (e) below):

(a) Legislation shall have been enacted by the Congress of the United States, or adopted by either House or any committee thereof, or a decision shall have been rendered by a court of the United States or the Tax Court of the United States, or a ruling shall have been made or regulations shall have been proposed or made by the Treasury Department of the United States, the Internal Revenue Service or any other governmental agency with respect to federal taxation upon revenues or other income of the general character to be derived by the Issuer or by any similar body, or upon interest received on obligations of the general character of the Bonds which, in the opinion of the Underwriter, materially adversely affects the market price of the Bonds or the market price generally of obligations of the general character of the Bonds; or

(b) Any legislation, ordinance, rule or regulation shall be enacted or be actively considered for enactment by any governmental body, department or agency of the State of Arkansas (excluding the Issuer), or a decision by any court of competent jurisdiction within the State of Arkansas shall be rendered which, in the opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(c) A stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission shall be issued or made to the effect that the issuance, offering or sale of the Bonds, or of obligations of the general character of the Bonds, as contemplated hereby, is in violation of any provisions of the Securities Act of 1933, as amended, or the Trust Indenture Act of 1939, as amended; or

(d) (i) Any restriction on, or general suspension of, trading in securities on the New York Stock Exchange or any banking moratorium, or the establishment by the New York Stock Exchange, by the Securities and Exchange Commission, by any federal or state agency, or by the decision of any court, of any limitation on prices for such trading or (ii) any new outbreak of hostilities or other national or international calamity or crisis, the effect of which on the financial markets of the United States shall be such as to make it impracticable, in the reasonable judgment of the Underwriter, for the Underwriter to enforce contracts for the sale of the Bonds; or

(e) Any event or condition which, in the judgment of the Underwriter, renders untrue or incorrect, in any material respect as of the time the same purports to speak, the information, including the financial statements, contained in the Official Statement, or which requires that information not reflected in the Official Statement should be reflected therein in order to make the statements and information contained therein not misleading in any material respect as of such time; provided the Issuer and the Underwriter will use their best efforts to amend or supplement the Official Statement to reflect, to the satisfaction of the Underwriter, such changes in or additions to the information contained in the Official Statement.

14. All notices, demands and formal actions hereunder will be in writing mailed, telegraphed or delivered to:

The Issuer:	City of Fort Smith, Arkansas Post Office Box 1908 Fort Smith, Arkansas 72902 Attention: Mayor
The Underwriter:	Stephens Inc. Post Office Box 3507 Little Rock, Arkansas 72203 Attention: Dennis R. Hunt

15. All representations, warranties and covenants of the Issuer contained herein shall remain operative and in full force and shall survive (a) the execution and delivery of this Agreement, (b) any investigation made by or on behalf of the Underwriter, (c) the purchase of the Bonds hereunder, and (d) any disposition of or payment for the Bonds.

16. (a) The Underwriter shall be under no obligation to pay, and the Issuer shall pay (from proceeds of sale of the Bonds or otherwise), any expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to: (i) the fees and disbursements of Bond Counsel, (ii) the fees and disbursements of the Issuer's counsel or accountants, and of any other experts or consultants retained by the Issuer, (iii) charges for obtaining CUSIP numbers for the Bonds, (iv) the cost of preparation and printing of this Agreement, the Bonds, the Preliminary Official Statement, and the Official Statement, (v) the Trustee's fees and expenses, (vi) legal publication costs, (vii) the Underwriter's fees payable to DTC relating to the underwriting of the Bonds; (viii) the Underwriter's ticket and day loan charges and other costs of the Closing and delivering the Bonds; (ix) IPREO charges, if any and (x) rating fees of Standard & Poor's.

(b) The Underwriter shall pay: (i) the cost of preparation and printing of Blue Sky and Legal Investment Surveys, (ii) all advertising expenses in connection with the public offering of the Bonds, (iii) the cost of the preparation and printing of any amendment or supplement to the Official Statement resulting from a determination by the Underwriter to change the initial offering prices or yields set forth in the Official Statement, and (iv) other expenses associated with the public offering and distribution of the Bonds except as described above.

17. This Agreement may be executed in any number of counterparts with each executed counterpart constituting an original but all of which together shall constitute one and the same instrument.

18. This Agreement will inure to the benefit of and be binding upon the parties hereto and their successors and will not confer any rights upon any other person. This Agreement shall be governed by and construed in accordance with the laws of the State of Arkansas.

STEPHENS INC.
RAYMOND JAMES & ASSOCIATES, INC.

By: STEPHENS INC.

By _____
Authorized Representative

ACCEPTED this 21st day of January, 2014.

CITY OF FORT SMITH, ARKANSAS

By _____
Mayor

EXHIBIT A

Year (May 1)	Amount	Interest Rate	Reoffering Yield

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by the City of Fort Smith, Arkansas (the "Issuer") and BancorpSouth Bank, Stuttgart, Arkansas (the "Trustee") in connection with the issuance of the Issuer's Sales and Use Tax Bonds, Series 2014 (the "Bonds"). The Bonds are being issued pursuant to Ordinance No. 31-12 of the Issuer, adopted April 17, 2012 and Ordinance No. ____-14 of the Issuer, adopted January 21, 2014 (collectively, the "Authorizing Ordinance"). The Issuer and the Trustee covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer and the Trustee for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Securities and Exchange Commission, Rule 15c2-12(b)(5).

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

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this 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 hereunder, or any successor Dissemination Agent designated in writing by the Issuer 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 in Section 5(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Official Statement" shall mean the Official Statement of the Issuer describing the Bonds, dated January 21, 2014.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as modified by Rule 15c2-12(d)(2), as the same may be amended from time to time.

"Tax" shall mean the 0.75% sales and use tax levied by the Issuer and pledged to the Bonds under the Authorizing Ordinance.

SECTION 3. Provision of Annual Report. (a) The Issuer shall, or shall cause the Dissemination Agent to, not later than 180 days after the end of the Issuer's fiscal year (presently December 31), commencing with the 2014 fiscal year, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer 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 shall be submitted within 30 days of becoming available. If the fiscal year of the Issuer changes, the Issuer shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than fifteen (15) days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Issuer 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 Issuer and the Dissemination Agent to determine if the Issuer 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 for such part in subsection (a), the Trustee shall send a notice to the MSRB in substantially the form as prescribed by the MSRB.

(d) The Dissemination Agent shall file a report with the Issuer and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to this Disclosure Agreement and stating the date it was provided.

(e) As and to the extent an Annual Report or Notice of Listed Event is required to be filed under this Disclosure Agreement, the Issuer shall submit such Annual Report or Notice of Listed Event to the MSRB through its continuing disclosure service portal provided through EMMA at http://www.emma.msrb.org, or any other similar system that is acceptable to the Securities and Exchange Commission. All documents provided to the MSRB pursuant to this Disclosure Agreement shall be in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

1. Information of the type set forth in the Official Statement under the caption "THE CITY AND THE COUNTY" with respect to (i) the Issuer and County population in the latest year for which available and the four previous years for which figures are available; (ii) unemployment rates in the latest year for which available and the four previous years; and (iii) major employers at the Issuer on the date of the report.

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

3. The annual audit of the Issuer 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 included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's internet website or filed with the Securities and Exchange Commission. The Issuer shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events:

1. Principal and interest payment delinquencies.

2. Non-payment related defaults.

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 Issuer shall promptly notify the Dissemination Agent (if other than the Issuer) 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 Issuer shall file (or 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 under this subsection 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.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all the Bonds.

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such 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 Issuer pursuant to this 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.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Trustee may amend this Disclosure Agreement, and any provisions of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

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

(c) The amendment or waiver either (i) is approved by the Beneficial Owners of the Bonds in the same manner as provided in the 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 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer 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 Issuer. 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 under Section 5(c), 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.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer 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 this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer or the Trustee to comply with any provision of this Disclosure Agreement, the Trustee, the Issuer or any Beneficial Owner

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

SECTION 11. 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 this Disclosure Agreement, and the Issuer agrees to indemnify and save the Dissemination Agent and the Trustee, their officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's or the Trustee's negligence or omissions. The obligations of the Issuer under this Section shall survive resignation or removal of the Trustee or the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee, the Dissemination Agent, the Participating Underwriter and the Beneficial Owners and shall create no rights in any other person or entity.

SECTION 13. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Dated: February 1, 2014.

CITY OF FORT SMITH, ARKANSAS

By _____
Mayor

BANCORPSOUTH BANK
Stuttgart, Arkansas

By _____
Authorized Officer

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. These securities may not be sold nor any offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 8, 2014

NEW ISSUE **RATING**
BOOK-ENTRY ONLY **S&P: "AA"**

In the opinion of Bond Counsel, based on existing statutes, regulations, rulings and court decisions, the interest on the Series 2014 Bonds is excludable from gross income for federal income tax purposes, subject to the condition that the City comply with all requirements of the Internal Revenue Code that must be satisfied subsequent to the issuance of the Series 2014 Bonds, and the Series 2014 Bonds and interest thereon are exempt from all Arkansas state, county and municipal taxes. In the opinion of Bond Counsel, interest on the Series 2014 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although it is included in book income in calculating the corporate alternative minimum taxable income. See ***LEGAL MATTERS****, Tax Exemption herein.*

$34,720,000*
CITY OF FORT SMITH, ARKANSAS
SALES AND USE TAX BONDS
SERIES 2014

Dated: February 1, 2014 Due: May 1, as shown below

Principal of and interest on the Series 2014 Bonds are payable from a pledge of receipts derived by the City of Fort Smith, Arkansas (the "City") from a 0.75% sales and use tax levied by the City on a parity with the City's Sales and Use Tax Refunding and Improvement Bonds, Series 2012. Interest on the Series 2014 Bonds is payable semiannually on May 1 and November 1 in each year, commencing May 1, 2014, and the Series 2014 Bonds mature (on May 1 of each year), bear interest and are priced to yield as follows:

MATURITY SCHEDULE*

Maturity	Amount	Rate (%)	Yield (%)	Maturity	Amount	Rate (%)	Yield %)
2015	$1,015,000			2023	$1,320,000		
2016	1,035,000			2024	1,395,000		
2017	1,055,000			2025	1,455,000		
2018	1,085,000			2026	1,505,000		
2019	1,125,000			2027	5,420,000		
2020	1,155,000			2028	10,735,000		
2021	1,200,000			2029	3,960,000		
2022	1,260,000						

(Accrued interest from February 1, 2014 to be added)

The Series 2014 Bonds of each maturity and interest rate 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 2014 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 2014 Bonds will not receive physical delivery of Series 2014 Bonds. Payments of principal of and interest on the Series 2014 Bonds will be made by BancorpSouth Bank, Stuttgart, Arkansas, as the Trustee, directly to Cede & Co., as nominee for DTC, as registered owner of the Series 2014 Bonds, to be subsequently disbursed to DTC Participants and thereafter to the Beneficial Owners of the Series 2014 Bonds, all as further described herein.

The Series 2014 Bonds are offered, subject to prior sale, when, as and if issued and received by the Underwriter named below, subject to the approval of legality by Friday, Eldredge & Clark, LLP, Little Rock, Arkansas, Bond Counsel, and subject to certain other conditions. It is expected that the Series 2014 Bonds will be available for delivery on or about February 27, 2014.

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.

Dated: _____, 2014.

Stephens Inc.
Investment Bankers

*Preliminary; subject to change.

No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or other solicitation of an offer to buy, nor shall there be any sale of the Series 2014 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

$34,720,000*
CITY OF FORT SMITH, ARKANSAS
SALES AND USE TAX BONDS
SERIES 2014

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 Fort Smith, Arkansas (the "City") is furnished in connection with the offering by the City of its $34,720,000* principal amount of Sales and Use Tax Bonds, Series 2014, dated February 1, 2014 (the "Series 2014 Bonds"). The Series 2014 Bonds are being issued for the purpose of financing various capital improvements (the "Improvements") for the City. See **THE SERIES 2014 BONDS,** Purposes for 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 2014 Bonds are not general obligations of the City, but are special obligations payable solely from collections from a 0.75% sales and use tax (the "Tax") levied by the City. See **THE TAX** and **THE SERIES 2014 BONDS**, Security. The Tax is levied under Ordinance No. 1-12 of the City adopted January 3, 2012 (the "Tax Ordinance"). The issuance of the Series 2014 Bonds and the pledging of the Tax to the payment of the principal of and interest on the Series 2014 Bonds was approved at the special election held March 13, 2012. The Series 2014 Bonds are being issued pursuant to and in full compliance with Amendment 62 and the Authorizing Legislation and Ordinance No. 31-12 of the City, adopted on April 17, 2012, as amended by Ordinance No. 53-12 of the City, adopted on July 17, 2012, and Ordinance No._____-14 of the City, adopted on _____, 2014 (collectively, the "Authorizing Ordinance"). See **THE AUTHORIZING ORDINANCE**.

The pledge of tax collections in favor of the Series 2014 Bonds is on a parity with the pledge in favor of the City's Sales and Use Tax Refunding and Improvement Bonds, Series 2012 (the "Series 2012 Bonds"). The City has reserved the right in the Authorizing Ordinance to issue additional bonds on a parity of security with the Series 2012 Bonds and the Series 2014 Bonds for the purpose of refunding either or both issues of bonds (the "Additional Parity Bonds"). See **THE SERIES 2014 BONDS**, Security, herein.

The Series 2014 Bonds will be initially issued in book-entry form and purchasers of Series 2014 Bonds will not receive certificates representing their interest in the Series 2014 Bonds purchased. See **THE SERIES 2014 BONDS**, Book-Entry Only System. The Series 2014 Bonds will contain such other terms and provisions as described herein. See **THE SERIES 2014 BONDS**, Generally.

The Series 2014 Bonds are issuable only as fully registered bonds, without coupons, in the denomination of $5,000 or an integral multiple thereof. Interest is payable May 1, 2014, and semiannually thereafter on each May 1 and November 1. Unless the Series 2014 Bonds are in book-entry form, payment of principal of the Series 2014 Bonds will be made to the owners of the Series 2014 Bonds at the principal office of BancorpSouth Bank, Stuttgart, Arkansas, as trustee and paying agent for the Series 2014 Bonds (the "Trustee"). Interest is payable by check mailed by the Trustee to the registered owners as of the record date

* Preliminary; subject to change.

for each interest payment date. The record date for payment of interest on the Series 2014 Bonds shall be the fifteenth day of the calendar month next preceding each interest payment date. A Series 2014 Bond may be transferred, in whole or in part (in integral multiples of $5,000), but only upon delivery of the Series 2014 Bond, together with a written instrument of transfer, to the Trustee. See **THE SERIES 2014 BONDS**, Generally, and Book-Entry Only System.

The Series 2014 Bonds are subject to extraordinary redemption from proceeds of the Series 2014 Bonds not needed for the purposes intended and Surplus Tax Receipts (as hereinafter defined). The Series 2014 Bonds are subject to optional redemption on and after May 1, 2024. The Trustee shall give at least thirty (30) days notice of redemption. See **THE SERIES 2014 BONDS**, Redemption.

Under existing law and assuming compliance with certain covenants described herein, (i) interest on the Series 2014 Bonds is excludable from gross income for federal income tax purposes, (ii) interest on the Series 2014 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, (iii) with respect to corporations, interest on the Series 2014 Bonds will be taken into account in determining adjusted current earnings for the purpose of computing the federal alternative minimum tax and (iv) the Series 2014 Bonds and interest thereon are exempt from all State, county and municipal taxes. See **LEGAL MATTERS**, Tax Exemption.

It is expected that the Series 2014 Bonds will be available for delivery on or about February 27, 2014, through the facilities of the Depository Trust Company in New York, New York.

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

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of the Authorizing Ordinance and the Continuing Disclosure Agreement summarized herein are available upon request from Stephens Inc., 111 Center Street, Suite 2300, Little Rock, Arkansas 72201, Attention: Public Finance.

THE SERIES 2014 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 2014 Bonds. The Series 2014 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 2014 Bond certificate for each maturity and interest rate will be issued in the principal amount of the maturity and interest rate, 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 2014 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2014 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2014 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 2014 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 2014 Bonds, except in the event that use of the book-entry system for the Series 2014 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2014 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 2014 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 2014 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2014 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 2014 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 2014 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 2014 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 2014 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 2014 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 2014 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 2014 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 Underwriter nor the City make any representation or warranty regarding the accuracy or completeness thereof.

So long as the Series 2014 Bonds are in book-entry only form, Cede & Co., as nominee for DTC, will be treated as the sole owner of the Series 2014 Bonds for all purposes under the Authorizing Ordinance, including receipt of all principal of and interest on the Series 2014 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 2014 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 2014 Bonds; or (d) other action taken by DTC or Cede & Co. as owner of the Series 2014 Bonds.

Generally. The Series 2014 Bonds are dated, mature and bear interest as set forth on the cover page hereof. The principal of the Series 2014 Bonds is payable upon presentation and surrender at the principal office of the Trustee. Payment of interest on the Series 2014 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 2014 Bonds are issuable in the form of registered Series 2014 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 2014 Bond is mutilated, lost or destroyed, the City shall, if not then prohibited by law, execute and the Trustee may authenticate a new Series 2014 Bond in accordance with the provisions therefor in the Authorizing Ordinance.

Each Series 2014 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 2014 Bond or Series 2014 Bonds of the same maturity and interest rate, 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 2014 Bond for the privilege of registration, but any owner of any Series 2014 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 2014 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 2014 Bonds selected for redemption in whole or in part.

The person in whose name any Series 2014 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 2014 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 2014 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 2014 Bonds or the date fixed for redemption of any Series 2014 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 2014 Bonds are subject to extraordinary and optional redemption prior to maturity as follows:

(1) Extraordinary Redemption. The Series 2014 Bonds shall be redeemed from Surplus Tax Receipts (hereinafter defined) and from proceeds of the Series 2014 Bonds not needed for the purposes intended, 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 of, interest on and Trustee's fees and expenses and other administrative charges in connection with the Series 2012 Bonds, the Series 2014 Bonds and any Additional Parity Bonds, (2) maintain the debt service reserve in the required amount and (3) pay any arbitrage rebate due under Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code"). The debt service reserve shall be considered Surplus Tax Receipts for purposes of making a redemption in full of the Series 2012 Bonds, the Series 2014 Bonds and any Additional Parity Bonds.

If there are no Series 2012 Bonds or Additional Parity Bonds outstanding, the City shall apply 100% of the Surplus Tax Receipts to the redemption of the Series 2014 Bonds. If there are Series 2012 Bonds or any Additional Parity Bonds issued to refund Series 2012 Bonds outstanding, the City shall use 50% of Surplus Tax Receipts to redeem the Series 2012 Bonds and such Additional Parity Bonds and 50% of Surplus Tax Receipts to redeem the Series 2014 Bonds.

In case of any defeasance of the Series 2014 Bonds, redemption of defeased Series 2014 Bonds shall be scheduled on the basis of mandatory redemption requirements and assuming annual Tax Receipts in an amount equal to receipts for the most recent twelve-month period.

(2) Optional Redemption. The Series 2014 Bonds are subject to redemption at the option of the City, from funds from any source, on and after May 1, 2024, 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 2014 Bonds shall be called for redemption, the particular maturities and interest rates of the Series 2014 Bonds to be redeemed shall be selected by the City in its discretion. If fewer than all of the Series 2014 Bonds of any one maturity and interest rate shall be called for redemption, the particular Series 2014 Bonds or portion thereof to be redeemed from such maturity and interest rate shall be selected by lot by the Trustee.

In the case of any redemption of Series 2014 Bonds prior to maturity, the Trustee shall mail a copy of the redemption notice to the registered owners of the Series 2014 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 2014 Bond called for redemption if funds for redemption of such Series 2014 Bond have been deposited with the Trustee as provided in the Authorizing Ordinance.

Notwithstanding the above, so long as the Series 2014 Bonds are issued in book-entry only form, if fewer than all the Series 2014 Bonds of an issue are called for redemption, the particular Series 2014 Bonds to be redeemed will be selected pursuant to the procedures established by DTC. So long as the Series 2014 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 2014 Bonds.**

Otherwise, any selection of Series 2014 Bonds by lot shall be effected by the Trustee, by any method chosen by the Trustee in its discretion.

Purposes for Series 2014 Bonds. At the special election held March 13, 2012, there was approved the issuance of bonds for the following purposes (the "Voter Approved Bonds"):

(a) refunding the City's outstanding Sales and Use Tax Refunding and Improvement Bonds, Series 2006 (the "Series 2006 Bonds"), Sales and Use Tax Bonds, Series 2008 (the "Series 2008 Bonds") and Sales and Use Tax and Water and Sewer Revenue Bonds, Series 2009 (the "Series 2009 Bonds") - $55,380,000;

(b) financing all or a portion of the costs of extensions, betterments and improvements to the City's wastewater system, including particularly, without limitation, wet weather sewer improvements, and any facility, land or equipment acquisition therefor ("Wastewater Improvements") - $71,070,000;

(c) financing all or a portion of the costs of extensions, betterments and improvements to the City's water system, including particularly, without limitation, water transmission improvements, water storage and pump stations, and any land or equipment acquisition therefor ("Water Improvements") - $28,120,000;

(d) financing all or a portion of the costs of firefighting facilities and apparatus, including particularly, without limitation, apparatus replacements, a new fire station, and improvements to existing fire stations and any land acquisition, parking, equipment, furnishings and utility improvements therefor ("Firefighting Improvements") - $9,110,000; and

(e) financing a portion of the costs of an aquatic center consisting of swimming and other recreational facilities and any parking, equipment, furnishings and utility improvements therefor ("Aquatic Center Improvements") - $4,260,000.

All of the Voter Approved Bonds for the refunding were issued at the time of issuance of the Series 2012 Bonds. The balance of the Series 2012 Bonds were allocated to the Firefighting Improvements, the Aquatic Center Improvements, the Wastewater Improvements and the Water Improvements. The entire principal amount of the Series 2014 Bonds is allocated to Wastewater Improvements and Water Improvements. After issuance of the Series 2014 Bonds, all of the Voter Approved Bonds will have been issued.

The principal amount of the Series 2014 Bonds is allocated approximately as follows:*

Wastewater Improvements	$28,627,000
Water Improvements	6,093,000
TOTAL	$34,720,000

* Preliminary; subject to change.

The City will fund a debt service reserve deposit and pay costs of issuing the Series 2014 Bonds from Series 2014 Bond proceeds. The proceeds of the Series 2014 Bonds (exclusive of accrued interest), are estimated to be expended by the City as follows:

SOURCES:*	
Principal Amount of Bonds	$34,720,000
Net Reoffering Premium	601,352
Total Sources	$35,321,352
USES:*	
Costs of Improvements	$33,135,000
Debt Service Reserve	1,736,000
Underwriter's Discount and Costs of Issuance	450,352
Total Uses	$35,321,352

The payment of Underwriter's discount and the fee of Bond Counsel will be contingent on the Series 2014 Bonds being issued. See **MISCELLANEOUS**, Underwriting for a description of the Underwriter's discount. The City will deposit the net proceeds of the Series 2014 Bonds (principal amount plus net reoffering premium less Underwriter's discount, debt service reserve deposit and certain issuance costs) into two construction funds established in one or more banks or trust companies selected by the City that are members of the Federal Deposit Insurance Corporation (each, a "Construction Fund"). Moneys contained in the Construction Funds will be disbursed by the City in payment of costs of the Improvements, paying necessary expenses incidental thereto and paying expenses of issuing the Series 2014 Bonds. Each Construction Fund will be designated to reflect the purpose, e.g., Water Construction Fund, and will have deposited therein a pro rata portion of the Series 2014 Bond proceeds based upon principal amount. Moneys in each Construction Fund shall be used only for the specific Improvements related thereto. Disbursements shall be on the basis of checks or requisitions which shall contain at least the following information: the person to whom payment is being made; the amount of the payment; and the purpose by general classification of the payment. For a description of how the Series 2014 Bond proceeds are to be invested pending use and the provisions governing those investments, see **THE AUTHORIZING ORDINANCE**, Investments.

Security for the Series 2014 Bonds. The Series 2014 Bonds are not general obligations of the City but are special obligations, secured by a pledge of collections of the Tax ("Tax receipts") on a parity with the Series 2012 Bonds. Tax receipts must be used solely to pay the principal of and interest on the Series 2012 Bonds, the Series 2014 Bonds and any Additional Parity Bonds, Trustee's fees and expenses and other administrative charges and any arbitrage rebate due under Section 148(f) of the Code. The Series 2014 Bonds are secured under the Authorizing Ordinance. For a summary of the terms of the Authorizing Ordinance, see **THE AUTHORIZING ORDINANCE**.

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, other than Additional Parity Bonds. The Additional Parity Bonds may be issued only for the purpose of refunding any Series 2012 Bonds or Series 2014 Bonds.

Debt Service Reserve. A debt service reserve will be maintained in the Bond Fund in an amount equal to 5% of the original principal amount of the Series 2012 Bonds and the Series 2014 Bonds. See **THE AUTHORIZING ORDINANCE**, The Bond Fund. The debt service reserve has been funded with proceeds of the Series 2012 Bonds and will be increased to the required level with proceeds of the Series 2014 Bonds. See **THE AUTHORIZING ORDINANCE**, The Bond Fund.

* Preliminary; subject to change.

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, using or consuming tangible personal property under The Arkansas Compensating (Use) Tax Act of 1949. Pursuant to the Authorizing Ordinance, the City has pledged the Tax receipts to the payment of the Series 2012 Bonds and the Series 2014 Bonds. The Tax was approved as security for the Series 2014 Bonds at the special election held March 13, 2012. The Tax took effect on October 1, 2012.

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 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.

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 sales and use taxes at an aggregate rate of at least 1% since the 1980s. Collections of sales and use taxes at an aggregate rate of 1% have been as follows since 2009:

Year	1% Sales and Use Tax Collections	75% of 1% Sales and Use Tax Tax Collections
2013	$19,403,797	$14,552,848
2012	19,662,943	14,747,207
2011	19,213,204	14,409,903
2010	18,475,912	13,856,934
2009	18,981,774	14,236,331

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 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 2014 Bonds.

DEBT SERVICE REQUIREMENTS

The Series 2012 Bonds and the Series 2014 Bonds are structured to provide approximately level scheduled debt service requirements. However, the City expects to retire the Series 2012 Bonds and the Series 2014 Bonds earlier than scheduled from Surplus Tax Receipts (as defined herein) through the use of redemptions of the Series 2012 Bonds and the Series 2014 Bonds. See **THE SERIES 2014 BONDS**, Redemption and **PROJECTED MANDATORY REDEMPTION**.

The following table shows amounts required to pay scheduled principal and interest on the Series 2014 Bonds during each year ending May 1:

Year (Ending May 1)	Bond Principal*	Bond Interest	Total Debt Service
2015	$1,015,000		
2016	1,035,000		
2017	1,055,000		
2018	1,085,000		
2019	1,125,000		
2020	1,155,000		
2021	1,200,000		
2022	1,260,000		
2023	1,320,000		
2024	1,395,000		
2025	1,455,000		
2026	1,505,000		
2027	5,420,000		
2028	10,735,000		
2029	3,960,000		
Totals	$34,720,000		

* Preliminary; subject to change.

The following table shows the amounts required to pay the remaining scheduled principal of and interest on the Series 2012 Bonds and the Series 2014 Bonds during each year ending May 1:

Year (Ending May 1)	Series 2012 Bond Debt Service	Series 2014 Bond Debt Service	Total Debt Service
2014	$9,946,427.50		
2015	8,983,755.00		
2016	8,983,805.00		
2017	8,983,755.00		
2018	8,983,405.00		
2019	8,980,705.00		
2020	8,980,805.00		
2021	8,980,905.00		
2022	8,980,605.00		
2023	8,984,505.00		
2024	8,979,505.00		
2025	8,981,005.00		
2026	8,981,730.00		
2027	5,118,750.00		
2028			
2029			
Totals:			

DEBT SERVICE COVERAGE

Set forth below is estimated debt service coverage information for the Series 2014 Bonds. In arriving at the estimate of annual Tax receipts for this calculation, the City examined the collections of sales and use taxes levied by the City at the aggregate rate of 1% for the year ended December 31, 2013.

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 and there can be no assurance that future Tax receipts will equal the estimate shown below. See **THE TAX**, 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)]	$14,552,848
Maximum Annual Debt Service on the Bonds [(B)(1)]	11,194,311
Debt Service Coverage[(A/B)]	1.30x

[(1)] Using a year ending May 1; assuming an average coupon rate of 3.43% for the Series 2014 Bonds.

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 collections in excess of the amounts needed to pay principal of, interest on, and Trustee's fees and expenses and administrative charges in connection with the Series 2012 Bonds and the Series 2014 Bonds when due, to pay arbitrage rebate and to maintain the Debt Service Reserve Account at its required level. Based upon sales and use tax collections at the aggregate rate of 0.75% for the year ended December 31, 2013 and no projected growth, the City estimates the Tax collections will be $14,552,848 for each year while the Series 2014 Bonds are outstanding. **THERE IS NO GUARANTEE THAT THESE ESTIMATES WILL BE TRUE**. See **THE TAX**, Future Tax Receipts. The Series 2014 Bonds would be paid in full by May 1, 2024 from Surplus Tax Receipts, if these estimates are correct, as follows:

Year	Scheduled Principal*	Bonds Redeemed Prior to Maturity*	Total Principal Retired*
2014		$1,455,000	$1,455,000
2015	$1,015,000	1,720,000	2,735,000
2016	1,035,000	1,760,000	2,795,000
2017	1,055,000	1,815,000	2,870,000
2018	1,085,000	1,875,000	2,960,000
2019	1,125,000	1,945,000	3,070,000
2020	1,155,000	2,010,000	3,165,000
2021	1,200,000	2,085,000	3,285,000
2022	1,260,000	2,165,000	3,425,000
2023	1,320,000	2,235,000	3,555,000
2024	1,395,000	4,010,000	5,405,000
Totals	$11,645,000	$23,075,000	$34,720,000

THE CITY AND THE COUNTY

Location. The City, incorporated in 1842, is located in Sebastian County (the "County") and in northwest Arkansas, on the Oklahoma state line and 159 miles west of Little Rock, Arkansas and 145 miles southeast of Tulsa, Oklahoma. The City is the seat of government for the upper district of the County and serves as the central focus for a six-county economic and trade region in the west central area of Arkansas and the east central area of Oklahoma.

Population. According to the U. S. Census Bureau, population trends of the City and the County are estimated as follows:

Year	City	County
2007	84,253	121,741
2008	84,708	122,436
2009	85,547	123,597
2010	86,209	125,744
2011	87,155	126,948
2012	87,443	127,304

* Preliminary; subject to change.

Transportation. The City is served by U.S. Highways 271, 71 and 64 as well as Interstate Nos. 540 and 40. The City is also served by two short line railroads with access to three class 1 railroads, more than 30 motor freight carriers and an airport for which two commercial carriers provide service. The City is located on the Arkansas River and has available a public port with a barge-rail terminal.

Government. Since 1967, the City has operated under a City Administrator-Director form of government. Four directors are elected from wards, three are elected at large, and the Mayor is elected at large. Ray Gosack, a city management professional with more than 30 years of experience, has been the City Administrator since January 2011. Prior to that time, he served as Deputy City Administrator for approximately 12 years.

The following are the Mayor and the members of the Board of Directors, their occupations and their terms of office:

Name	Occupation	Term Expires
Sandy Sanders, Mayor	Retired, Executive Management	2014
Kevin Settle, Vice Mayor	Industrial Management	2014
Pam Weber	Real Estate	2014
Phillip H. Merry, Jr.	Insurance Executive	2014
Keith Lau	Real Estate	2016
André Good	Federal Express Service	2016
Mike Lorenz	Health Care Administration	2016
George Catsavis	Restaurant Owner	2016

City Services. The City provides through its budget the following services: administrative, code enforcement, police protection, fire protection, parks and recreation, downtown parking, public transit, water and sewer, solid waste disposal and collection, planning, airport, district court, street construction and maintenance, library, convention center and information technology services.

Medical Facilities. The City serves as a regional medical center with St. Edward Mercy Medical Center and Sparks Regional Medical Center having approximately 853 acute care beds. In addition, a 54-bed rehabilitation center is located in the City. There are over 200 physicians practicing in the area.

Financial Institutions. The City is served by two banks having their principal offices in the City and by nine banks that have branch offices in the City. Bank deposits in the County have been as follows for the years indicated:[1]

Year	Total Deposits	Average Annual Growth (Decline) (%)
1970	$150,086,000	–
1980	459,908,000	11.8
1990	862,752,000	6.5
2000	1,786,774,000	7.6
2010	2,417,335,000	3.1
2012	2,402,970,000	(0.3)

Education. The Fort Smith School District system (elementary and secondary) has approximately 29 schools. There are several private schools in the City providing education for kindergarten through high school. The southern most area of the City is served by the Greenwood School District.

University of Arkansas-Fort Smith, with an enrollment of approximately 7,158 (expressed as FTE) for the fall semester of 2013, has four-year degree programs and continues its collaboration with other universities to offer graduate degrees locally. Webster University and John Brown University also offer graduate degrees in the City.

[1] Source: Arkansas State and County Economic Data. University of Arkansas at Little Rock, Institute for Economic Advancement, College of Business (June 2013).

Economy. The economy of the City is a mixture of industrial, medical, corporate and commercial trade. According to the Fort Smith Chamber of Commerce, the ten largest employers in the City are as follows:

Employer	Business or Product	Number of Employees[1]
Sparks Health System	Hospital	2,400
Baldor Electric Company	Electric motors	2,393
O.K. Industries	Poultry processing	1,800
Fort Smith Public Schools	Primary and secondary education	1,783
Mercy Medical Center	Hospital	1,487
University of Arkansas at Fort Smith	Higher education	951
City of Fort Smith	Government	941
Arkansas Best Corp.	Trucking	936
Rheem Ruud	Heat/air equipment	900
Golden Living/Beverly Enterprises	Nursing homes	800

Economic Outlook. The City has experienced modest downturns during the recent national recession. After an annual decline in sales tax revenue of less than 1% in 2010, the next twenty-four months saw moderate increases. This moderate recovery stalled in 2013, where only two months posted higher sales tax revenues than in 2012. Although some employers, particularly those in the housing sector, have experienced layoffs, the City's unemployment rate remains below the national average.

In October 2011 Whirlpool Corporation announced its intention to permanently close its production facility in the City by June 2012. Whirlpool was the City's seventh largest employer, employing at the time 1,130 people at the Fort Smith facility. Those jobs lost were equal to 9/10 of 1% (0.009) of the civilian labor force in the Fort Smith Metropolitan Service Area. Although portions of the warehouse located on property have been leased on a short-term basis, the City continues to work with Whirlpool Corporation, the Fort Smith Regional Chamber of Commerce and the Arkansas Economic Development Commission to seek appropriate and permanent re-purposing of the property.

The City has seen significant industrial and residential development. Umarex USA, a manufacturer of air rifles and small caliber firearms, opened its 117,000 square foot manufacturing and distribution center at Chaffee Crossing in 2010, initially employing 60 persons. In November, 2012, Umarex announced that it would be sharing its facility with the US operation of Walther Arms Inc., and that the two companies would invest $7 million to expand manufacturing operations over the next five years and add 70 to 120 jobs in that time. The facility at Chaffee Crossing serves as both Walther's and Umarex's corporate headquarters in North America.

In September, 2013, Health Management Associates opened its regional service center in the City, redeveloping 96,000 square feet of a former exhibition hall/retail center into a facility that manages up to 200,000 health insurance claims per month, and $1.9 billion in annual revenue across the country. The facility has already provided more than 350 jobs to the local economy, and a total of 500 new jobs are expected. The center provides administrative services for 23 Health Management hospitals and 150 health providers in eight states.

Also in September, 2013, Thermold Magazines, which makes magazines for firearms and weapons products, announced that it would move its U.S. headquarters to the City from North Carolina. Thermold will share facilities with River Bend Industries, a custom plastics manufacturer who makes product for Thermold. Together, the two companies will add 65 new jobs and invest more than $7 million in the facility.

In 2013, Gerber Products completed $150 million in expansion and equipment upgrades at its manufacturing facility in Fort Smith, where it added 90 new jobs in its manufacturing center. Phoenix Metals built a new facility at Chaffee Crossing adding 40 new jobs with a $12 million investment in a metal processing center and warehouse, and Mars Petcare announced a $50 million expansion of its pet food plant that will provide for 40 additional jobs. Old Dominion Freight Lines built a $6 million distribution service center, creating 25

[1] Approximate as of January 1, 2014.

additional jobs. Butler & Cook announced plans in December, 2013 to create 40 additional jobs with an $8 million expansion to its machining/fabrication operation.

The City has seen large and small commercial developments continue in the City. Restaurant chains such as Longhorn Steakhouse, Five Guys Burgers & Fries, McAlister's Deli, Jimmy Johns, Taco Bueno, Cheddars, Buffalo Wild Wings, Bob Evans Family Restaurant, and Texas Roadhouse have recently opened in the City. Dick's Sporting Goods opened its Fort Smith store in 2011. Sykes Call Center opened a new facility in the City in 2010 that now employs approximately 600 people. Golden Living consolidated its administrative operations in the City in 2011 and added 200 additional jobs.

In 2011, Mercy Health System announced plans to invest more than $192 million in capital projects and equipment in the Fort Smith area over a period of seven years. In 2013, the first 13,000 square foot Mercy Primary Care Clinic opened in order to accommodate 10 primary care physicians, 28 exam rooms, and onsite lab and x-ray services. Two additional clinics are already in various stages of design or construction for other parts of the City as part of Mercy's campaign, as well as construction of a new $42 million 24-bed orthopedic hospital, which began in late 2012. The new hospital is expected to employ 100 to 125 people.

The Arkansas Air National Guard 188th Fighter Wing learned in 2013 that it would receive a new mission and convert from the manned A-10 aircraft to a remotely piloted aircraft, targeting and intelligence unit. The 123rd Intelligence Squadron will be relocating from Little Rock to the City. The 188th will be the only organization in the world with RPA, intelligence and targeting at a combined facility, and all elements of the new missions should be fully operational out of the City by 2018 or 2019. This change preserves the 1,000 full and part-time jobs associated with the 188th with a mission that is sustainable for the long term as part of the modern Air Force.

Sparks Regional Medical Center recently completed a major expansion to its health care campus near the downtown area of the City. In 2013, Propak Logistics announced that it would invest $2 million to purchase and remodel an unused historic building in downtown Fort Smith as its corporate headquarters, helping to further the revitalization of the downtown district. The 24,000 square feet of the building on three floors would be used as a mixture of corporate office space and retail. This project, coupled with streetscape projects and other private investment in office, residential, and commercial redevelopment, is representative of the successful resurgence of the downtown area.

Chaffee Crossing and other areas of the City continue to see robust residential development. There are currently more than 800 residential lots at various stages of development in the City. An additional 300 acres of property for residential development were annexed into the City in 2011. The City's utility infrastructure planning has encouraged these developments.

The Fort Smith Regional Chamber of Commerce organized the Fort Smith Regional Alliance, a regional economic development organization which includes areas of western Arkansas and eastern Oklahoma up to 30 miles from the City. The regional approach will enhance relationships among the two states' economic development agencies, and offers prospects more choices for potential locations.

Litigation. The City is a party to multiple matters of litigation and regulatory proceedings arising from the City's various governmental activities. In the course of business, a number of claims and lawsuits arise from individuals seeking compensation for personal injury, death, and/or property damage resulting from accidents occurring in the City. In addition, the City has been named as a defendant in a number of lawsuits relating to personnel and contractual matters. Management does not believe that the outcome of these claims will have a material adverse effect on the City's financial position. The City appropriates funds as necessary to meet settlements and awards.

The City is the subject of three Administrative Orders from the United States of America, Environmental Protection Agency ("EPA") regarding enforcement action for compliance with federal regulations involving wet weather wastewater overflows and bypasses. The City is negotiating with EPA through the United States Department of Justice regarding the Administrative Orders and concerning the design criteria for the necessary improvements in order for the City to comply with the Administrative Orders. The United States Department of Justice has stated its intent to place the City under a Consent Decree to assure the necessary sewer improvements are constructed. The Wastewater Improvements being financed by the Series 2012 Bonds and the Series 2014 Bonds are being undertaken as a part of the City's plan to comply with the Administrative Orders.

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

	County		State	
Year	Per Capita Personal Income	Average Annual Growth (Decline) (%)	Per Capita Personal Income	Average Annual Growth(Decline) (%)
2008	$37,602	--	$32,378	--
2009	35,556	(5.44)	31,629	(2.31)
2010	35,212	(0.97)	32,053	1.34
2011	38,513	9.37	34,032	6.17
2012	40,017	3.91	35,437	4.13

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

	County		State	
Year	Total Personal Income	Average Annual Growth (Decline) (%)	Total Personal Income	Average Annual Growth (Decline) (%)
2008	$4,653,644,000	--	$93,073,267,000	--
2009	4,448,666,000	(4.40)	91,625,350,000	(1.56)
2010	4,431,358,000	(0.39)	93,683,054,000	2.25
2011	4,889,205,000	10.33	100,004,837,000	6.75
2012	5,094,276,000	4.19	104,507,754,000	4.50

The annual average unemployment rates for the County and the State since 2008 are as follows according to the Arkansas Department of Workforce Services:

	Annual Average Unemployment Rate(%)	
Year	County	State
2008	4.9	5.4
2009	7.3	7.5
2010	7.3	7.9
2011	8.0	7.9
2012	7.3	7.3
2013*	7.0	7.2

*As of August 2013.

Construction Activity and Estimated Values. The following are the construction activity for the years indicated and the estimated real property values resulting from construction in the City: [2]

	Commercial Construction		Residential Construction	
Year	Number Of Units	Value	Number of Units	Value
2009	45	$44,192,081	514	$40,173,803
2010	41	23,582,143	359	49,402,500
2011	43	64,716,229	339	45,224,255
2012	32	25,389,627	303	46,405,142
2013	46	89,440,083	316	46,604,682

[1] Source: Bureau of Economic Analysis, U.S. Department of Commerce.
[2] City of Fort Smith Building Department Estimate.

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. **Unless the context clearly indicates otherwise, all references under this heading to the "Bonds" shall include the Series 2012 Bonds, the Series 2014 Bonds and the Additional Parity Bonds, if any.** 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 "2012 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 and any arbitrage rebate. 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) and (7) 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 or upon mandatory sinking fund redemption; and

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

(4) to pay into the Debt Service Reserve Account (hereinafter identified) any moneys necessary to increase the Debt Service Reserve Account to the required level; and

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

(6) to make any arbitrage rebate payment due 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 5% of the original principal amount of the Bonds when issued (the "required level"). The City shall fund the Debt Service Reserve Account with proceeds of the Bonds as issued. Moneys in the Debt Service Reserve Account shall be used to make the payments described in clauses (1) and (2) of subsection (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 make the final payment of the principal of and interest on the Bonds due at maturity or redemption prior to maturity.

(c) There shall be established and maintained in the Bond Fund a Special 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 and transfers from the Construction Fund. Moneys in the Special Redemption Account shall be used to redeem the Bonds prior to maturity.

(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 and (4) all arbitrage rebate payments due the United States under Section 148(f) of the Code, 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 each Construction Fund may be invested and reinvested in Permitted Investments (as hereinafter defined) or other investments permitted by State law, which shall mature, or which shall be subject to redemption by the holder thereof, at the option of such holder, not later than the date or dates when such money will be required for the purposes intended.

(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 seven (7) years after the date of investment or the final maturity date of the outstanding Bonds, whichever is earlier. 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.

(c) Moneys held for the credit of the Bond Fund (other than the Debt Service Reserve Account) shall be invested and reinvested in Permitted Investments, 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. The Trustee shall so invest and reinvest pursuant to the direction of the City and in the Trustee's discretion in the absence of any direct instructions from the City.

(d) 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.

(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 time 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 Improvements, the facilities refinanced by the Bonds 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 the 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 10% in principal amount of the Bonds

then outstanding shall, by proper suit compel the performance of the duties of the officials of the City 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 10% 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.

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 and if any arbitrage rebate payment has been paid or provision has been made therefor, the Trustee shall take all appropriate action to cause (i) the pledge and lien of the Authorizing Ordinance to be discharged and cancelled and (ii) all moneys held by it pursuant to the Authorizing Ordinance and which are not required for the payment of such Bonds, to be paid over or delivered to or at the direction of the City.

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 10% 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 the majority in principal amount of the owners of the outstanding Bonds or the City, so long as it is not in default under the Authorizing Ordinance, 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. 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, (ii) in order to cure any ambiguity or formal defect or omission in the Authorizing Ordinance or any amendment thereto or (iii) in connection with the issuance of Additional Parity Bonds, 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 Underwriter 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 2014 Bonds and in order to assist the Underwriter 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 2014 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) Information of the type set forth in this Official Statement (a) under the captions **THE CITY AND THE COUNTY** with respect to (i) City and County population in the latest year for which available and the four (4) previous years for which figures are available; (ii) unemployment rates in the latest year for which available and the four (4) previous years; and (iii) major employers at the City on the date of the report.

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

(c) 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 2014 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 2014 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 2014 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 2014 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 2014 Bonds.

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

Additional Information. Nothing in the Continuing Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in the Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by the

Continuing Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by the Continuing Disclosure Agreement, the City shall have no obligation under the Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event

Default. In the event of a failure of the City or the Trustee to comply with any provision of the Continuing Disclosure Agreement, the Trustee, the City or any Beneficial Owner may (and the Trustee, at the request of the Underwriter or the Beneficial Owners of at least 25% aggregate principal amount of outstanding Bonds, shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City or the Trustee, as the case may be, to comply with its obligations under the Continuing Disclosure Agreement. A default under the Continuing Disclosure Agreement shall not be deemed a default under the 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 Underwriter 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 2014 Bonds, or questioning or affecting the legality of the Tax or the Series 2014 Bonds or the proceedings and authority under which the Series 2014 Bonds are to be issued, or questioning the right of the City to adopt the Authorizing Ordinance or to issue the Series 2014 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 2014 Bonds are subject to the unqualified approving opinion of Friday, Eldredge & Clark, LLP, Little Rock, Arkansas, Bond Counsel. Certain legal matters will be passed upon for the City by its counsel, Daily & Woods, P.L.L.C.

Tax Exemption. In the opinion of Friday, Eldredge & Clark, LLP, Bond Counsel, under existing law the interest on the Series 2014 Bonds is exempt from all Arkansas state, county and municipal taxes.

In the opinion of Bond Counsel, interest on the Series 2014 Bonds under existing law is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinions set forth in the preceding sentence are subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2014 Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. These requirements generally relate to arbitrage, the use of the proceeds of the Series 2014 Bonds and the capital improvements financed and refinanced by the Series 2014 Bonds and the Improvements. Failure to comply with certain of such requirements could cause the interest on the Series 2014 Bonds to be so

included in gross income retroactive to the date of issuance of the Series 2014 Bonds. The City has covenanted to comply with all such requirements in the Authorizing Ordinance.

Prospective purchasers of the Series 2014 Bonds should be aware that (i) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the Series 2014 Bonds, (ii) interest on the 2014 Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (iii) passive investment income including interest on the Series 2014 Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income and (iv) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account in determining gross income, receipts or accruals of interest on the Series 2014 Bonds.

Prospective purchasers of the Series 2014 Bonds should be further aware that Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2014 Bonds or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Series 2014 Bonds, except with respect to certain financial institutions (within the meaning of Section 265(b)(5) of the Code).

As shown on the cover page of the Official Statement, certain of the Series 2014 Bonds are being sold at an original issue discount (the "Discount Bonds"). The difference between the initial public offering prices, as set forth on the front cover page, of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated as interest which is excluded from gross income for federal income tax purposes, as described above.

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

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

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

As shown on the cover page of this Official Statement, certain of the Series 2014 Bonds are being sold at a premium (the "Premium Bonds"). An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. An initial purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of a Premium Bond callable prior to its maturity, by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to the call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of

interest for the period and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of a Premium Bond should consult with their tax advisors with respect to the determination and treatment of amortizable premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Current or future legislative proposals, if enacted into law, may cause interest on the Series 2014 Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent holders of the Series 2014 Bonds from realizing the full current benefit of the tax status of such interest. Recent legislative proposals include provisions that would limit the amount of exclusions (including tax-exempt interest) and deductions available to certain high income taxpayers. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. The introduction or enactment of any such legislative proposals may also affect the market price for, or marketability of, the Series 2014 Bonds. Prospective purchasers of the Series 2014 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

It is not an event of default on the Series 2014 Bonds if legislation is enacted reducing or eliminating the exclusion of interest on state and local government bonds from gross income for federal or state income tax purposes.

MISCELLANEOUS

Underwriting. Under a Bond Purchase Agreement (the "Agreement") entered into by and between the City, as issuer, and Stephens Inc., as underwriter (the "Underwriter"), the Series 2014 Bonds are being purchased at a price of $_____ (principal amount plus net original issue premium of $_____ less Underwriter's discount of $_____) plus accrued interest. The Agreement provides that the Underwriter will purchase all of the Series 2014 Bonds if any are purchased. The obligation of the Underwriter to accept delivery of the Series 2014 Bonds is subject to various conditions contained in the Agreement, including the absence of pending or threatened litigation questioning the validity of the Series 2014 Bonds or any proceedings in connection with the issuance thereof, and the absence of material adverse changes in the financial or business condition of the City.

The Underwriter intends to offer the Series 2014 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 Underwriter reserves the right to join with dealers and other underwriters in offering the Series 2014 Bonds to the public. The Underwriter may offer and sell Series 2014 Bonds to certain dealers (including dealers depositing Series 2014 Bonds into investment trusts) at prices lower than the public offering price.

The City has agreed to indemnify the Underwriter against certain civil liabilities in connection with the offering and sale of the Series 2014 Bonds, including certain liabilities under federal securities laws.

Rating. Standard & Poor's Ratings Services ("S&P") will assign its municipal bond rating of "AA" to the Series 2014 Bonds. Any explanation of such rating may only be obtained from S&P. Generally, rating agencies base their ratings upon information and materials supplied to them and on their own investigations, studies and assumptions. There is no assurance that such rating, once assigned, will remain for any given period of time or that they will not be lowered or withdrawn entirely by the rating agency if in its judgment circumstances so warrant. Any such downward change or withdrawal of the rating assigned to the Series 2014 Bonds by S&P may have an adverse effect on the market price of the Series 2014 Bonds. The Underwriter and the City have undertaken no responsibility after issuance of the Series 2014 Bonds to assure the maintenance of the rating or to oppose any such revision or withdrawal.

Enforceability of Remedies. Rights of the registered owners of the Series 2014 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.

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 2014 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.

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

CITY OF FORT SMITH, ARKANSAS

By_____
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;

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

(www) Sales of tangible personal property or a service to a nonprofit blood donation organization;

(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;

(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

_____, 2014

BancorpSouth Bank
Stuttgart, Arkansas, as Trustee

Stephens Inc.
Little Rock, Arkansas

Re: $34,720,000* City of Fort Smith, Arkansas Sales and Use Tax Bonds, Series 2014

Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the City of Fort Smith, Arkansas (the "City") of $34,720,000* City of Fort Smith, Arkansas Sales and Use Tax Bonds, Series 2014, dated February 1, 2014 (the "Series 2014 Bonds"). The Series 2014 Bonds are being issued to finance the costs of capital improvements, fund a debt service reserve and pay expenses of authorizing and issuing the Series 2014 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. 31-12 of the City adopted on April 17, 2012, as amended by Ordinance No. 53-12 of the City adopted on July 17, 2012, and Ordinance No. _____ of the City adopted on _____, 2014 (collectively, the "Authorizing Ordinance"), authorizing the issuance of the Series 2014 Bonds, and Ordinance No. 1-12 of the City adopted on January 3, 2012 (the "Tax Ordinance"), levying a 0.75% 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 2014 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 2014 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. In this regard, the pledge of collections of the Tax in favor of the Series 2014 Bonds is on a parity with the pledge in favor of the City's Sales and Use Tax Refunding and Improvement Bonds, Series 2012. The Series 2014 Bonds are not secured by any lien on or security interest in any physical properties of the City.

3. The interest on the Series 2014 Bonds (including any original issue discount properly allocable thereto) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that, for the purpose of computing the alternative minimum tax imposed on certain corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The opinions

* Preliminary; subject to change.

set forth in the preceding sentence are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Series 2014 Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. The City has covenanted in the Authorizing Ordinance to comply with all such requirements. Failure to comply with certain of such requirements could cause the interest on the Series 2014 Bonds to be so included in gross income retroactive to the date of issuance of the Series 2014 Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Series 2014 Bonds.

4. The Series 2014 Bonds and income thereon are exempt from all Arkansas state, county and municipal tax. It is to be understood that the rights of the registered owners of the Series 2014 Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Sincerely yours,

FRIDAY, ELDREDGE & CLARK, LLP

3

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE 2014 PARKS CAPITAL IMPROVEMENT PROGRAM (BUDGET PROGRAM 6208 – 1/8% SALES AND USE TAX)

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

SECTION 1: The amended 2014 Parks Capital Improvement Program, 2014 Budget Program 6208 – 1/8% Sales and Use Tax, is hereby approved to provide additional 2014 funding for the Ben Geren Aquatic Park, MLK Softball improvements and seasonal staff as detailed in Section 2 below.

SECTION 2: The amended 2014 budget for program 6208 removes 2014 funding for:

Description	Amount
Neighborhood Park-Texas Road Park (Addition)	150,000
Creekmore & Tilles Park Tennis Court Improvements	275,000
Creekmore Park – Land Acquisition	50,000
Riverfront Drive Sports Fields	750,000
	1,225,000

The amended 2014 budget for program 6208 adds 2014 funding for:

Description	Amount
MLK Softball Improvements	150,000
Trails & Greenways River West Trail	350,000
Ben Geren Aquatic Park	1,000,000
Seasonal Salaries	80,000
	1,580,000

Passed and approved this _____day of January, 2014.

APPROVED:

_____

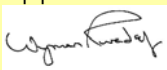
Mayor

ATTEST:

_____

City Clerk

Approved as to form:



_____NPR

City Attorney

PARKS
RECREATION
FORT SMITH

Memo:

January 16, 2014

To: Ray Gosack, City Administrator
From: Mike Alsup, Director of Parks and Recreation
Re: Capital Improvements Program revisions and budget amendment

The Parks and Recreation Commission recommends changes to the Capital Improvements Program (CIP) and 2014 budget. The recommendation addresses the need for funding $1,507,500 to the Ben Geren Aquatic Park, $150,000 for the Martin Luther King Park Softball Field project, and $80,000 for seasonal maintenance positions.

In order to fund these projects and staffing, several projects funded in the 2014 budget have been moved to 2015. Those projects are the neighborhood park at Texas Road, Creekmore and Tilles Park tennis court improvements, Creekmore Park land acquisition, and the Riverfront Drive Sports Fields. The added projects include those listed above and funding for the River West Trail. The balance needed to provide funding for these changes is provided with a decrease in the amount of funds carried forward to the next year in the CIP. Projects unaffected by these changes are the River Valley Sports Complex, River Park Compass Splash Pad, and River Park Pavilion (Glass Pavilion) improvements.

If you have any questions about this ordinance, the budget amendment, or the CIP; please call me.

attachment

REVISED

Fort Smith Parks and Recreation Department
5 Year Capital Improvement Program, Program 6208, $1,507,500 Aquatic Park Funding (4)

2014		2015		2016		2017		2018	
Park Project	Amount	Park Project	Amount	Park Project	Amount	Park Project	Amount	Park Project	Amount
		Riverfront Dr. Property Improvements	700,000	Riverfront Dr. Prop. Improvements	700,000	Riverfront Dr. Prop. Improvements	600,000	Belle Grove Center	750,000
River Park Compass Splash Pad	150,000			Strategic Plan	100,000				
MLK Softball Improvements	150,000	Neighborhood Parks Texas Road Park	150,000	Neighborhood Parks Fondren Park	150,000	Neighborhood Parks Briarcliff Avenue	150,000	Neighborhood Parks Williamson Place	150,000
River Park Pavilion	100,000			FSP Park Playground	100,000	Trails & Greenways Chaffee West Trail	750,000	Wilson Playground and Pavilion	100,000
Trails & Greenways River West Trail	350,000	Trails & Greenways River West Trail	315,600	Trails & Greenways Mill Creek South Trail	500,000	Trails & Greenways Mill Creek South Trail	500,000	Trails & Greenways Zero Street/Ridge Chaffee West	750,000
River Valley Sports Complex	265,420	Tennis Court Improvements	275,000	Creekmore Park Land Acq & Parking	200,000	Shade Structures at Creekmore Pool, MLK Pool and Playground	75,000		
Ben Geren Aquatic Park	1,000,000	Ben Geren Aquatic Park	507,500	FSP Parking and Fishing Pavilion	200,000	Kelley Stage and River Park Amphitheater	75,000		
Total Projects	2,015,420		1,948,100		1,950,000		2,150,000		1,750,000
Total Operations	321,280		407,400		400,700		514,900		510,300
Total Projects & Operations	2,336,700		2,355,500		2,350,700		2,664,900		2,260,300

Budget Staff and Operations	180,280	183,900	187,600	191,400	195,300
Seasonal staff recommended	80,000	80,000	81,600	83,300	85,000
Splash Pad Maintenance	50,000	50,000	50,000	51,000	52,000
Trail Maintenance		20,000	20,000	40,000	41,000
Ben Geren Fields	11,000	11,000	11,500	11,700	12,000
RVSC					
Aquatic Center		62,500	50,000	37,500	25,000
Belle Grove Center					
Riverfront Park (51 acres)				100,000	100,000
Total Operations	321,280	407,400	400,700	514,900	510,300
Estimated receipts	2,400,000	2,400,000	2,500,000	2,500,000	2,500,000
Total Projects & Operations	2,336,700	2,355,500	2,350,700	2,664,900	2,260,300
Difference	63,300	44,500	149,300	-164,900	239,700

NOTE: the figures in this document are estimates, no firm pricing has been done on these line items or maintenance estimates.

APPROVED

2014
Fort Smith Parks and Recreation Department
5 Year Capital Improvement Program

2014		2015		2016		2017		2018	
Park Project	Amount	Park Project	Amount	Park Project	Amount	Park Project	Amount	Park Project	Amount
Riverfront Dr. Property Improvements	750,000	Riverfront Dr. Prop. Improvements	1,000,000	Riverfront Dr. Property Improvements	250,000	Belle Grove Center	500,000	Belle Grove Center	1,000,000
River Park Compass Splash Pad	150,000	FSP Parking and Fishing Pavilion	200,000						
Neighborhood Parks Texas Road Park	150,000	Neighborhood Parks Fondren Park	150,000	Neighborhood Parks Briarcliff Avenue Williamson Place	300,000	Neighborhood Parks Middleton Farms	300,000	Neighborhood Parks	300,000
Glass Pavilion	100,000			Wilson Playground and Pavilion	100,000				
Creekmore Tennis Court Lighting and Surface Tilles Tennis Resurface	275,000	Trails & Greenways River West Trail	700,000	Trails & Greenways Mill Creek South Trail	1,000,000	Trails & Greenways Zero Street/Ridge Chaffee West	1,500,000	Trails & Greenways	1,000,000
RVSC Tournament Softball fields (8)	800,000	FSP Park Playground	100,000	Shade Structures at Creekmore Pool, MLK Pool and Playground	75,000				
Creekmore Park Land Acq & Parking	50,000	Creekmore Park Land Acq & Parking	150,000	Strategic Plan	100,000				
				Kelley Stage and River Park Amphitheater	75,000				
	2,275,000		2,300,000		1,900,000		2,300,000		2,300,000
Equipment	100,000	Equipment	100,000	Equipment	100,000	Equipment	100,000	Equipment	100,000

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 12, ARTICLE II, AMBULANCES, EMERGENCY MEDICAL SERVICES, ETC. OF THE FORT SMITH MUNICIPAL CODE

_____

BE IT ORDAINED BY THE Board of Directors of the City of Fort Smith, Arkansas that:

SECTION ONE - AMENDMENT TO CODE:

Sections 12-26, 12-28, 12-29, 12-31, and 12-32 of the Fort Smith Municipal Code are hereby amended as follows:

(a) Section 12-26, Definitions, is deleted in its entirety and replaced with the following:

Sec. 12-26. Definitions.

For the purposes of this article, the following words and phrases shall have the meanings respectively ascribed to them:

Ambulance shall mean a vehicle used for transporting any person by stretcher or gurney upon the streets or highways of Arkansas, excluding vehicles intended solely for personal use by immediate family members.

Ambulance services shall mean those services authorized and licensed by the Arkansas Department of Health to provide care and transportation of patients upon the streets and highways of Arkansas.

Emergency Medical Services shall mean:

(A) The transportation and medical care provided the ill or injured before arrival at a medical facility by a licensed emergency medical services personnel or other health care provider; and

(B) Continuation of the initial emergency care

within a medical facility subject to the approval of the medical staff and governing board of that facility.

Emergency medical services personnel shall mean an individual licensed by the Arkansas Department of Health at any level established by the rules adopted by the State Board of Health and authorized to perform those services set forth in the rules. Such personnel shall include without limitation "EMT", Advanced EMT, Paramedic, EMS Instructor, or EMS Instructor Trainer.

_____*Licensure* shall mean an official acknowledgment by the Arkansas Department of Health that an individual has demonstrated competence to perform the emergency medical services required for licensure under the rules, regulations, and standards adopted by the State Board of Health upon recommendation by the Emergency Medical Services Advisory Council.

Medical facility shall mean any hospital, medical clinic, physician's office, nursing home, or other health care facility._____

(b) Section 12-28, Exception, is hereby deleted in its entirety and replaced with the following:

Sec. 12-28. Exception.

The provisions of this article shall not apply to any person engaged in rendering emergency medical services whose place of business and vehicles are located in another municipality and whose ambulances infrequently come into, through or out of the city.

(c) Section 12-29, Penalty for violations, is hereby deleted in its entirety and replaced with the following:

Sec. 12-29. Penalty for violations.

Any person who shall fail to comply with any or all of,

or who shall violate, the provisions of this article shall be deemed guilty of a misdemeanor and upon conviction punished as provided in section 1-9.

(d) Section 12-31, Minimum equipment, is hereby deleted in its entirety and replaced with the following:

Sec. 12-31. Minimum equipment.

All ambulances used by any person granted a permit under the provisions of this article shall be licensed and meet all standards prescribed by and under the Emergency Medical Services Act, codified at A.C.A. 20-13-201 through 20-13-214.

All ambulances used by any person granted a permit under the provisions of this article shall be equipped with the minimum accessories, devices and supplies for emergency treatment as prescribed by the Arkansas Department of Health.

In addition to the minimum equipment requirements of the Arkansas Department of Health, all ambulances used by any person granted a permit under the provisions of this article for the purposes of responding to requests for emergency medical services that originate from a 9-1-1 call shall be equipped with the following equipment and/or capabilities:

(1) Electronic Medical Records

(2) Telemetry

(3) 12-Lead EKG

(4) 12-Lead transmission

(5) Video laryngoscopes

(6) Chest compression pumps

(7) EZ-IO

(8) Capnography

(9) Pulse CO-oximetry

(10) Portable ventilators

(e) Section 12-32, Charges, is hereby deleted in its entirety and replaced with the following:

Sec. 12-32. Charges.

The following maximum base rate charges are hereby established for ambulance service offered by persons having permits under the provisions of this article:

(1) For each trip, other than an emergency trip, within the limits of the city $450.00

(2) For each emergency trip within the limits of the city $625.00

SECTION TWO – ADDITION TO THE CODE:

The following section 12-33 is hereby added to the Fort Smith Municipal Code, immediately following Section 12-32.

Sec. 12-33. Emergency medical dispatch.

(a) Any person granted a permit under the provisions of this article shall operate a Secondary Public Safety Answering Point for the purposes of receiving and processing calls for ambulance service.

(b) The Secondary Public Safety Answering Point shall be staffed twenty-four (24) hours a day, seven (7) days a week, every day of the year with personnel certified in Emergency Medical Dispatch by the International Academies of Emergency Dispatch.

(c) The Secondary Public Safety Answering Point shall process all 9-1-1 calls requesting ambulance service with the Medical Priority Dispatch System as approved by the International Academies of Emergency Dispatch. The Secondary Public Safety Answering Point shall be equipped at a minimum with the

following equipment and/or capabilities:

(1) Computer Aided Dispatch

(2) Medical Priority Dispatch System Card Sets and Software

(3) Arkansas Wireless Information Network (AWIN)

(4) Real-time ambulance position tracking

(5) Emergency Battery Back-up

(6) Emergency Back-up Generator

SECTION THREE – EMERGENCY CLAUSE:

This Ordinance, being necessary for the efficient and effective provision of emergency medical services in the City of Fort Smith, shall be effectively immediately upon its passage and approval.

PASSED and APPROVED this _____ day of January, 2014.

_____

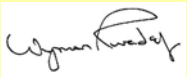
Mayor

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:



_____

Publish 1 Time

MEMORANDUM

January 16, 2014

TO: Mayor and Board of Directors

FROM : Ray Gosack, City Administrator

SUBJECT: Ambulance Service

Attached is a request from Fort Smith EMS to adjust the charges for ambulance service in Fort Smith. This is the first increase in fees since 2004. Fort Smith EMS operates solely on user charges, and doesn't rely on tax revenues to support its operations.

Ambulance service is regulated by the city. The rate request provided an opportunity to review all sections of the city's ambulance code. Both Fort Smith EMS and the fire dept. offered suggestions to the code. Attached is a copy of the code with the recommended changes. The changes eliminate the archaic language and replace it with references to modern standards for emergency medical care.

The staff recommends approval of the rate adjustment and the amendments to the ambulance service code. Fort Smith EMS provides a valuable public safety service with many leading-edge innovations. The rate adjustment will ensure that Fort Smith EMS has the resources necessary to continue providing first-class emergency medical services.

- Ray

Attachments

cc: Tim Hearn, Fort Smith EMS

Fort Smith Emergency Medical Services
3417 Duke Avenue
Fort Smith, Arkansas 72901
(479) 783-1078
Tim Hearn, Executive Director

January 3, 2014

The Honorable Sandy Sanders, Mayor of Fort Smith
and Members of the Fort Smith Board of Directors
623 Garrison Avenue
Fort Smith, Arkansas 72901

Dear Mayor Sanders and Members of the Board of Directors:

Fort Smith EMS recently completed a five-year service improvement project that has brought impressive technology and equipment to Fort Smith, some of which was deployed here for the very first time in the nation. With an investment of nearly $1.5 million for improvements, maintaining and building upon those improvements require a substantial revenue base to maintain critical services. Additionally, rising operational costs combined with new health care laws have resulted in expenditure growth. Since 2004, fuel costs have increased $100,000, the cost of new ambulances has doubled from $88,000 to just over $175,000 and salaries have increased from $1 million to $2 million. Medicare reimbursement has dropped nationally and our bad debt has increased $1 million from 2004. Therefore, Fort Smith EMS is requesting the Board of Directors approve a rate increase as outlined below:

Emergency Base Rate from $525.00 to $625.00
Non-emergency Base Rate from $365.00 to $450.00

Fort Smith EMS expects the proposed rate increase to generate $125,000 to $150,000 in additional revenue yearly. The proposed rate increases will have a minimal effect on the community. Medicare and Medicaid have in place contractual agreements and adjustments that we must honor and patients receiving their benefits will see no increase in out-of-pocket expenses. Private insurance patients with an 80/20 plan will see an out-of-pocket increase of approximately $20.00.

Fort Smith EMS has not requested an increase in base rates for ten years and, historically, Fort Smith EMS has maintained the lowest base rates in the region. Additionally, if an increase is approved by the Board, Fort Smith will continue to have the lowest base rates in the region.

It is imperative that this rate increase be approved so that Fort Smith EMS can maintain critical services. We have gone to great lengths to provide what many consider to be the very best pre-hospital care in the nation. We have served the citizens and visitors of Fort Smith with great pride and will continue to do so for many years. Thank you for your contributions to our community and for your consideration of this request.

Sincerely,

Tim Hearn
Executive Director

Service Improvements/Upgrades
2008 – 2013

- Computer Aided Dispatch (RescueNet Dispatch)
- Advanced Routing Engine (RescueNet CADGIS)
- Medical Priority Dispatch System (ProQA/EMD)
- Mobile Data Terminals (RescueNet Navigator)
- Electronic Medical Records (RescueNet Tablet ePCR)
- Telemetry (RescueNet Link)
- 12-Lead Transmission (RescueNet 12-Lead)
- Vehicle Data Recorders (RescueNet Road Safety)
- Video Data Recorders (DigitalAlly VM-1250)
- Zoll X Series Cardiac Monitors
- Video Laryngoscopes
- Portable Translation Devices (ELSA)
- Power-Load
- Power Cots
- Stair Chairs with TREAD technology
- Chest Compression Pump (LUCAS 2)
- EZ-IO
- Capnography
- Pulse CO-oximetry
- Portable Ventilators
- CPAP
- Mobile Medical Trailer
- Mass Casualty Trailer
- Quick Response ATV
- Tactical Bike Team
- Arkansas Wireless Information Network
- Infusion Pumps
- Vein Lights
- Mobile Communications Gateway
- Global Positioning System

Tim W. Hearn | Executive Director
Fort Smith EMS | *3417 Duke Ave | PO Box 180010 | Fort Smith, AR 72918*
Tim@fsems.org | *www.FortSmithEMS.org* | *479.783.1078 | Fax: 479.783.2913*

Fort Smith EMS

"Excellence is not a skill, It's an attitude"

Service		Emer		Non-Emer		
MEMS	Little Rock	690		525		
SW EMS	Van Buren	600		475		
Logan Co	Booneville-Paris	400		350		**1% sales tax
Jasper Co (Joplin)		600		450		**1% sales tax
Leflore Co (Poteau)		550		500		**650K tax support
Central EMS (NWA)		779.87		563.25		
Franklin Co	Ozark/Charleston	650		650		**1% Sales tax
Seb Co.		550		500		**$18 Real estate tax
Fort Smith EMS		525		365		
	change to:	625	19%	450	23%	

Sec. 12-26. Definitions.

For the purposes of this article, the following words and phrases shall have the meanings respectively ascribed to them:

~~*Ambulance* shall mean any privately or publicly owned motor vehicle, airplane or helicopter, that is specially designed or constructed, equipped, and intended to be used for and is maintained or operated for the transportation of patients, including dual-purpose police patrol cars and funeral coaches or hearses which otherwise comply with the provisions of this article.~~

~~*Attendant* shall mean a trained and/or qualified individual responsible for the operation of an ambulance and the care of the patients whether or not the attendant also serves as driver.~~

~~*Attendant-driver* shall mean an individual who is qualified as an attendant and a driver.~~

~~*Driver* shall mean an individual who drives an ambulance.~~

~~*Patient* shall mean an individual who is sick, injured, wounded or otherwise incapacitated or helpless.~~

Ambulance shall mean a vehicle used for transporting any person by stretcher or gurney upon the streets or highways of Arkansas, excluding vehicles intended solely for personal use by immediate family members.

Ambulance services shall mean those services authorized and licensed by the Arkansas Department of Health to provide care and transportation of patients upon the streets and highways of Arkansas.

Emergency Medical Services shall mean:

(A) The transportation and medical care provided the ill or injured before arrival at a medical facility by a licensed emergency medical services personnel or other health care provider; and

(B) Continuation of the initial emergency care within a medical facility subject to the approval of the medical staff and governing board of that facility.

Emergency medical services personnel shall mean an individual licensed by the Arkansas Department of Health at any level established by the rules adopted by the State Board of Health and authorized to perform those services set forth in the rules. Such

personnel shall include without limitation "EMT", Advanced EMT, Paramedic, EMS Instructor, or EMS Instructor Trainer.

Licensure shall mean an official acknowledgment by the Arkansas Department of Health that an individual has demonstrated competence to perform the emergency medical services required for licensure under the rules, regulations, and standards adopted by the State Board of Health upon recommendation by the Emergency Medical Services Advisory Council.

Medical facility shall mean any hospital, medical clinic, physician's office, nursing home, or other health care facility.

~~*(Code 1976, § 32-63)*~~

~~***Cross reference*** — *Definitions and rules of construction generally, § 1-2.*~~

Sec. 12-27. Compliance.

The business of transporting persons within the city by ambulance for compensation is hereby declared to be a necessary public utility service subject to regulation by the city; and the ownership and operation thereof shall be unlawful, unless all such persons shall first comply with the provisions of this article.

(Code 1976, § 32-64)

Sec. 12-28. Exception.

The provisions of this article shall not apply to any person engaged in rendering ~~ambulance~~ emergency medical services whose place of business and vehicles are located in another municipality and whose ambulances infrequently come into, through or out of the city.

(Code 1976, § 32-65)

Sec. 12-29. Penalty for violations.

Any person who shall fail to comply with any or all of, or who shall violate, the provisions of this article shall be deemed guilty of a misdemeanor and upon conviction punished as provided in section 1-9.

(Code 1976, § 32-66)

Sec. 12-30. Traffic regulations.

All ambulances driven on the streets, highways or boulevards of this city shall comply with all traffic regulations now existing or which may hereafter be enacted in like manner as all other motor vehicles except as otherwise directed by traffic officers, and shall be subject to the same penalties for the violation of such traffic regulations.

(Code 1976, § 32-67)

Sec. 12-31. Minimum equipment.

~~All ambulances used by any person granted a permit under the provisions of this article shall be equipped, as a minimum, with a siren, warning signals and lights such as are commonly used on emergency vehicles and all such ambulances shall also be further equipped with such accessories and devices for emergency treatment as may be currently approved from time to time by the Committee on Trauma, American College of Surgeons which, at the present time, are as follows:~~

~~(1)~~

~~Large made dressings.~~

~~(2)~~

~~Sterile gauze pads.~~

~~(3)~~

~~Three- and six-inch gauze or muslin bandages.~~

~~(4)~~

~~Four- and six-inch cotton elastic bandages.~~

~~(5)~~

~~Adhesive tape (cylinder cut one inch, two (2) inches and three (3) inches).~~

~~(6)~~

~~Tourniquets.~~

~~(7)~~

~~Tongue blades, three (3) taped together and padded for mouth gag.~~

~~(8)~~

~~Bandage shears.~~

~~(9)~~

~~Safety pins, large size.~~

~~(10)~~

~~Triangular bandages or slings.~~

~~(11)~~

~~Inflatable splints (lower and upper limb).~~

~~(12)~~

~~Two (2) or more plywood spine boards.~~

~~(13)~~

~~Several pillows.~~

~~(14)~~

~~Oxygen tanks and masks of assorted sizes for administration.~~

~~(15)~~

~~Oropharyngeal airways.~~

~~(16)~~

~~Mouth to mouth, two-way resuscitation airways; adults and children sizes only.~~

~~(17)~~

~~Suction.~~

~~(18)~~

~~Belting straps for application of spine boards.~~

~~*(Code 1976, § 32-68)*~~

All ambulances used by any person granted a permit under the provisions of this article shall be licensed and meet all standards prescribed by and under the Emergency Medical Services Act, codified at A.C.A. 20-13-201 through 20-13-214.

All ambulances used by any person granted a permit under the provisions of this article shall be equipped with the minimum accessories, devices and supplies for emergency treatment as prescribed by the Arkansas Department of Health.

In addition to the minimum equipment requirements of the Arkansas Department of Health, all ambulances used by any person granted a permit under the provisions of this article for the purposes of responding to requests for emergency medical services that originate from a 9-1-1 call shall be equipped with the following equipment and/or capabilities:

(1) Electronic Medical Records

(2) Telemetry

(3) 12-Lead EKG

(4) 12-Lead transmission

(5) Video laryngoscopes

(6) Chest compression pumps

(7) EZ-IO

(8) Capnography

(9) Pulse CO-oximetry

(10) Portable ventilators

Sec. 12-32. Charges.

~~(a)~~

The following maximum base rate charges are hereby established for ambulance service offered by persons having permits under the provisions of this article:

(1)

For each trip, other than an emergency trip, within the limits of the city ~~.....$365.00~~ $450.00

(2)

For each emergency trip within the limits of the city ~~.....525.00~~ $625.00

~~(b)~~

~~Service evaluation: The city administrator or his designee and the holders of ambulance service permits shall establish reasonable service measures to evaluate the provision of ambulance services in city. An evaluation of ambulance service in the city by the board of directors shall occur within thirteen (13) months of the passage and approval of this section.~~

(Code 1976, § 32-69; Ord. No. 23-92, § 1, 4-7-92; Ord. No. 5-96, § 1, 1-2-96; Ord. No. 77-97, § 1, 12-16-97; Ord. No. 1-01, § 1, 1-9-01; Ord. No. 8-02, § 1, 2-5-02; Ord. No. 42-04, §§ 1, 2, 7-6-04)

Sec. 12-33. Emergency Medical Dispatch.

(a) Any person granted a permit under the provisions of this article shall operate a Secondary Public Safety Answering Point for the purposes of receiving and processing calls for ambulance service.

(b) The Secondary Public Safety Answering Point shall be staffed twenty-four (24) hours a day, seven (7) days a week, every day of the year with personnel certified in Emergency Medical Dispatch by the International Academies of Emergency Dispatch.

(c) The Secondary Public Safety Answering Point shall process all 9-1-1 calls requesting ambulance service with the Medical Priority Dispatch System as approved by the International Academies of Emergency Dispatch. The Secondary Public Safety Answering Point shall be equipped at a minimum with the following equipment and/or capabilities:

(1) Computer Aided Dispatch

(2) Medical Priority Dispatch System Card Sets and Software

(3) Arkansas Wireless Information Network (AWIN)

(4) Real-time ambulance position tracking

(5) Emergency Battery Back-up

(6) Emergency Back-up Generator

5

ORDINANCE NO._____

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

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

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

Street Address: **3015 ALABAMA AVENUE - LOTS 9-10, BLOCK 7; TILLES AND PHILLIPS**

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

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

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

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

This Ordinance adopted this _____day of_____2014.

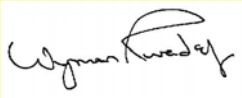
APPROVED:

_____
Mayor

_____
ATTEST:

_____
City Clerk

Approved as to form:



_____
Publish One Time

MEMORANDUM

Building Safety Division

TO: Ray Gosack, City Administrator

FROM: Jimmie Deer, Building Official

DATE: January 10, 2014

SUBJECT: Unsafe Structures

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

The property descriptions and owners are:

3015 Alabama Avenue – Lots 9-10, Block 7; Tillis and Phillips Addition

Owners:	Robert H. Weare C/O Robert & Amber Weare 3229 Grinnell Fort Smith, AR 72908	Robert H. Weare C/O Joe E. Weare 14605 hwy 365 S Little Rock, AR 72206	First National Bank C/O Mike Stanton 602 Garrison Avenue Fort Smith, AR 72901

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

3015 Alabama Avenue – The Structure burnt on 11/14/2013 and the water service has been disconnected since May 2012. There are several liens to the city and county on the property for clean up in the amount of $837.53. Due to the condition of the structure unsafe notices were sent out on November 25, 2013. The letters were signed for. As of today the owners have taken no action to obtain permits to repair or demolish the structure.

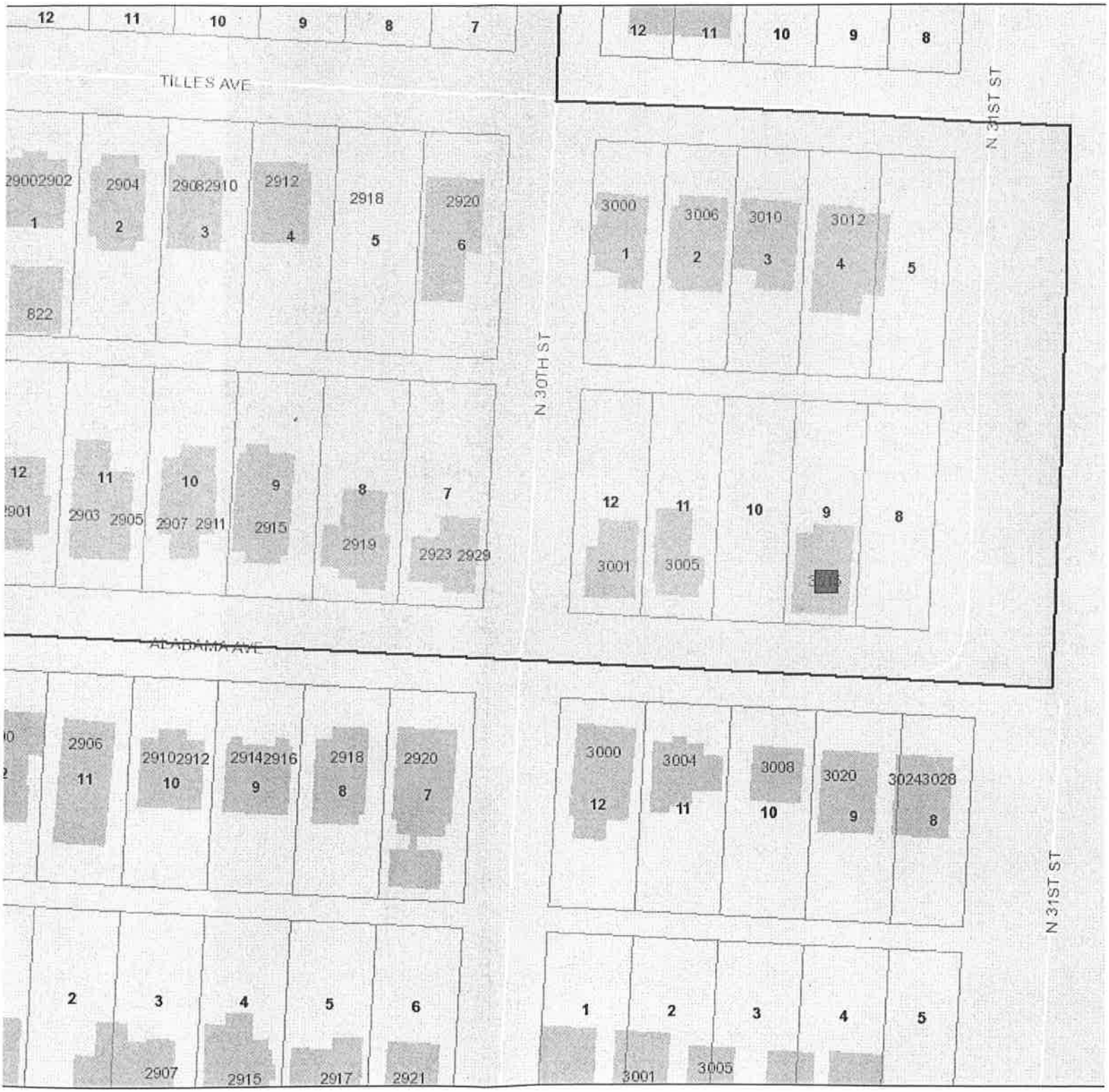
Therefore, I am recommending this matter be referred to the Board of Directors for their review. An Ordinance will be prepared that will order the property owners to demolish or repair the buildings within thirty (30) calendar days and if such work has not occurred, the staff will be authorized to have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

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

CC: Wally Bailey

3015 Alabama Avenue

3015 Alabama Avenue



IS UNSAFE
2013/11/27

2013/11/27

2013/11/18

2013/11/18

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RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A LEASE AGREEMENT WITH SRCA FOR THE FORT SMITH SENIOR ACTIVITY CENTER

_____

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

The Mayor is authorized to execute the attached lease agreement with SRCA for the Fort Smith Senior Activity Center to be used as a senior citizen nutrition center for the period of March 1, 2014 through February 28, 2019.

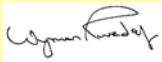
This Resolution passed this _____ day of January, 2014.

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM



_____
No Publication Required

MEMORANDUM

January 16, 2014

TO: Mayor and Board of Directors

FROM : Ray Gosack, City Administrator

SUBJECT: Lease Agreements for Senior Centers

The lease agreements with Sebastian Retired Citizens Association (SRCA) for the Ray Baker and Fort Smith Senior Activity Centers expire February 28, 2014. The centers are owned by the City of Fort Smith and operated by SRCA.

Attached for the board of directors' consideration are new lease agreements for the two senior centers. The new agreements are identical to the existing agreements with one minor change. The term "color" has been added to the list of protected statuses which may not be discriminated against (paragraph 7c of the lease agreements).

The term of the new leases is for five years through February 28, 2019. However, the city may cancel either lease at any time if the building is destroyed or substantially damaged, the board determines the services provided by SRCA are no longer needed, the city has another use for the property, or SRCA unlawfully discriminates in the provision of its services. The staff recommends approval of the lease agreements so that SRCA may continue providing its meal and other services to Fort Smith seniors.

- Ray

Attachments

cc: Jim Medley, Area Agency on Aging
Deanna Rice, Sebastian Retired Citizens Assn.

LEASE AGREEMENT

This Lease Agreement executed this _____ day of January, 2014 between the City of Fort Smith, Arkansas, LESSOR, and SRCA, Inc. Social Services, Post Office Box 18103, Fort Smith, Arkansas 72908, LESSEE, witness:

1. The primary term of this Agreement shall be a period of five (5) years commencing effective March 1, 2014, and continuing through February 28, 2019.

2. The Lessor hereby leases to the Lessee, at the rental rate of $1.00 (One Dollar) per year, the following property of the City of Fort Smith, Arkansas: the Fort Smith Senior Activity Center located at 2700 Cavanaugh, Fort Smith, Arkansas.

3. The Lessee shall use said premises for a senior center (nutrition center).

4. The Lessee agrees to install, at its expense, all necessary furniture, equipment and fixtures in the center. Lessee shall obtain the prior written approval of the City Administrator for all installations of fixtures and all interior or exterior modifications to the premises. Lessee shall, at its expense, maintain the center in good and reasonable repair, ordinary wear and tear excepted. The Lessee shall be responsible for all utilities, telephone, and sanitation services required by the center.

5. The Lessor shall be responsible for providing fire, storm or other hazard insurance for the structure with the Lessor to be the named insured under the policy. However, the Lessee shall be responsible for providing contents coverage, in an amount adequate to provide for replacement of equipment, furnishings and other items stored or otherwise located in or on the premises. The City shall be shown as a certificate holder on the policy for coverage of the contents.

6. The Lessee hereby releases the City of Fort Smith from all liability which might arise out of its use of the said premises and hereby agrees to indemnify and hold harmless the City, its officers, boards, commissions, employees and agents, against and from any and all claims (Including, but not limited to, any based on the civil rights and discrimination statutes of the State of Arkansas and the United States, demands causes of action, actions, suits, proceedings, damages (including, but not limited to, damages to City property), cost of liabilities (including the City's cost with respect to its employees and cost of defending any and all such actions and proceedings described herein), arising out of or pertaining to the providing of services hereunder by the Lessee.

7. It is agreed by Lessee that Lessor shall have the right, at all reasonable times, to inspect the facilities and programs being provided by the Lessee under this Agreement. After inspection or investigation, the Lessor shall have the right to notify the Lessee, in writing, of any deficiencies in the program and/or facilities provided under this Agreement, and, if such deficiencies in the program and; or facilities provided under this Agreement, and if such deficiencies are not cured within thirty (30) calendar days from the date of such written notice, the Lessor shall have the absolute right to terminate this Agreement. Furthermore, the Lessor shall have the right to cancel this Agreement upon the happening of any of the following:

a. Any substantial damage to or destruction of the leased facilities by fire, wind, or other

casualty; or

b. A determination by the Board of Directors that the services provided by Lessee are no longer needed as a governmental function, or the facilities are needed for another purpose, use or function; or

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

Cancellation of this Agreement by the Lessor prior to the end of the term of the Agreement shall require the approval of the Board of Directors of the City of Fort Smith.

8. The Lessee may cancel this Agreement upon thirty (30) days' written notice to Lessor.

IN WITNESS WHEREOF, the parties have duly executed this agreement on the date first set forth above.

SRCA, Inc. Social Services

_____
Secretary

CITY OF FORT SMITH, ARKANSAS

_____
Mayor

ATTEST:

_____
City Clerk

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A LEASE AGREEMENT WITH SRCA FOR THE BAKER SENIOR ACTIVITY CENTER

_____

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

The Mayor is authorized to execute the attached lease agreement with SRCA for the Baker Senior Activity Center to be used as a senior citizen nutrition center for the period of March 1, 2014 through February 28, 2019.

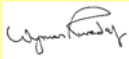
This Resolution passed this _____ day of January, 2014.

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM



_____
No Publication Required

MEMORANDUM

January 16, 2014

TO: Mayor and Board of Directors

FROM : Ray Gosack, City Administrator

SUBJECT: Lease Agreements for Senior Centers

The lease agreements with Sebastian Retired Citizens Association (SRCA) for the Ray Baker and Fort Smith Senior Activity Centers expire February 28, 2014. The centers are owned by the City of Fort Smith and operated by SRCA.

Attached for the board of directors' consideration are new lease agreements for the two senior centers. The new agreements are identical to the existing agreements with one minor change. The term "color" has been added to the list of protected statuses which may not be discriminated against (paragraph 7c of the lease agreements).

The term of the new leases is for five years through February 28, 2019. However, the city may cancel either lease at any time if the building is destroyed or substantially damaged, the board determines the services provided by SRCA are no longer needed, the city has another use for the property, or SRCA unlawfully discriminates in the provision of its services. The staff recommends approval of the lease agreements so that SRCA may continue providing its meal and other services to Fort Smith seniors.

- Ray

Attachments

cc: Jim Medley, Area Agency on Aging
Deanna Rice, Sebastian Retired Citizens Assn.

LEASE AGREEMENT

This Lease Agreement executed this ____ day of January, 2014 between the City of Fort Smith, Arkansas, LESSOR, and SRCA, Inc. Social Services, Post Office Box 18103, Fort Smith, Arkansas 72908, LESSEE, witness:

1. The primary term of this Agreement shall be a period of five (5) years commencing effective March 1, 2014, and continuing through February 28, 2019.

2. The Lessor hereby leases to the Lessee, at the rental rate of $1.00 (One Dollar) per year, the following property of the City of Fort Smith, Arkansas: the Baker Senior Activity Center located at 3600 North Albert Pike, Fort Smith, Arkansas.

3. The Lessee shall use said premises for a senior center (nutrition center).

4. The Lessee agrees to install, at its expense, all necessary furniture, equipment and fixtures in the center. Lessee shall obtain the prior written approval of the City Administrator for all installations of fixtures and all interior or exterior modifications to the premises. Lessee shall, at its expense, maintain the center in good and reasonable repair, ordinary wear and tear excepted. The Lessee shall be responsible for all utilities, telephone, and sanitation services required by the center.

5. The Lessor shall be responsible for providing fire, storm or other hazard insurance for the structure with the Lessor to be the named insured under the policy. However, the Lessee shall be responsible for providing contents coverage, in an amount adequate to provide for replacement of equipment, furnishings and other items stored or otherwise located in or on the premises. The City shall be shown as a certificate holder on the policy for coverage of the contents.

6. The Lessee hereby releases the City of Fort Smith from all liability which might arise out of its use of the said premises and hereby agrees to indemnify and hold harmless the City, its officers, boards, commissions, employees and agents, against and from any and all claims (Including, but not limited to, any based on the civil rights and discrimination statutes of the State of Arkansas and the United States, demands causes of action, actions, suits, proceedings, damages (including, but not limited to, damages to City property), cost of liabilities (including the City's cost with respect to its employees and cost of defending any and all such actions and proceedings described herein), arising out of or pertaining to the providing of services hereunder by the Lessee.

7. It is agreed by Lessee that Lessor shall have the right, at all reasonable times, to inspect the facilities and programs being provided by the Lessee under this Agreement. After inspection or investigation, the Lessor shall have the right to notify the Lessee, in writing, of any deficiencies in the program and/or facilities provided under this Agreement, and, if such deficiencies in the program and; or facilities provided under this Agreement, and if such deficiencies are not cured within thirty (30) calendar days from the date of such written notice, the Lessor shall have the absolute right to terminate this Agreement. Furthermore, the Lessor shall have the right to cancel this Agreement upon the happening of any of the following:

a. Any substantial damage to or destruction of the leased facilities by fire, wind, or other

casualty; or

b. A determination by the Board of Directors that the services provided by Lessee are no longer needed as a governmental function, or the facilities are needed for another purpose, use or function; or

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

Cancellation of this Agreement by the Lessor prior to the end of the term of the Agreement shall require the approval of the Board of Directors of the City of Fort Smith.

8. The Lessee may cancel this Agreement upon thirty (30) days' written notice to Lessor.

IN WITNESS WHEREOF, the parties have duly executed this agreement on the date first set forth above.

SRCA, Inc. Social Services

_____
Secretary

CITY OF FORT SMITH, ARKANSAS

_____
Mayor

ATTEST:

_____
City Clerk

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A NON-EXCLUSIVE FIBER OPTICS NETWORK FRANCHISE AGREEMENT WITH CENTURYTEL FIBER COMPANY II, LLC FOR USE OF THE CITY RIGHTS-OF-WAY TO PROVIDE FIBER OPTIC SERVICES WITHIN THE CORPORATE LIMITS OF THE CITY OF FORT SMITH, ARKANSAS

WHEREAS, City of Fort Smith Resolution No. R-25-03 authorized a non-exclusive franchise to Digital Teleport, Inc. for a period of ten years, and such rights have transferred to the entity known as CenturyTel Fiber Company II, LLC; and

WHEREAS, CenturyTel Fiber Company II, LLC has requested renewal of the non-exclusive franchise in order to allow it to continue providing fiber optic telecommunications services within the City of Fort Smith; and

WHEREAS, an agreement set forth as Exhibit A to this Resolution sets forth the terms and conditions by which CenturyTel Fiber Company II, LLC will provide such services.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the City of Fort Smith, Arkansas that the Mayor is hereby authorized to execute, his signature being attested by the City Clerk, a Non-Exclusive Fiber Optics Network Franchise Agreement, in a form substantially the same as that attached as Exhibit A to this Resolution, which permits CenturyTel Fiber Company II, LLC to provide fiber optic telecommunication services within the corporate limits of the City of Fort Smith, Arkansas.

Adopted this _____ day of January, 2014.

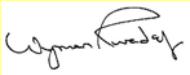
APPROVED

_____
Mayor

ATTEST:

_____
City Clerk

Approved as to Form:



_____
City Attorney

NON-EXCLUSIVE
FIBER OPTICS NETWORK FRANCHISE AGREEMENT

This Agreement is entered into this _____ day of January, 2014, between the City of Fort Smith, Arkansas ("the City"), a municipal corporation duly organized pursuant to the laws of the State of Arkansas, and CenturyTel Fiber Company II, LLC (the Franchisee"), a corporation authorized to do business in the State of Arkansas.

WITNESSETH

WHEREAS, Franchisee has requested a franchise to use the hereinafter specified public rights-of-way, which may include streets, alleys, sidewalks and public utility easements available for telecommunications purposes that belong to or are controlled by the City or which are held in trust for the public by the City, hereinafter referred to as the "public rights-of-way," to install conduit or other cased fiber optic facilities that will facilitate the provision of telecommunications services; and

WHEREAS, the parties agree that a written franchise agreement may be entered pursuant to Ark. Code Ann. § 14-200-101 or pursuant to the rights of the City to control the subject public rights-of-way; and,

WHEREAS, the City intends to exercise the full scope of its municipal powers, including both its police power and contracting authority, to promote the public interest and to protect the health, safety and welfare of the citizens of the City.

NOW, THEREFORE, IN CONSIDERATION OF THE COVENANTS AND AGREEMENTS SET FORTH BELOW, THE PARTIES DO HEREBY CONTRACT AND AGREE AS FOLLOWS:

Section 1. (a) This Agreement replaces and terminates the February 18, 2003 Non-Exclusive Fiber Optics Network Franchise Agreement, including all amendments made thereto, entered into by and between the parties and their predecessors in interest.

(b) Subject to the provision of this Agreement, a non-exclusive fiber optic franchise is hereby granted to Franchisee for the placement and maintenance of fiber optic communication cable in the public rights-of-way at the locations specified in Exhibit "A" hereto.

(c) It is agreed by the parties that this franchise shall have a limited term commencing on February 20, 2013 and shall expire on February 19, 2023, unless the Agreement is renewed by written agreement of the parties at least one hundred and twenty (120) days prior to the end of the primary term, or unless the Franchise is earlier terminated by abandonment or due to breach by the Franchisee.

(d) The failure of the Franchisee to meet any of the material terms of this Agreement shall constitute cause for termination of this franchise by the City. Any termination will be declared in writing by the City Administrator and shall be subject to due process review by the Board of Directors.

(e) This franchise is nonexclusive and nothing in this Agreement shall limit or otherwise impact the right of the City to enter into other franchise agreements with other parties.

(f) All references to the City Administrator shall be deemed to refer to the City Administrator or the employees of the City designated by the City Administrator to perform the referenced function.

Section 2. (a) All work involved in the construction operation, maintenance, repair, upgrade, and removal of the fiber optic communication cable shall be performed by the Franchisee in a manner and using material in accordance with the City standards as determined

by the City Administrator. Franchisee shall bore streets whenever possible. Where street cuts are unavoidable, as determined by the City Administrator, they shall be approved by the City Administrator and performed in accordance with the City's Street Cut Ordinance.

(b) Unless otherwise agreed to in writing by the City Administrator, any construction project will be completed by the Franchisee within thirty (30) days from the date of commencement (if any City permit is necessary, the date of the permit shall be the "date of commencement"), provided, however, that the City Administrator may allow reasonable extensions due to unexpected weather, acts of God or other reasonable circumstances that justify an extension of the project target completion date.

Section 3. The City shall have no responsibility for the maintenance of the said fiber optic communication cable. If the Franchisee's fiber optic cable is damaged so as to be inoperable in any manner, it may be repaired, replaced, removed or abandoned by Franchisee. Costs for same shall be borne by Franchisee except to the extent such damage is caused by the negligence or intentional misconduct of the City and to the extent such claim is covered by the City's liability insurance.

Section 4. Franchisee shall hold the City harmless from and indemnify the City from all expenses, losses, costs, causes of action and judgments, including legal fees and expenses, arising from Franchisee's placement, maintenance, operation, repair and removal of said fiber optic communication cable.

Section 5. Franchisee shall be member of and shall conform to the requirements of the Arkansas One Call system for all purposes including field locations of utilities prior to placement of the fiber optic communication cable and any maintenance or repair work thereto.

Section 6. The City shall have the right to require a commercially acceptable performance bond from Franchisee for any construction projects utilizing the subject public rights-of-way undertaken during the term of this Agreement.

Section 7. Franchisee shall procure and maintain in effect for the term of this Agreement the following insurance policies in amounts determined appropriate by the City Administrator at the time of issuance of permits or authorizations for construction activities: Commercial General Liability insurance, Automobile Liability Insurance, Environmental Impairment Liability including Pollution Liability Insurance, and Worker's Compensation Insurance.

Section 8. (a) The Franchisee shall pay to the City a franchise fee in the amount of $3,000.00 for each year or part thereof this Franchise is in effect.

(b) The Franchise fee for the initial annual period shall be paid to the City at the time of execution of this franchise. The annual franchise fee shall be due by the tenth day of each subsequent annual period. The payment of the franchise fees in no way limits the right of the City to charge fees for any permits required for construction projects or any applicable taxes.

Section 9. The Franchisee shall, at its expense, protect, support, temporarily disconnect, relocate or remove from the subject public rights-of-way any property of the Franchisee when required at the sole discretion of the City by reason of traffic conditions, public safety, street vacation, freeway and street construction, a change or establishment of street grade, installation or construction of sewers, drains, water pipes, or any other type of structures or public improvements by the City; but, the Franchisee shall have the right of abandonment of its property, subject to prior written approval of the City Administrator. If federal or state funds are available at

no expense to the City (including actual cost or the cost of a pro-rata obligation of the City where a project is funded partially by the State or federal funds and partially by the City funds) for the purpose of defraying the costs to any utility company of any of the foregoing, such funds shall also be made available to the Franchisee if the federal or state regulations permit. When any relocation is for the benefit of a private entity (other than a public utility company), the City shall require said entity to agree to reimburse Franchisee for all relocation expenses prior to relocation of Franchisee facilities.

Section 10. Neither the City nor its officers, employees, agents, attorneys, consultants or independent contractors shall have any liability to the Franchisee for any liability as a result of any disruption or damage to the Franchisee's network that occurs as a result of, or in connection with, any breaking through, movement, removal, alteration, or relocation of any part of the network by or on behalf of the Franchisee or the City in connection with construction, relocation, improvement to, or alteration of any City structure, street or utility facility except to the extent such damage is caused by the negligence or intentional misconduct of the City and to the extent such claim is covered by the City's liability insurance. Notwithstanding the foregoing, the City shall reasonably attempt to avoid any damage to the Franchisee's network and shall, except in any emergency situation, provide reasonable notice to the Franchisee so as to allow the Franchisee to protect its network facilities.

Section 11. Any notice of communication required in the administration of this Agreement shall be sent by any method that ensures overnight delivery and shall be addressed as follows:

City Administrator
City of Fort Smith
P.O. Box 1908
Fort Smith, AR 72902-1908

Notice to the Franchisee will be sent to:

Law Department
CenturyTel Fiber Company II, LLC
1 Savvis Parkway
Chesterfield, MO 63017

And

Right of Way Department
CenturyTel Fiber Company II, LLC
11111 Dorsett Road
Maryland Heights, MO 63043

or to such other address as the Franchisee and the City may, in writing, designate from time to time, provided that notice is accomplished by overnight delivery to only one designated person for the City or Franchisee.

WHEREUPON, the City and Franchisee, acting through their duly authorized officers and pursuant to appropriate authority granted by their respective Board of Directors, do hereby execute this Franchise.

CITY OF FORT SMITH, ARKANSAS	CENTURYTEL FIBER COMPANY II, LLC
By:_____	By:_____
Date:_____	Date:_____
Attest:	Attest:
_____	_____
Date:_____	Date:_____

Memo

To: Ray Gosack, City Administrator

From: Jeff Dingman, Deputy City Administrator

Date: 1/17/2014

Re: CenturyTel Fiber Company II, LLC

Presented for the Board's consideration at the January 21 regular meeting is a Resolution authorizing the mayor to enter into a non-exclusive franchise agreement with CenturyTel Fiber Company II, LLC for the provision of fiber optics telecommunications services via the public rights-of-way in the city.

The proposal is for ***renewal*** of a franchise agreement. The Board authorized R-25-03 on February 20, 2003 authorizing a ten-year franchise to Digital Teleport, Inc., a predecessor of CenturyTel. Such agreement expired in February, 2013, and the proposed franchise agreement is to be effective February 20, 2013 through February 19, 2023.

The proposed non-exclusive franchise agreement allows CenturyTel to operate in any part of the city. CenturyTel Fiber Company II, LLC has installed and maintains network facilities (e.g., fiber optic cable), which are utilized to provide wholesale telecommunications services to end users via other telecommunications providers. According to CenturyTel, their presence in the City "provides increased competitive access by offering high-capacity bandwidth transport services to end users and other telecommunications carriers and service providers who then may resell such services to their end user customers. CenturyTel Fiber Company II, LLC operates an extensive fiber optic network in the U.S., totaling more than 13,700 route miles across 18 states, constructed on secure rights of way. CenturyTel Fiber Company II, LLC has over 500 points-of-presence in both large and small markets, and specializes in connecting underserved markets to major market telecommunications hubs."

The proposed agreement is standardized as much as possible for fiber optic providers, and requires the same $3,000 annual franchise fee that we have charged other similar providers. It provides for protection of the public's interest as owners of the public rights-of-way.

Please contact me if you have questions regarding this agenda item.

MEMORANDUM

TO: Mayor and Board of Directors

FROM: Wendy Beshears, Administrative Assistant

DATE: January 14, 2014

SUBJECT: Animal Services Advisory Board

Ms. Brook Borengasser has resigned her position on the Animal Services Advisory Board effective October 8, 2013.

The applicants available are:

Tonya Rogers	10908 Brant Court
Robert Lever	3319 Larkspur Lane

Appointments are **by the Board of Directors,** one appointment is needed. The term will expire April 3, 2015.

623 Garrison Avenue
P.O. Box 1908
Fort Smith, Arkansas 72902
(479) 785-2801
Administrative Offices FAX (479) 784-2430

Printed on 100% Recycled Paper

ANIMAL SERVICES ADVISORY BOARD

The animal services advisory board shall work in an advisory capacity to the Mayor and the Board of Directors in regards to topics that concern the care and safety of animals within the corporate limits of the city, and shall endeavor to stimulate and encourage communication with all members of the community to ensure that the programs, goals and objectives of the city relative to the care and safety of animals are consistent with community needs and desires. However, the animal services advisory board will not be responsible for the day to day operations of the Animal Control Division of the Fort Smith Police Department.

The animal services advisory board shall be composed of nine (9) members appointed by the Board of Directors.

	Date Appointed	Term Expired
Veterinarian:		
Mike Thames Veterinarian 4100 Kelley Hwy (04) 883-1243 (h) 782-1234 (w) petdocmdt@labahnvet.com	04/03/12	04/03/14
Jon Remer Veterinarian 2715 Independence (01) 646-6023 (h) 785-1792 (w) drremer@swbell.net	04/03/12	04/03/14
One owner, operator or employee of a business related to the production, sale distribution or care of animals of livestock:		
Amanda Heim 4901 E. Valley Road (03) 785-4456 (h) 479-629-6068 (w) buffaloblue@aol.com	04/03/12	04/03/14

Two board members of separate non-profit animal interest groups whose membership is for a comprised primarily of residents of the city, and whose primary interest is the health and welfare of animals, shall be appointed for a term.

Joan Bryant 1005 South 46 Street (03) 479-926-1266 (h) 434-4740 (w) No email	04/03/12	04/03/14
Brook Borengasser (Resigned) 7324 South Q Street (03) 883-6111 (h) 242-1186 (w) brook@ultimuttdogcare.com	02/20/13	04/03/14

Two citizens shall be appointed for a term of two years:

Tammy Trouillon Community Outreach Director 8000 Holly Avenue (08) 226-3374 (h) 242-3609 (W) bookturner3@att.net	04/03/12	04/03/14
Sherilyn Walton 8818 Meandering Way (03) 452-0146 kittylitter04@yahoo.com	04/03/12	04/03/14

Two citizens shall be appointed for a term of three years:

Nicole Morgan 2908 Marion Court (8) 831-7033 dutchpk@gmail.com	04/03/12	04/03/15
Carole Hutton P.O. Box 10018 (17) 462-4965 carolehhutton@aol.com	04/03/12	04/03/15

CITY OF FORT SMITH
Application for City Boards/Commissions/Committees

Note: As an applicant for a City Board, Commission or Committee, your name, address and phone number will be available to the press and the public. You will be contacted before any action is taken on your appointment.

Date: 12/27/13

Name: Tonya Rogers

Home Telephone: 649-9439

Home Address: 10908 Brant Ct.

Work Telephone: 646-0114 ext. 5750

Zip: 72908

Email: tonyanrogers@yahoo.com

Occupation: Branch Manager - United Federal Credit Union
(If retired, please indicate former occupation or profession)

Education: Bachelor of Science - Organizational Management

Professional and/or Community Activities: Chamber of Commerce Ambassador - Leadership 360 Board - SCHS Board

Additional Pertinent Information/References: _____

Are you a registered voter in the City of Fort Smith? Yes ✓ No ____

Have you ever been convicted ~~of a~~ felony, misdemeanor, DWI/DUI or other serious traffic offense?
Yes____ NO ✓

If yes, please identify the offense and the approximate date. A "yes" answer will not automatically preclude you from consideration. N/A

Drivers License [redacted] AR Date of Birth [redacted]
information will b[redacted] ground check of all applicants).

I am interested in serving on the (please check): Animal Services Advisory Board

( ) Audit Committee
( ) Advertising & Promoting Commission
( ) Airport Commission
( ) Arkansas Fair & Exhibition Facilities Bd
( ) Benevolent Fund Board
( ) Bldg. Bd. Of Adjustment and Appeals
( ) Central Business Improvement District
( ) Convention Center Commission
( ) Civil Service Commission
( ) Community Development Advisory Com.
( ) County Equalization Board
( ) Electric Code Board of Appeals & Appeals
( ) Fire Code Board of Appeals & Adjustments
( ) Historic District Commission
( ) Housing Assistance Board
( ) Housing Authority
( ) Library Bd of Trustees
( ) Mechanical Bd of Adjustments and Appeals
( ) Oak Cemetery Commission
( ) Outside Agency Review Panel
( ) Parking Authority
( ) Parks & Recreation Commission
( ) Planning Commission
( ) Plumbing Advisory Board
( ) Port Authority
( ) Property Owners Appeals Board
( ) Sebastian County Reg. Solid Waste Mgmt. Bd.
( ) Sister Cities Committee
( ) Transit Advisory Commission
( ) Residential Housing Facilities Board
( ) Comprehensive Plan Steering Committee

CITY OF FORT SMITH
Application for City Boards/Commissions/Committees

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Date: 12-28-2013

Name: ROBERT LEVER

Home Telephone: 479-434-6014

Home Address: 3319 LARKSPUR LN FORT SMITH

Work Telephone: RETIRED

Zip: 72916

Email: bob@grandfamily.net

Occupation: RETIRED MINISTER - (PART TIME @ GRAND AVE BAPTIST)
(If retired, please indicate former occupation or profession)

Education: College - Business Degree

Professional and/or Community Activities: TREASURER HUMANE SOCIETY - VOLUNTEER CHAPLAIN FOR FSPD.

Additional Pertinent Information/References: DON HUTCHINGS, REV. DALE THOMPSON, JUDGE DAVID HUDSON - GEORGE BARHAM - OTHERS AS REQUESTED

LIVED IN FT. SMITH FOR OVER 30 YEARS

Are you a registered voter in the City of Fort Smith? Yes ✓ No ____

Have you ever been convicted of a felony, misdemeanor, DWI/DUI or other serious traffic offense?
Yes ____ NO ✓

If yes, please identify the offense and the approximate date. A "yes" answer will not automatically preclude you fro[illegible] consideration.

Drivers License [redacted] Date of Birth [redacted]
information will b[illegible] ack ground check of all applicants).

I am interested in serving on the (please check):

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( ) Benevolent Fund Board
( ) Bldg. Bd. Of Adjustment and Appeals
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( ) Convention Center Commission
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( ) Plumbing Advisory Board
( ) Port Authority
( ) Property Owners Appeals Board
( ) Sebastian County Reg. Solid Waste Mgmt. Bd.
( ) Sister Cities Committee
( ) Transit Advisory Commission
( ) Residential Housing Facilities Board
( ) Comprehensive Plan Steering Committee
(✓) ANIMAL SERVICES ADVISORY BOARD

I have a great love for animals and their protection.

Bob Lever

MEMORANDUM

TO: Mayor and Board of Directors

FROM: Wendy Beshears, Administrative Assistant

DATE: January 15, 2014

SUBJECT: Sebastian County Regional Solid Waste Management Board

The term of Bruce King of the Sebastian County Regional Solid Waste Management Board will expire January 21, 2014. Mr. King wishes to be reappointed to this board.

There are no other applicants available at this time.

Appointments are **by the Mayor confirmed by the Board of Directors,** one appointment is needed. The term will expire January 21, 2017.

623 Garrison Avenue
P.O. Box 1908
Fort Smith, Arkansas 72902
(479) 785-2801
Administrative Offices FAX (479) 784-2430

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Sebastian County Regional Solid Waste Management Board

The purpose of the District is the protection of the public health and the state's environmental quality through the development and maintenance of a solid waste district for Sebastian County and the municipalities of Barling, Bonanza, Central City, Fort Smith, Greenwood, Hackett, Hartford, Huntington, Mansfield, Midland, and Lavaca. Further, the District shall serve to address local agencies, needs and other requirements as are more clearly defined in Act 752 of 1991.

City appointments are by the Mayor subject to confirmation by the Board of Directors, for three-year terms. One city appointment shall consist of a representative of Fort Chaffee. County appointments are by the County Judge subject to confirmation of the Quorum Court. Meetings are quarterly on call.

	Date Appointed	Term Expires
CITY APPOINTMENTS:		
Bruce D. King 1712 Houston Street (01) 806-5386 (h) (479) 573-2809 (w)	03/16/10	01/21/14
Sandy Sanders, Mayor P.O. Box 1908 (02) 784-2437	01/04/11	01/21/15
Andrew Galbach 9901 Butterfield Landing (03) 414-4988 (h) 649-0894 (w) andy@apfab.net	02/21/12	01/21/15
Carl Davis Davis Iron & Metal P.O. Box 2796 (13-2796) 783-8931 (w) Fax: 783-0097	02/04/97	01/21/16
Director Keith Lau 5112 Park Avenue (03) 806-7700	01/15/13	01/21/16

	Date Appointed	Term Expires
COUNTY APPOINTMENTS:		
Judge David Hudson Sebastian County Courthouse (1) 783-6139	01/21/98	01/21/13
Glen Hurt, Mayor P. O. Box 476 Mansfield, AR 72944 479-928-5552 479-928-4572 (f)	08/20/02	01/21/14
Hugh Hardgrave, Mayor P.O. Box 3 Lavaca, AR 72941 806-6471	11/20/11	01/21/14
FORT CHAFFEE REPRESENTATIVE:		
Lt. Col. Michael Stansky US Army Garrison ATZR-ZF Fort Chaffee, AR 72905-5000 484-3165	01/17/06	01/21/14

CITY OF FORT SMITH
Application for City Boards/Commissions/Committees

Note: As an applicant for a City Board, Commission or Committee, your name, address and phone number will be available to the press and the public. You will be contacted before any action is taken on your appointment.

Date: 1-15-2014

Name: Bruce D. King

Home Telephone: 479-806-5386

Home Address: 1712 Houston

Work Telephone: 479-573-2809

Zip: 72901

Email: bdking@mosleytitle.com

Occupation: Title Agent / Business Development
(If retired, please indicate former occupation or profession)

Education: Masters Degree

Professional and/or Community Activities: Fort Smith Kiwanis Club; Southside Band Booster Council; Member Comprehensive Plan Steering Committee City of Fort Smith

Additional Pertinent Information/References: Mayor Sandy Sanders; Kevin Settle; Keith Lau

Are you a registered voter in the City of Fort Smith? Yes ✓ No ____

Have you ever been convicted of a felony, misdemeanor, DWI/DUI or other serious traffic offense?
Yes____ NO ✓

If yes, please identify the offense and the approximate date. A "yes" answer will not automatically preclude you from consider
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informatic l check of all

I am interested in serving on the (please check):

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( ) Outside Agency Review Panel
( ) Parking Authority
( ) Parks & Recreation Commission
( ) Planning Commission
( ) Plumbing Advisory Board
( ) Port Authority
( ) Property Owners Appeals Board
(X) Sebastian County Reg. Solid Waste Mgmt. Bd.
( ) Sister Cities Committee
( ) Transit Advisory Commission
( ) Residential Housing Facilities Board
( ) Comprehensive Plan Steering Committee