

OFFICIAL STATEMENT

NEW ISSUE BOOK-ENTRY ONLY

RATING: “AA-” (Standard & Poor’s)
(See “RATING” herein)

Interest on the Bonds is NOT excluded from gross income for federal income tax purposes. In the opinion of Rose Law Firm, a Professional Association, Bond Counsel, under existing law, the interest on the Bonds is exempt from State of Arkansas income taxes and the Bonds are exempt from property taxes in the State of Arkansas. See the caption “TAX MATTERS” herein

\$6,350,000

**ARKANSAS DEVELOPMENT FINANCE AUTHORITY
State Agencies Facilities Revenue Refunding Bonds
(Division of Arkansas Heritage Project), Taxable Series 2020**

Dated: October 27, 2020

Due: April 1, as shown below

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

The Bonds are issued pursuant to a Trust Indenture dated as of October 27, 2020 (the “Indenture”), between the Arkansas Development Finance Authority (the “Authority” or the “Issuer”) and Simmons Bank, Pine Bluff, Arkansas, as Trustee (the “Trustee”).

The Bonds bear interest from October 27, 2020, payable on April 1 and October 1 of each year, commencing April 1, 2021. All such interest payments shall be payable to the person in whose name such Bonds are registered on the bond registration books maintained by the Trustee. Principal of the Bonds will be payable at the principal corporate trust office of the Trustee. So long as DTC or its nominee is the registered owner of the Bonds, disbursement of such payments to DTC is the responsibility of the Trustee. Disbursement of such payments to DTC Participants (as defined herein) is the responsibility of DTC, and disbursement of such payments to Beneficial Owners is the responsibility of DTC Participants, as more fully described herein.

The Bonds are being issued to provide funds to advance refund the Issuer’s State Agencies Facilities Revenue Bonds (Department of Arkansas Heritage Project), Series 2014 (the “2014 Bonds”) and pay the costs of issuance. The 2014 Bonds were issued for the purpose of financing a facility in Little Rock, Arkansas to house the headquarters and other operations of the Division of Arkansas Heritage (the “Heritage Facility”). The Authority owns the facility and leases it to the Division of Building Authority of the Department of Transformation and Shared Services, which is a State entity responsible for sourcing housing for state agencies. The Division of Building Authority has subleased the Heritage Facility to the Division of Arkansas Heritage of the Arkansas Department of Parks, Heritage and Tourism.

The Bonds are special limited obligations of the Authority payable solely from, and secured by the pledge of the rentals received under the lease and the sublease, and moneys in the funds and accounts created by the Indenture as described herein. The Bonds are not secured by a mortgage on the Heritage Facility. In no event shall the Bonds constitute an indebtedness of the State of Arkansas (the “State”) or an indebtedness for which the faith and credit of the State or any of its revenues are pledged or an indebtedness secured by a lien on or a security interest in any property of the State. The Bonds are not a general obligation of the Authority. The Authority has no taxing power.

The Bonds are subject to extraordinary redemption, mandatory sinking fund redemption and optional redemption prior to maturity as described herein.

Maturity Schedule Serial Bonds

Maturity (April 1)	Principal Amount	Interest Rate	Price	CUSIP Number
2021	\$115,000	0.500%	100.000%	040849-GA3
2022	305,000	0.550%	100.000%	040849-GB1
2023	305,000	0.750%	100.000%	040849-GC9
2024	310,000	0.950%	100.000%	040849-GD7
2031	345,000	2.050%	100.000%	040849-GF2

Term Bonds

\$1,935,000 1.600% Term Bonds Due April 1, 2030 to Yield 1.600%, CUSIP 040849-GE5
\$1,440,000 2.400% Term Bonds Due April 1, 2035 to Yield 2.400%, CUSIP 040849-GG0
\$1,595,000 2.950% Term Bonds Due April 1, 2039 to Yield 2.950%, CUSIP 040849-GH8

Stephens Inc.

The Bonds are offered, subject to prior sale, when, as and if issued by the Authority and accepted by Stephens Inc. (the “Underwriter”), subject to approval as to certain legal matters by Rose Law Firm, a Professional Association, Bond Counsel, and to certain other conditions. It is expected that the Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about October 27, 2020.

This cover page contains limited information for ease of reference only. It is not a summary of the Bonds or the security therefor. The entire Official Statement, including the Appendices, must be read to obtain information essential to make and informed investment decision.

Date: September 29, 2020

No dealer, broker, salesman or other person has been authorized by the Authority, DBA, DAH, or the Underwriter to give any information or 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 the Authority, DBA, DAH, or the Underwriter. This Official Statement does not constitute an offer to sell or exchange or a solicitation of an offer to buy or exchange any of the securities offered hereby by any person in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. The information contained in this Official Statement has been obtained from the Authority, DBA, DAH, and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and it is not to be construed as a representation by the Underwriter. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of the Official Statement nor any sale or exchange made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Authority, DBA, or DAH or since the date hereof.

NO REGISTRATION STATEMENT RELATING TO THE BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY THE ISSUER, DAH AND THE STATE OF ARKANSAS AND FROM OTHER SOURCES THAT ARE BELIEVED TO BE RELIABLE. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

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

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OFFICIAL STATEMENT

\$6,350,000

Arkansas Development Finance Authority
State Agencies Facilities Revenue Refunding Bonds
(Division of Arkansas Heritage Project), Taxable Series 2020

INTRODUCTION

This Official Statement, including the cover page and the appendices hereto, provides certain information concerning the sale by the Arkansas Development Finance Authority (the “Authority”), public body corporate and politic and an instrumentality of the State of Arkansas (the “State”), of its \$6,350,000 State Agencies Facilities Revenue Refunding Bonds (Division of Arkansas Heritage Project), Taxable Series 2020 (the “Bonds”). The Bonds will be issued pursuant to the Arkansas Development Finance Authority Act, codified at Arkansas Code Annotated Sections 15-5-101 et seq. (the “Act”), and the State Agencies Facilities Acquisition Act of 1991, codified at Arkansas Code Annotated Sections 22-3-1401 et seq. (“Act 1173”). The Bonds are issued pursuant to and are secured by a Trust Indenture dated as of October 27, 2020 (the “Indenture”), by and between the Authority and Simmons Bank, Pine Bluff, Arkansas, as trustee, paying agent and bond registrar (the “Trustee”). The Bonds are being issued by the Authority to provide funds to (i) advance refund the Issuer’s \$6,885,000 original principal amount State Agencies Facilities Revenue Bonds (Department of Arkansas Heritage Project), Series 2014 (the “2014 Bonds”); and (ii) pay the costs of issuing the Bonds. The 2014 Bonds were issued to finance the costs of the acquisition, construction and financing of a facility (the “Heritage Facility”) in Little Rock, Arkansas to house the headquarters and other operations of the Division of Arkansas Heritage (“DAH”) a division of Department of Parks, Heritage and Tourism.

The Heritage Facility is leased by the Authority to the Department of Transformation and Shared Services, Division of Building Authority (“DBA” and formerly known the Arkansas Building Authority) pursuant to a Lease Agreement, dated as of December 1, 2014 as supplemented by the First Supplemental Lease Agreement dated as of October 27, 2020 (collectively the “Lease”) and subleased by DBA to DAH pursuant to a Sublease Agreement, dated as of December 1, 2014 as supplemented by the First Supplemental Sublease Agreement dated as of October 27, 2020 (collectively the “Sublease”).

In addition to providing financing for public facilities, the Authority is permitted under the Act to issue bonds for the purpose of financing agricultural business enterprises, capital improvements for State agencies and local governments, residential housing for persons and families of low and moderate income, educational facilities, health care facilities, industrial enterprises and short-term advance funding of local government obligations. The Authority is presently committed to several financings for other purposes permitted by the Act and expects to issue other special revenue bonds secured by separate and distinct collateral.

This Official Statement contains descriptions of and information regarding the application of the proceeds of the Bonds, the security and sources of payment for the Bonds, certain investment considerations, the Authority, DBA, DAH, the Act, Act 1173, the Heritage Facility, the Indenture, the Lease, the Sublease and certain other instruments and documents. Such descriptions and information do

not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entirety by reference to the appropriate statutes, instruments and documents and to laws and principles of equity relating to or affecting creditors' rights. Copies of the documents herein described will be available for inspection at the principal corporate trust office of the Trustee upon the initial delivery of the Bonds.

Appendix A contains definitions of terms used in this Official Statement. The proposed form of the opinion of Bond Counsel with respect to the Bonds is included as Appendix B. The Comprehensive Annual Financial Report for the State of Arkansas for the fiscal year ended June 30, 2019 may be downloaded at <http://www.dfa.arkansas.gov/offices/accounting/Documents/cafr2019.pdf>.

THE HERITAGE FACILITY

The Heritage Facility consists of buildings that were existing at the time the Authority acquired the facility and a four-story building constructed with the proceeds of the 2014 Bonds all located at or near 1100 North Street in Little Rock, Arkansas. The building serves as a headquarters building and allows the DAH to consolidate its operations at this location.

THE BONDS

General

The Bonds are dated as of October 27, 2020. The Bonds shall mature on the dates and in the amounts set forth on the cover page hereof. The Bonds bear interest from October 27, 2020 at the rates set forth on the cover of this Official Statement. Interest is payable on April 1, 2021 and on each April 1 and October 1 thereafter until maturity or earlier redemption.

All of the Bonds are issuable only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), to which principal and interest payments on the Bonds will be made so long as DTC or its nominee is the registered owner of the Bonds. See the caption "BOOK-ENTRY ONLY SYSTEM." The Bonds will be issued in denominations of \$5,000 or any integral multiple thereof.

Redemption Provisions

Extraordinary Redemption. The Bonds are subject to redemption by the Authority, pursuant to the option granted to the Lessee in Section 11.2 of the Lease, in whole at any time, at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof, plus accrued interest to the date of redemption, in the event the Heritage Facility or any portion thereof is damaged or destroyed or taken in a condemnation proceeding to which Sections 7.02 or 7.05 of the Lease are applicable.

Optional Redemption. The Bonds maturing on and after April 1, 2029, are subject to redemption at the election of the Issuer on or after April 1, 2028, at any time, as a whole or in part, from moneys from any source deposited in the Bond Fund, at a Redemption Price equal to the principal amount of such Bonds to be so redeemed plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption.

The Term Bonds maturing April 1, 2030 are subject to redemption in part by operation of Sinking Fund Installments on April 1, 2025, and on each April 1 thereafter as set forth in the table below, at a redemption price equal to the principal amount of each Bond or portion thereof to be redeemed, together with accrued interest to the date of redemption. The Term Bonds maturing April 1, 2035 are subject to redemption in part by operation of Sinking Fund Installments on April 1, 2032, and on each April 1 thereafter as set forth in the table below, at a redemption price equal to the principal amount of each Bond or portion thereof to be redeemed, together with accrued interest to the date of redemption. The Term Bonds maturing April 1, 2039 are subject to redemption in part by operation of Sinking Fund Installments on April 1, 2036, and on each April 1 thereafter as set forth in the table below, at a redemption price equal to the principal amount of each Bond or portion thereof to be redeemed, together with accrued interest to the date of redemption. Where there has been redemption or purchase of any such Term Bonds subject to sinking fund redemption from moneys in the Bond Fund, the amount of each future Sinking Fund Installment shown will be reduced as provided in the Indenture.

\$1,935,000 1.600% Term Bonds Due April 1, 2030	
Year (April 1)	Sinking Fund Installment
2025	\$310,000
2026	315,000
2027	320,000
2028	325,000
2029	330,000
2030*	335,000

*Final maturity.

\$1,440,000 2.400% Term Bonds Due April 1, 2035	
Year (April 1)	Sinking Fund Installment
2032	\$350,000
2033	355,000
2034	365,000
2035*	370,000

*Final maturity.

\$1,595,000 2.950% Term Bonds Due April 1, 2039	
Year (April 1)	Sinking Fund Installment
2036	\$380,000
2037	390,000
2038	405,000
2039*	420,000

*Final maturity.

Selection of Bonds for Redemption

If fewer than all of the Bonds in any maturity shall be called for redemption, the particular Bonds or portions of Bonds to be redeemed from such maturity shall be selected by lot by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however, so long as DTC or its nominee (or any successor) is the sole registered owner of the Bonds, the regulations and procedures of the securities depository shall govern the selection process.

Notice of Redemption

In the event any Bonds or portions thereof (which shall be \$5,000 or any integral multiple thereof) are called for redemption, notice thereof identifying the Bonds or portions thereof to be redeemed shall be given by the Trustee by mailing a copy of the redemption notice by first class mail at least thirty (30) but not more than sixty (60) days prior to the date fixed for redemption to the Owner of each Bond to be redeemed in whole or in part at such Owner's address as it appears on the registration books maintained by the Trustee. Any redemption notice so mailed shall be conclusively presumed to have been duly given,

whether or not the Owner receives the notice. All Bonds so called for redemption will cease to bear interest on the specified redemption date provided funds for their redemption are on deposit at the place of payment at that time. Notwithstanding the foregoing, as long as the Bonds are registered in the name of DTC or its nominee (or a successor entity) in the book-entry system, the Trustee may give notice of the call for any redemption by any means, including facsimile transmission, acceptable to DTC or its successors.

BOOK-ENTRY ONLY SYSTEM

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

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

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

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

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments (from over 120 countries and territories) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges among Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, the National Securities Clearing Corporation and the Fixed Income Clearing Corporation, all of which are registered agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.com.

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are to be redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

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

Payment of debt service and redemption proceeds with respect to the 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 Issuer or the Trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and debt service to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee,

disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

In addition, the Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

SECURITY AND SOURCE OF PAYMENT FOR BONDS

Special Obligations

The Bonds and the interest thereon are special limited obligations of the Authority, payable solely from the revenues and other amounts derived from the Lease, the Sublease and the Indenture.

The Bonds are NOT secured by a mortgage upon or other security interest in the Heritage Facility or any other tangible property of the Authority. The Bonds do not constitute an indebtedness of the State

or a pledge of the faith and credit of the State. No owner of any of the Bonds shall have the right to compel the exercise of the taxing power of the State for the payment of the principal of or interest on the Bonds. The Authority has no taxing power.

Pledge and Assignment

The Bonds are secured by the Indenture. See “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE” herein.

The Authority, subject to the terms of the Indenture, has pledged and assigned to the Trustee for the benefit of the Owners of the Bonds:

- (a) The Lease and the Sublease and the receipts and revenues therefrom;
- (b) All moneys and securities from time to time held by the Trustee in the Funds and Accounts established under the Indenture (other than the Rebate Fund); and
- (c) Any and all other property of every kind and nature from time to time which is by delivery or writing conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Indenture, by the Authority or by any person on behalf of the Authority, or with the written consent of the Authority, to the Trustee.

The properties and interests described above are called the “Trust Estate” in the Indenture.

SOURCES AND USES OF FUNDS

It is expected that the proceeds of the Bonds will be applied as follows:

Sources of Funds	
Principal Amount of Bonds	\$6,350,000.00
Transfers from 2014 Bonds’ Funds and Accounts	<u>150,121.29</u>
Total Sources	<u>\$6,500,121.29</u>
Uses of Funds	
Deposit to Escrow Agreement for 2014 Bonds	\$6,361,161.67
Issuance Costs and Underwriter’s Discount	<u>138,959.62</u>
Total Uses	<u>\$6,500,121.29</u>

DEBT SERVICE REQUIREMENTS

Set forth in the table below is the annual debt service schedule (exclusive of Trustee’s and Paying Agent’s fees and Authority fees) for the Bonds to and including April 1 of the years indicated:

Year Ended April 1	Principal (April 1)	Interest	Total Annual Debt Service
2021	\$115,000.00	54,383.39	\$169,383.39
2022	305,000.00	126,555.00	431,555.00
2023	305,000.00	124,877.50	429,877.50
2024	310,000.00	122,590.00	432,590.00
2025	310,000.00	119,645.00	429,645.00
2026	315,000.00	114,685.00	429,685.00
2027	320,000.00	109,645.00	429,645.00
2028	325,000.00	104,525.00	429,525.00
2029	330,000.00	99,325.00	429,325.00
2030	335,000.00	94,045.00	429,045.00
2031	345,000.00	88,685.00	433,685.00
2032	350,000.00	81,612.50	431,612.50
2033	355,000.00	73,212.50	428,212.50
2034	365,000.00	64,692.50	429,692.50
2035	370,000.00	55,932.50	425,932.50
2036	380,000.00	47,052.50	427,052.50
2037	390,000.00	35,842.50	425,842.50
2038	405,000.00	24,337.50	429,337.50
2039	<u>420,000.00</u>	<u>12,390.00</u>	<u>432,390.00</u>
Total	<u>\$6,350,000.00</u>	<u>\$1,554,033.39</u>	<u>\$7,904,033.39</u>

REFUNDING PLAN OF FINANCE

Proceeds of the Bonds will be used to retire the 2014 Bonds and pay Issuance Costs. The 2014 Bonds are currently outstanding in the amount of \$6,035,000. Proceeds of the Bonds will be deposited in an irrevocable trust fund established with the Escrow Agent under the Escrow Deposit and will be invested in certain United States Treasury obligations the stated maturities and interest payments on the redemption in full of the 2014 Bonds on the first optional call date which is April 1, 2022.

RISK FACTORS RELATED TO OWNERSHIP OF THE BONDS

The following is a discussion of certain risks that could affect lease payments to be made by DAH to DBA and then by DBA to the Authority, as well as factors relating to the security for the Bonds. Lease payments by DAH are essentially the only source of payment for the Bonds. Such discussion is not, and is not intended to be, exhaustive and should be read in conjunction with all other parts of this Official Statement and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Bonds should analyze carefully the information contained in this Official Statement, including but not limited to the Appendices hereto.

General

The principal of, redemption premium, if any, and interest on the Bonds are payable solely from lease payments to be made by DAH to DBA pursuant to the Sublease and by DBA to the Authority pursuant to the Lease Agreement. Future revenues and expenses of DAH will be affected by future events and conditions relating severally to, among other things, economic developments in the State of Arkansas, the ability to control costs during inflationary periods, and governmental regulation. Any of the aforementioned could have negative effects on the ability of DAH to make payments under the Sublease, thereby affecting the ability of the Authority to pay the principal of, redemption premium, if any, and interest on the Bonds and any additional bonds. Many of these factors are discussed in more detail below.

Limited Obligations

The Bonds and the interest thereon are special limited obligations of the Authority, payable solely from the revenues and other amounts derived from the Lease, the Sublease and the Indenture.

The Bonds are NOT secured by a mortgage upon or other security interest in the Heritage Facility or any other tangible property of the Authority. The Bonds do not constitute an indebtedness of the State or a pledge of the faith and credit of the State. No owner of any of the Bonds shall have the right to compel the exercise of the taxing power of the State for the payment of the principal of or interest on the Bonds. The Authority has no taxing power.

Annual Appropriation Lease

Notwithstanding anything to the contrary contained in the Sublease or the Lease, if the Arkansas General Assembly does not appropriate funds for DAH to make lease payments under the Sublease for any year during the term of the Lease Agreement, DAH shall not be obligated to pay lease payments for the non-appropriated lease year. In such event, the Sublease shall automatically terminate and become null and void as of the end of the preceding lease year. DAH shall notify the Authority in writing of any such non-appropriation as soon as DAH becomes aware of such event. DBA may re-lease the property to another state agency, but it is only obligated to make payments under the Lease to the extent it receives payments under the Sublease or any replacement sublease.

Accordingly, the likelihood that the General Assembly will appropriate money to DAH to make payments under the Sublease through the term of the Bonds is dependent upon certain factors which are beyond the control of the owners of the Bonds, including (a) the continuing need of DAH for facilities such as the Heritage Facility, and (b) the ability of DAH to generate sufficient funds from state appropriations, licensing and regulatory fees, penalties and fines, federal reimbursement and other sources to pay its obligations under the Sublease.

No Mortgage; Facility May Be Difficult to Sell

The Authority owns the Heritage Facility, but it has not conveyed a mortgage to secure the Bonds. While the Authority may wish to sell the Heritage Facility to pay off the Bonds, the Heritage Facility may not be easily converted to an alternative use or sold to alternate users. Conversion of the Heritage Facility to an alternate use may require substantial expenditures and there is no assurance that a purchaser or new

tenant could be obtained within any particular time. Accordingly potential purchasers of the Bonds should not assume that it will be possible to sell or re-let the Heritage Facility after a termination of the Sublease for an amount sufficient to provide for payment of the Bonds.

Impact of Current Economic Conditions and Recent Federal Legislation

General. In recent years, the economies of the United States and other countries have experienced severe disruption, prompting a number of banks and other financial institutions to seek additional capital, including capital provided through the federal government, to merge, and, in some cases, to cease operations. These events collectively have led to reductions in lending capacity and the extension of credit, erosion of investor confidence in the financial sector, and historically aberrant fluctuations in interest rates. This disruption of the credit and financial markets has led to volatility in the securities markets, losses in investment portfolios, increased business failures and consumer and business bankruptcies, and is a major cause of the current economic recession.

Factors Affecting DAH's Funding

The laws and regulations establishing and governing the federal programs under which DAH receives funds are subject to interpretation, reinterpretation, amendment or repeal at any time, and DAH has no control over the timing or severity of any such events which may reduce the amounts of federal funds received by DAH. There can be no assurance that such events will not occur, or that, if such events do occur, they will not materially reduce the amounts of federal funds received by DAH. Similarly, the State portion of DAH's budget, including permit fees and other revenues generated by DAH's regulatory and enforcement activities each year, is subject to appropriation by the General Assembly of the State every year, and DAH has no control over the amounts so appropriated. There can be no assurance that the levels of future appropriations to DAH will not impair its ability to make payments on the Sublease.

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "intend," "expect" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty and risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and actual results; those differences could be material.

Limited Marketability of the Bonds

The Authority has no understanding with the Underwriter regarding the reoffering yields or prices of the Bonds and has no control over trading of the Bonds in the secondary market. The Underwriter intends, but is under no obligation, to make a secondary market in the Bonds. Consequently, investors may not be able to resell the Bonds should they wish to do so.

Effects of COVID-19 Pandemic

The COVID-19 pandemic that has affected the United States and the world during the winter and spring of 2020 has led to efforts to reduce the spread of the virus. Many of these efforts are expected to have an adverse effect on the global, national, and state economy. Arkansas has taken a measured, systematic approach to slowing the spread of COVID-19 in the state. Arkansas never issued a “stay-at-home”, “shelter-in-place”, or “safer-at-home” order, and Arkansas avoided classifications of businesses and employees as “essential” and “non-essential.” Arkansas’s Secretary of Health analyzed data and statistics to identify the activities and businesses that should be limited to reduce the spread of COVID-19, and narrowly drawn measures were implemented to slow the spread of the virus. Arkansas is now in the process of taking that same measured approach in repealing those measures and implementing guidelines that will enable Arkansans to responsibly return to their daily activities while mitigating the spread of COVID-19.

Press reports and analyses have suggested several potential effects of the pandemic on the finance and operations of the State, including that as a result of business closures, revenues from sales taxes likely will be adversely affected. In response to the COVID-19 pandemic, the State’s Department of Finance and Administration revised its revenue forecast for the fiscal year ending June 30, 2021, reducing the amount of expected revenues by \$205.9 million. In response, the General Assembly adopted a Revenue Stabilization Act for Fiscal Year 2021 that left \$212.2 million of the amounts described in the Revenue Stabilization Act unfunded.

The results as of the close of Fiscal Year 2020 were considerably better than expected. The revenue forecast for Fiscal Year 2020 had been reduced by \$353 million in anticipation of effects of the pandemic, but actual results exceeded the revised forecast by \$368 million. This was the result of both better than expected economic activity and fewer taxpayers than expected taking advantage of delays in tax deadlines. Although the actual economic impacts of the pandemic in the future cannot be predicted with certainty, the State is trying to be conservative in its estimates of how revenues will be impacted.

The Authority cannot predict (i) the duration or extent of the COVID-19 outbreak; (ii) to what extent the COVID-19 outbreak may affect the operations and revenues of the State, DBA, and the Tenants; (iii) to what extent COVID-19 may disrupt the local, State, national or global economy; or (iv) whether any of the foregoing may have a material adverse effect on the finances and operations of the State, DBA, or the Tenants. Prospective investors should consider that the restrictions and limitations instituted related to COVID-19 may increase (even after they are decreased), and the upheaval to the national and global economies may continue and/or be exacerbated, at least over the near term, and the recovery may be prolonged, and therefore, COVID-19 may adversely impact the State’s revenues.

THE AUTHORITY

The Arkansas Development Finance Authority (the “Authority”) is a body corporate and politic and an instrumentality of the State of Arkansas. The Authority was created pursuant to the Arkansas Development Finance Authority Act, as amended, codified at Arkansas Code Annotated §§ 15-5-101 et seq. (the “Act”). The Act authorizes the Authority to borrow money and issue from time to time its bonds, notes, and other obligations in such principal amounts as the Authority determines shall be necessary to

provide sufficient funds to carry out its purposes and powers. Pursuant to Act 910 of 2019, the Transformation and Efficiencies Act of 2019 (the “Transformation Act”) which became effective July 1, 2019, ADFa was made a division of the newly formed Arkansas Department of Commerce. As codified at Ark. Code Ann. § 25-43-107, Section 2 of the Transformation Act provides that such transfer does not impair (1) bonds issued by the Authority; (2) contracts and obligations securing bonds issued by the Authority or pertaining to bonds issued by the Authority; and (3) programs financed by bonds issued by the Authority.

The primary function of the Authority is issuing revenue bonds for the purpose of financing decent, safe, sanitary, and affordable housing for persons and families of low and moderate income, capital improvements for State agencies and local governments, educational facilities, health care facilities, and industrial enterprises. In addition, the Authority is authorized under the Act to issue bonds for the purpose of refunding, either at maturity or in advance of maturity, bonds issued pursuant to the Act.

The powers of the Authority are vested in the Board of Directors, consisting of the State Treasurer, the Director of the Department of Finance and Administration and 11 public members appointed by the Governor with the advice and consent of the State Senate. The Act provides that the Authority shall employ a President who shall serve at the pleasure of the Governor, shall be an ex officio, nonvoting member of the Board and may be elected Secretary to the Board.

Officers and Directors

The names, offices, principal occupations and residences of the directors of the Authority and the dates of expiration of their terms are as follows:

<u>Name and Office</u>	<u>Term Expires (January 14)</u>	<u>Principal Occupation and Residence</u>
Stan Green, Chair	2023	President, Clear Energy, Inc. and Lindsey-Green Commercial Properties, Fayetteville, AR
Bryan Scoggins, Secretary	(ex-officio nonvoting)	President, Arkansas Development Finance Authority, Little Rock, AR
Katelyn Busby, Vice Chair	2024	Attorney, Stern Thomasson, LLC, Monticello, AR
Stephanie Garner	2021	Director, Chief Executive Officer at ARVAC Inc., Dardanelle, AR
Seth N. Mims	2024	President, Specialized Real Estate Group, Fayetteville, AR
Carey Smith	2021	President, C. Smith Holdings, Inc., Little Rock, AR
Denise Sweat	2022	Vice President, Farm Credit Services, Nashville, AR
Dr. Lillie “Lee” Lane	2022	Engineering executive (retired), Paris, AR

George O'Connor	2023	Chairman of the Board, O'Connor Distributing, Little Rock, AR
Rod Coleman	2023	Chairman, ERC Holdings LLC, Fort Smith, AR
Jon Chadwell	2024	Executive Director, Newport Economic Development Commission, Newport, AR
Dennis Milligan	(ex-officio)	State Treasurer, Little Rock, AR
Larry Walther	(ex-officio)	Director, Arkansas Department of Finance and Administration, Little Rock, AR
Mike Preston	(ex-officio, non-voting)	Secretary of the Department of Commerce, Little Rock, AR

The staff of the Authority presently consists of approximately 60 full-time employees. Bryan Scoggins is President of the Authority. Other senior officers of the Authority include: Mark Conine, Chief Financial Officer, Robert Arrington, Director of Homeownership and Public Finance, Chuck Cathey, Bond Guaranty Manager -- Development Finance, Tony Williams Arkansas Student Loan Authority Director, Tim Wooldridge, Director of Outreach, J. M. Barker, General Counsel and Vice President for Multifamily Housing, Lori Brockway, Federal Housing Programs Manager, Derrick Rose, Public Information and Marketing, and Nathan Smith, Director of Economic Policy.

The office of the Authority is located at 1 Commerce Way, Suite 602, Little Rock, Arkansas 72202. Its telephone number is (501) 682-5900, and its mailing address is Post Office Box 8023, Little Rock, Arkansas 72203-8023.

Other Indebtedness of the Authority

The Authority has outstanding various bond issues which have been issued for single-family and multifamily housing, industrial development facilities and higher educational facilities, correctional facilities and other governmental purposes, including state agencies facilities under Act 1173. Such bond issues are secured by other revenues and assets separate and apart from the Indenture. No assets or funds of the Authority, other than those held under the Indenture, are pledged to the payment of the Bonds.

S&P has established an investment grade rating for obligations secured by a pledge of the Authority's full faith and credit. The Bonds are not secured by a pledge of the Authority's full faith and credit.

Future Financings of the Authority

The Authority expects in 2020 and in future years to issue other bonds for purposes authorized in the Act to the extent permitted by law and to finance other activities as permitted by the Act. Such future bonds will be secured by revenues and assets separate and apart from those pledged under the Indenture to secure the Bonds.

DIVISION OF BUILDING AUTHORITY

Arkansas Building Authority (“ABA”) was an agency of the State of Arkansas created pursuant to Ark. Code Ann. §§ 22-2-101 et seq. ABA was charged with the task of arranging “for the housing of state agencies as space and facilities permit and to rent and lease space and facilities upon such terms and conditions and for such rentals as ABA may determine.” Pursuant to Act 7 and Act 8 of the First Extraordinary Session of the 90th General Assembly of the State of Arkansas and in compliance with Ark. Code Ann. § 25-2-101 et seq., all powers, duties, and functions of the ABA were transferred to the Arkansas Department of Finance and Administration, Division of Building Authority. The Arkansas Building Authority Council was repealed, and all of its duties were transferred to the Department of Finance and Administration pursuant to Acts 2 and 3 of 2016 of the General Assembly (Third Extraordinary Session, 2016). Pursuant to the Transformation Act, the functions of the Arkansas Department of Finance and Administration, Division of Building Authority, were transferred to the Arkansas Department of Transformation and Shared Services, Division of Building Authority (as previously defined “DBA”). The Arkansas Department of Transformation and Shared Services, Division of Building Authority, is the successor to ABA and ABA Council.

DBA is made up of four sections consisting of the Construction Section, the Building Operations Section, the Real Estate Services Section, and the Design Review Section. The Financial Management Office is a part of the Director’s Office. These sections work together to produce the following delivery of services: As Property Management Coordinator, DBA owns and manages office space within the areas of the State Capitol Complex, downtown Little Rock, and Fort Smith. State agencies occupy ninety-nine percent (99%) of the premises with the remainder being leased to food vendor services or other private entities through the Real Estate Services Section. The Building Operations Section employs a staff to provide operational and maintenance services to the tenants of DBA owned buildings. These services include meeting the day-to-day needs of tenants as well as any tenant alterations and modifications needs.

As Leasing Coordinator within the Real Estate Services Section, DBA acts as leasing agent for all state agencies on a statewide basis, in which the state contracts with private entities and public bodies such as counties, municipalities, and the Federal Government. DBA determines the space needs for state agencies, negotiates lease terms, and monitors lessor/lessee relations.

As Design Review Coordinator, DBA reviews the plans, drawings, and other documents for state agencies under its jurisdiction. As Construction Coordinator, DBA supervises state agency capital improvements under its jurisdiction. As Real Property Coordinator, DBA assists agencies in their purchases and sales of state property as well as providing recommendations to the Governor for approval of such transactions.

DBA is administered by Anne W. Laidlaw, Director. The DBA director reports to the Secretary of the Department of Transformation and Shared Services (“DTSS”), Amy Fecher. The Secretary of the Department of Transformation and Shared Services is appointed by and serves at the pleasure of the Governor of the State.

Policies and procedures for DBA are established by the Director of the Arkansas Department of

Transformation and Shared Services, Division of Building Authority. The principal offices of DBA are located at Suite 101N, 501 Woodlane, Little Rock, Arkansas 72201. Its telephone number is (501) 682-1833. More information concerning DBA appears on its website: www.transform.ar.gov.

DIVISION OF ARKANSAS HERITAGE

The Division of Arkansas Heritage (previously defined as “DAH”) is an entity of the State of Arkansas charged with identifying Arkansas’s heritage and enhancing the quality of life by the discovery, preservation, and presentation of the State’s cultural, historic and natural resources.

Statutory Responsibilities and Primary Activities:

The DAH was created in 1975 as the Department of Arkansas Heritage to combine the state programs and agencies dealing most directly with the preservation of Arkansas’s natural and cultural heritage. Pursuant the Transformation Act, the administrative functions of the Department of Arkansas Heritage were transferred to the Arkansas Department of Parks, Heritage and Tourism (“ADPHT” or “the Department”). The Transformation Act created ADPHT as a cabinet-level department and with the Department of Arkansas Heritage becoming a division of ADPHT renamed as the Division of Arkansas Heritage. As codified at Ark. Code Ann. § 25-43-107, the Transformation Act provided that a state agency whose administrative functions have been transferred to the ADPHT shall otherwise continue to exercise the duties of the state entity under the administration of the Department in the same manner as before the creation of the cabinet-level department.

Stacy Hurst, the former Director of the Department of Arkansas Heritage, serves as the Cabinet Secretary of ADPHT, and Jimmy Bryant is the Director of the DAH. Both positions are appointed by the Governor. The Department’s eight agencies are each assigned to one of two divisions. The Museums Division is comprised of the Delta Cultural Center, the Historic Arkansas Museum, the Old State House Museum, and the Mosaic Templars Cultural Center. The Heritage Resources Division is comprised of the Arkansas Arts Council, the Arkansas Historic Preservation Program, the Arkansas Natural Heritage Commission, and the Arkansas State Archives.

The DAH director’s office coordinates the activities of the eight DAH agencies and museums. DAH functions, including fiscal and personnel operations, purchasing, public information, and development, are carried out as shared services working for DAH with support from across ADPHT. In the realm of heritage education, the Department coordinates the education programs of its two divisions and collaborates with the regional educational service cooperatives. Arkansas Heritage Month is a department-wide effort to promote cultural, historic, and natural heritage in local communities around Arkansas. DAH aggressively seeks federal and private funds to augment its biennial state funding.

The Museums Division agencies preserve, present, and interpret historic structures, objects, and cultural assets. They serve as partners in education with public and private schools throughout Arkansas. DAH’s four museums are the Old State House Museum (which also manages Trapnall Hall), the Historic Arkansas Museum, the Delta Cultural Center, and the Mosaic Templars Cultural Center. The Historic Arkansas Museum, Old State House Museum, and Mosaic Templars Cultural Center are three of the eight museums in Arkansas accredited by the American Alliance of Museums. In 2005, DAH acquired a 53,000

square foot building for use as a collections storage facility housing artifacts for the Little Rock museums.

The Heritage Resources Division agencies are concerned with the State's natural and cultural resources. The Arkansas Natural Heritage Commission identifies, preserves, and promotes Arkansas's natural resources that are rare, unique, or endangered. The Arkansas Arts Council, the Arkansas Historic Preservation Program, and the Arkansas State Archives identify, preserve, and promote the State's cultural resources while serving as conduits for federal and state grant funds that conserve or develop these resources.

The DAH currently maintains: 37 buildings (of which 24 are historic structures that require special maintenance needs), approximately 125,000 artifacts in the 4 museum collections, archives collections, and the Collection Management Facility and over 69,712 acres of natural areas at 76 sites across the state. Nine percent of the annual proceeds from the Conservation Tax is dedicated to DAH to provide additional programs and to supplement general revenue funding for basic operating expenses. With these additional funds, DAH historic sites, museums, arts programs, natural areas, public education programs, and public outreach initiatives are maintained and available to the public. DAH continues its commitment to use its Conservation Tax proceeds to fund improvements to and adequately care for historic structures, artifacts in museum collections, natural areas held in trust for Arkansas, encouragement of the arts, historical documentation, and the expansion of knowledge of Arkansas's unique heritage from prehistoric times to the present.

Proceeds from the Real Estate Transfer Tax have been dedicated to preserve state-owned natural areas, historic sites, historical objects and parks. The Arkansas Natural and Cultural Resources Council (ANCRC) awards grants from these proceeds. DAH utilizes these grant awards to restore and maintain historic structures, purchase priceless pieces of Arkansas history to protect and preserve, conserve those pieces within the collections of the four DAH museums, manage and protect the System of Natural Areas, purchase additional natural areas in danger of being destroyed, and provide heritage programs across the State.

DAH accesses federal and private funding, where available, to maximize efforts to satisfy conservation and preservation needs and to meet specific program goals. Cash funds are generated by sales in gift shops, fees for participation in agency programs, such as research services by staff, and donations by private citizens and non-profit organizations.

Financial Information Regarding DAH

The Lease Payments that provide security for the Bonds will be made from certain funds of DAH that are annually appropriated by the General Assembly of the State of Arkansas. All expenditures of DAH must be annually appropriated by the General Assembly of the State of Arkansas, including expenditures actually made from revenues that are not derived from the general funds and revenues of the State of Arkansas. Financial information about DAH is included in the Comprehensive Annual Financial Report for the State of Arkansas for the fiscal year ended June 30, 2019, which may be downloaded at <http://www.dfa.arkansas.gov/offices/accounting/Documents/cafr2019.pdf> .

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary, which does not purport to be comprehensive and definitive, of certain provisions of the Indenture. Certain defined terms used in this summary are set forth in Appendix A to this Official Statement.

Funds and Accounts

The Indenture establishes the following Funds and Accounts to be held by the Trustee in trust for application in accordance with the Indenture:

- (a) the Project Fund (and therein the Cost of Issuance Account); and
- (b) the Bond Fund.

The net proceeds of the Bonds (minus any accrued interest, if any) shall be delivered to the Escrow Trustee for the purpose of refunding the 2014 Bonds and deposited in the Cost of Issuance Account.

Project Fund-Costs of Issuance Account

The Authority will deposit a portion of the proceeds of the Bonds into the Cost of Issuance Account which shall be used to pay Issuance Costs for the Bonds. Payment for such Issuance Costs shall be made only upon a written request of the Authority giving certain required information concerning the payment.

Bond Fund

Upon the delivery of the Bonds, there shall initially be deposited into the Bond Fund moneys representing any accrued interest received.

There shall be deposited in the Bond Fund from time to time the following: (a) all accrued interest received, if any, at the time of the issuance, sale and delivery of the Bonds; (b) all Pledged Revenues specified in the Lease; and (c) all other moneys received by the Trustee pursuant to the Lease which are required to be or which are accompanied by directions that such moneys are to be paid into the Bond Fund. Moneys in the Bond Fund shall be used solely for the payment of the principal of, Redemption Price, and interest on, the Bonds, as and when due and payable, and the fees and expenses of the Trustee.

Investment of Moneys

Moneys held for the credit of the Bond Fund or any other Fund or Account shall be, solely at the written direction of the Authority and to the extent practicable, invested and reinvested in Permitted Investments which will mature, or which will be subject to redemption by the owner thereof at the option of the owner, not later than the date or dates on which the money held for credit of the particular Fund shall be required for the purposes intended. All such investments shall be directed in writing by the Authority. The Trustee shall so invest and reinvest, but only pursuant to instructions from an Authority Representative. Any profit or income realized from such investments shall be credited to the Bond Fund;.

Except as provided above, obligations purchased as an investment of moneys in any Fund or

Account shall be deemed at all times a part of such Fund or Account.

Defaults

A Default under the Indenture means any one of the following events:

- (a) Default in the due and punctual payment of interest on any Bond;
- (b) Default in the due and punctual payment of the principal of any Bond, whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;
- (c) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Authority in the Indenture or in the Bonds contained and failure to remedy the same for a period of 30 days following the written notice thereof from the Trustee to the Authority; or
- (d) The occurrence of a “Default” under the Lease or the Sublease.

The occurrence of an event of default under the related Continuing Disclosure Agreement shall not constitute a “Default” under the Indenture.

Acceleration

In the event of a Default, the Trustee, at the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, shall, by written notice to the Authority and DBA, declare the Bonds to be immediately due and payable, anything in the Indenture or in the Bonds to the contrary notwithstanding. Upon any such declaration of acceleration, the Trustee shall immediately declare an amount equal to all amounts then due and payable on the Bonds to be immediately due and payable under the Lease.

Remedies

Upon the occurrence of a Default, the Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of and interest on the Outstanding Bonds.

If a Default shall have occurred and be continuing and if requested so to do by the Owners of twenty-five percent (25%) in aggregate principal amount of Bonds Outstanding, and if indemnified as provided in the Indenture, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by the Indenture, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Owners of the Bonds.

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

No delay, failure, or omission to exercise any right or power arising upon any Default shall impair any such right or power or shall be construed to be a waiver of any such Default or acquiescence therein; such right or power may be exercised from time to time as often as may be deemed expedient.

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

Rights of Owners to Direct Proceedings

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

Application of Moneys

Moneys received by the Trustee pursuant to any action taken as the result of a Default shall be paid to and applied by the Trustee as follows:

(1) To the payment of costs and expenses of the proceedings resulting in the collection of such moneys and to the payment of the expenses, liabilities and advances incurred or made by the Trustee.

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

FIRST: to the payment of amounts due to the Trustee pursuant to the Indenture, with such amounts to be in proportion to the amounts due if there are not sufficient moneys to pay all such amounts;

SECOND: the payment to the persons entitled thereto of all installments of interest then due on the Bonds, in the order of maturity of the installments of interest (with interest on overdue installments of such interest to the extent permitted by law) and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege;

THIRD: to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture) (with interest on overdue installments of such principal to the extent permitted by law), and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, then to the payment ratably, according to the amount of the principal due on that date, to the persons entitled thereto without any discrimination or privilege; and

FOURTH: to be held for the payment to the persons entitled thereto as the same shall become due of the principal of and interest on the Bonds which may thereafter become due either at maturity or upon call for redemption prior to maturity and, if the amount available shall not be

sufficient to pay in full Bonds due on any particular date, together with interest then due and owing thereon, payment shall be made ratably according to the amount of principal due on such date to the persons entitled thereto without any discrimination or privilege.

(b) If the principal of all Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due for principal and interest, to the persons entitled thereto without any discrimination or privilege, with interest on the overdue installments of interest or principal to the extent permitted by law.

(3) The payment of the surplus, if any, in the Cost of Issuance Account to the Bond Fund, as provided in Section 5.13 of the Indenture.

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

Remedies Vested in Trustee

All rights of action (including the right to file proof of claims) under the Indenture or under any of the Bonds may be enforced by Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto, and any such suit or proceeding instituted by Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owners of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the Owners of the Bonds Outstanding.

Rights and Remedies of Owners

No Owner of any Bond shall have any right to institute any suit, action, or proceeding at law or in equity for the enforcement of the Indenture, for the execution of any trust hereof or for the appointment of a receiver or any other remedy thereunder, unless (i) a Default has occurred of which Trustee has been notified as provided in the Indenture, or of which it is deemed to have notice, (ii) the Owners of twenty-five percent (25%) in aggregate principal amount of Bonds Outstanding shall have made written request to Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name and they have offered to Trustee indemnity as provided in the Indenture, and (iii) Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name. Such notification, request, and offer of indemnity are hereby declared in every case at the option of Trustee to be

conditions precedent to the execution of the powers and trusts of the Indenture, and to any action or cause of action for the enforcement of the Indenture, for the appointment of receiver, or for any other remedy thereunder. It is understood and intended that no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of the Indenture by their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the equal and ratable benefit of Owners of all Bonds Outstanding. However, nothing contained in the Indenture shall affect or impair the right of any Bond to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof, or the obligation of the Authority to pay the principal of and interest on each of the Bonds to the respective Owners thereof at the time, place, from the source and in the manner in the Bonds expressed.

Waivers of Default

The Trustee may waive any Default hereunder and its consequences and rescind any declaration of acceleration of principal, and shall do so upon the written request of the Owners of (1) more than two-thirds (2/3) in aggregate principal amount of all Bonds Outstanding in respect of which Default in the payment of principal or interest or both, exists or (2) more than two-thirds (2/3) in aggregate principal amount of Bonds Outstanding in the case of any other Default; provided, however, that there shall not be waived any Default in the payment of the principal of or interest on any Bonds Outstanding unless prior to such waiver or rescission all arrearages of principal and interest (other than principal on or interest on the Bonds which became due and payable by declaration of acceleration), with interest to the extent permitted by law on overdue installments, and all expenses of Trustee in connection with such Default shall have been paid or provided for. In case of any such waiver or rescission, or in case any proceeding taken Trustee on account of any such Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Authority, the Trustee, and the Owners shall be restored to their former positions and rights thereunder, but no such waiver or rescission shall extend to any subsequent or other Default, or impair any right consequent thereon.

Supplemental Indentures Not Requiring Consent of Owners of Bonds

The Authority and the Trustee may, without consent of, or notice to any of the Owners of the Bonds, enter into an indenture or indentures supplemental to the Indenture for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in the Indenture;
- (b) To grant to or confer upon Trustee for the benefit of the Owners any additional rights, remedies, powers, or authorities that may lawfully be granted to or conferred upon the Owners or Trustee;
- (c) To subject to the lien of the Indenture additional revenues, properties, or collateral;
- (d) To modify, amend, or supplement the Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, or to permit the qualification of the Bonds for sale under the securities laws of any of the states of United States of America;

(e) To evidence the appointment of a separate or Co-Trustee or the succession of a new Trustee;

(f) To make such additions, deletions, or modifications as may be necessary to assure compliance with the Code, or otherwise as may be necessary to assure the continued exemption from federal income taxation of interest on the Bonds; or

(g) To make any other change which, in the judgment of the Trustee, does not materially adversely affect the Owners of the Bonds.

Supplemental Indentures Requiring Consent of Owners of Bonds

Exclusive of supplemental indentures permitted without the consent of the Owners of the Bonds described above, the Owners of not less than two-thirds (2/3) in aggregate principal amount of the Bonds Outstanding shall have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to consent to and approve the execution by the Authority and Trustee of such other indenture or indentures supplemental to the Indenture as shall be deemed necessary and desirable by the Authority for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any supplemental indenture; provided, however, nothing herein shall permit, or be construed as permitting, without the consent of the Owners of all Bonds Outstanding, (a) an extension of the maturity of the principal of or the interest on any Bond, or (b) a reduction in the principal amount of any Bond or the rate of interest thereon, or (c) a privilege or priority of a Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indentures or any modifications or waiver of the provisions of the Lease, or (e) the creation of any lien ranking prior to or a parity with the lien of the Indenture on the Trust Estate or any part thereof, (f) the deprivation of the Owner of any Outstanding Bond of the lien created on the Trust Estate.

If at any time the Authority shall request Trustee to enter into any such supplemental Indenture, Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be given to the Owners of the Bonds. Such notices shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof on file at the principal corporate trust office of Trustee for inspection by all Owners. If, within sixty (60) days or such longer period as shall be prescribed by Issuer following such notices, Owners of not less than two-thirds (2/3) in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture, the Indenture shall be and be deemed to be modified and amended in accordance therewith.

Amendments to Lease Not Requiring Consent of Owners of Bonds

The Authority and the Trustee shall without the consent of or notice to the Owners of Bonds consent to any amendment, change, or modification of the Lease as may be required (i) by the provisions of the Lease and the Indenture, (ii) for the purpose of curing any ambiguity or for formal defect or omission in the

Lease, (iii) so as to more precisely identify the Heritage Facility or to substitute or add additional improvements or equipment to the Heritage Facility in accordance with the provisions of the Lease, (iv) to enter into an indenture or indentures supplemental hereto as provided above, (v) to make such additions, deletions, or modifications as may be necessary to assure compliance with or otherwise as may be necessary to assure exemption from federal income taxation of interest on the Bonds, or (vi) in connection with any other change therein which, in the judgment of Trustee, is not to the prejudice of Trustee or the Owners.

Amendments to Lease Requiring Consent of Owners of Bonds

Except for the amendments, changes, or modifications as provided above, neither the Authority nor the Trustee shall consent to any other amendment, change, or modification of the Lease without mailing of notice and the written approval or consent of the Owners of not less than two-thirds (2/3) in aggregate principal amount of the Bonds Outstanding, provided that the consent of the Owners of all Bonds Outstanding is required for any amendment, change, or modification of the Lease that would permit the termination or cancellation of the Lease or a reduction in or postponement of the payments under the Lease or any change adverse to the Owners in the provisions relating to payments thereunder. If at any time the Authority, DBA, or DAH shall request the consent of Trustee to any such proposed amendment, change, or modification of the Lease, Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change, or modification to be given to the Owners of the Bonds. Such notice shall briefly set forth the nature of such proposed amendment, change, or modification and shall state that copies of the instrument embodying the same are on file at the principal corporate trust office of Trustee for inspection by all Owners.

SUMMARY OF CERTAIN PROVISIONS OF THE LEASE

The following is a summary, which does not purport to be comprehensive and definitive, of certain provisions of the Lease, as amended by the First Amendment to Lease. Certain defined terms used in this summary are set forth in Appendix A to this Official Statement.

Issuance of the Bonds

Pursuant to the Lease, the Authority has agreed to issue the Bonds to pay the costs of the acquisition, construction and equipping of the Project and payment of the costs associated with the issuance of the Bonds.

Term of the Lease

The Lease Term will commence on the date of issuance and delivery of the Bonds, and, unless sooner terminated as provided in the Lease, shall expire on April 1, 2039, or on the date that all of the Bonds have been fully paid or provision made for such payment, whichever is later; provided, however, that the Lease may be terminated prior to such date if DBA exercises its option to prepay the amounts payable under the Lease pursuant to the terms thereof (see “Options” below).

Rental Payments

Basic Rent. DBA will pay, or cause to be paid, to the Authority, Basic Rent as follows:

(i) On or before three Business Days prior to the first day of each month while the Bonds are Outstanding, Lessee shall pay, or cause DAH to pay, directly to the Trustee in immediately available funds, the sum of one-sixth of the aggregate amount of interest becoming due and payable on the Bonds on the April 1 or October 1 next following such payment plus one-twelfth of the aggregate amount of principal and premium, if any, becoming due and payable on the Bonds on April 1 next following such payment; and on or before three Business Days prior to any date on which all the Bonds shall be declared to be and shall become due and payable prior to their stated maturity pursuant to the provisions of the Indenture, DBA shall pay, or cause DAH to pay, directly to the Trustee in immediately available funds, the aggregate amount of principal, premium, if any, and interest becoming due and payable on the Bonds on such date.

Any amount at any time held by the Trustee in the Bond Fund (except for any amounts held in any separate, restricted fund within the Bond Fund) shall be credited against the next succeeding rental payment and shall reduce the payment to be made by DBA (or by DAH on DBA's behalf) to the extent such amount is in excess of the amount required for payment of Bonds theretofore matured or called for redemption and past due interest in all cases where such Bonds have not been presented for payment; and further, if the amount held by Trustee in the Bond Fund should be sufficient to pay at the times required the principal of and premium, if any, and interest on the Bonds then remaining unpaid, DBA shall not be obligated to make any further basic rental payments.

(ii) DBA will pay, or cause DAH to pay, directly to the Authority as billed by the Trustee pursuant to the Indenture, as Additional Rent, the administrative fee of the Authority, an amount equal to 1/8 of 1% (0.125%) of the principal amount of the Bonds Outstanding on September 30 of each year of the Lease Term, which shall be payable on or before October 1 of each year of the Lease Term, commencing October 1, 2021.

(iii) DBA will pay, or cause DAH to pay, as and when due, the reasonable fees and expenses of the Trustee and any Paying Agents under the Indenture, such reasonable fees and expenses to be paid directly to the Trustee or any Paying Agent for the Trustee's or any such Paying Agents' own account, as and when such reasonable fees and expenses become due and payable, and any reasonable expenses in connection with any redemption of the Bonds.

Additional Rent. In addition to Basic Rent, DBA will pay, or cause DAH to pay, directly to the Authority, as Additional Rent, the amount necessary to reimburse the Authority for expenses of the Authority related to the issuance of the Bonds or in connection with the Heritage Facility, including without limitation operation and maintenance expenses, which are incurred upon the written request of DBA or DAH.

All amounts payable by DBA or DAH as Basic Rent are assigned by the Authority to the Trustee for the benefit of the Owners of the Bonds.

In the event DBA should fail to make any of the payments required as Basic Rent or Additional Rent, the item or installment so in default shall continue as an obligation of DBA until the amount in default shall have been fully paid, and DBA agrees to pay the same with interest thereon or with respect to payments to Trustee or the Authority with interest thereon from the date thereof until paid at the rate of 5.00% per annum.

Taxes and Governmental and Utility Charges

DBA agrees to pay or cause to be paid during the Lease Term all taxes and governmental charges of any kind lawfully assessed or levied upon the Heritage Facility or any part hereof; all utility and other charges incurred in the operations, maintenance, use, occupancy, and upkeep of the Heritage Facility; and all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Heritage Facility.

Maintenance and Use of the Heritage Facility

DBA agrees that at all times during the Lease Term it will, at its own expense, keep the Heritage Facility in reasonably safe condition as its operations shall permit and keep the Heritage Facility in good repair and in good operating condition, making from time to time all necessary repairs thereto and replacements thereof.

Insurance

Throughout the Lease Term, DBA shall keep the Heritage Facility continuously insured against such risks as are customarily insured against by private businesses in similar circumstances, paying as the same become due all premiums in respect thereto. Such insurance shall be in an amount equal to or exceeding the lesser of (i) the full replacement value of the Heritage Facility or (ii) the amount required for the full redemption or retirement of the Bonds then Outstanding.

All policies of insurance related to loss or damage to the Heritage Facility shall be payable to the Authority, DBA and the Trustee, as their respective interests may appear.

Damage, Destruction and Condemnation

Unless the DBA shall have exercised its options to prepay amounts payable under the Lease as provided therein, if prior to the full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) the Heritage Facility or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty, or is condemned, DBA shall be obligated to continue to make its Basic Rent and Additional Rent payments. If Net Proceeds received in connection with such an event exceed \$100,000, such proceeds shall be used to repair or restore the Heritage Facility or to redeem all or a portion of the Bonds.

Events of Default

The Lease provides that any one or more of the following events will constitute an “Event of Default”:

(a) Failure by DBA to pay the Basic Rent or any part thereof required to be paid under the Lease as the same becomes due;

(b) Failure by DBA to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in paragraph (a) above, for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, shall

have been given to DBA by the Authority or the Trustee, unless the Authority and the Trustee shall agree in writing to an extension of such time prior to its expiration;

The foregoing subparagraph (b) is subject to the following limitation: If by reason of force majeure DBA is unable in whole or in part to carry out the agreements on its part contained in Article V or Section 6.03 or 6.04 of the Lease, DBA shall not be deemed in default during the continuance of such inability. The term force majeure as used herein shall mean, without limitation, the following: strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; storms; floods, washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of DBA. Notwithstanding the applicability of such provisions, the Lease shall remain valid and in full force and effect, and DBA shall pay all Basic Rent as and when due and payable.

Remedies

Whenever any Default under the Lease shall have happened and is continuing, the Authority (with the consent of the Trustee) or the Trustee may take any combination of the following remedial steps:

(a) Declare all installments of Basic Rent and Additional Rent payable for the remainder of the term to be immediately due and payable, whereupon the same shall become immediately due and payable.

(b) Re-enter and take possession of the Heritage Facility without terminating the Lease, and sublease the Heritage Facility for the account of DBA, holding DBA liable for the difference in the rent and other amounts payable by such sublessee in such subleasing and the Basic Rent and Additional Rent payable by DBA under the Lease.

(c) Terminate the Lease, exclude DBA from possession of the Heritage Facility and use its best efforts to lease the Heritage Facility to another for the account of DBA.

(d) Have access to and inspect, examine and make copies of such of the books, records, accounts and data of DBA, as pertain to the Heritage Facility.

(e) Take whatever action at law or in equity may appear necessary or desirable to collect the rent and any other amounts payable by DBA thereunder, then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of DBA under the Lease.

Any amounts collected pursuant to action so taken shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture.

In addition, if the Sublease is terminated for reason of non-appropriation as described below under the caption "THE SUBLEASE," the Authority (with the consent of the Trustee), or the Trustee, may immediately terminate the Lease.

Options

DBA may, at any time on or after April 1, 2028, terminate the Lease Term by paying to the Trustee an amount which, when added to the amount on deposit in the Bond Fund, will be sufficient to pay, retire and redeem all of the Bonds Outstanding in accordance with the provisions of the Indenture, together with all necessary and proper fees, compensation and expense of the Authority, the Trustee and any Paying Agent. Upon such prepayment, the Lease will terminate.

DBA also has the option to acquire title to the Heritage Facility and terminate the Lease in the event of destruction or condemnation of the Heritage Facility, in whole but not in part, upon not less than forty-five (45) nor more than ninety (90) days' written notice, for the purchase price described in the previous paragraph.

Assignment

The Lease may not be assigned by DBA except with the express written consent of the Authority, which consent may not be unreasonably withheld.

THE SUBLEASE

The following is a summary of certain provisions of the Sublease, which is qualified in its entirety by reference to the Sublease, copies of which may be obtained from the Trustee.

Pursuant to the Sublease, DBA will sublet the Heritage Facility to DAH at a rental equal to the rental described in the Lease. The term of the Sublease commences and is concurrent with the term of the Lease; provided, that the Sublease will automatically terminate in the event the State fails to appropriate and make available to DAH sufficient amounts to make all payments due under the Sublease. Pursuant to the Sublease, DBA has assigned all of its rights (including the right to obtain title to the leased property upon retirement of the Bonds) under the Lease to DAH, and DAH has assumed all of the obligations of DBA under the Lease.

TAX MATTERS

General

Federal Income Taxes. The interest on the Bonds is NOT excluded from gross income for federal income tax purposes.

State Taxes. Bond Counsel is of the opinion that, under existing law, the interest on the Bonds is exempt from State of Arkansas income taxes and the Bonds are exempt from property taxes in the State of Arkansas.

The proposed opinion of Bond Counsel is attached hereto as Appendix B.

SECONDARY MARKET DISCLOSURE

In the Continuing Disclosure Agreement dated as of the date of delivery of the Bonds (the "Continuing Disclosure Agreement"), among the Authority, the Trustee, and DBA, the Authority, and DBA

covenanted for the benefit of Beneficial Owners of the Bonds to provide certain financial information, if and when available, and operating data relating to DBA by not later than two hundred forty (240) days after the end of its fiscal years, commencing with the fiscal year ended June 30, 2020 (the “Annual Disclosure Statement”), and to provide notices of the occurrence of certain enumerated events, if material. The Annual Disclosure Statement will be filed by the Authority with the Municipal Securities Rulemaking Board’s EMMA system. The notices of material events will be filed by the Trustee or Authority with the Municipal Securities Rulemaking Board. The Authority may satisfy its obligations to file any notice, document or information with the Municipal Securities Rulemaking Board by filing the same with any dissemination agent or conduit, including any “central post office” or similar entity, assuming or charged with responsibility for accepting notices, documents or information for transmission to the Municipal Securities Rulemaking Board, to the extent permitted by the SEC or SEC staff or required by the SEC. These covenants have been made to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”). The Continuing Disclosure Agreement is attached hereto as Appendix B.

The Rule requires that an issuer disclose in its official statement any instances in the previous five (5) years in which such issuer failed to comply, in all material respects, with any previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule. In connection with the Authority’s previous bond issues, the Authority entered into individual continuing disclosure undertakings (“Undertakings”) in written agreements specified in paragraph (b)(5)(i) of the Rule. In May of 2014, the Authority initiated a comprehensive review of each of its Undertakings. In connection with that review, the Authority identified over one hundred (100) bond issues currently outstanding and approximately sixty (60) additional bond issues that were previously outstanding during the prior five (5) years. The Authority identified nine (9) categories of bonds or programs for which it acts as an issuer and/or has entered into Undertakings. The Authority (i) is the exclusive issuer of revenue bonds for public facilities acquired or constructed for the benefit of all state agencies which do not have bonding authority (the “State Facilities Program”); (ii) issues bonds to benefit for profit and not for profit businesses for a variety of purposes specifically authorized by Arkansas law (the “Conduit Issuer Program”); (iii) issues single family mortgage revenue bonds (the “Single Family Program”); (iv) issues multi-family mortgage revenue bonds (the “Multifamily Program”); (v) issues bonds to facilitate economic development which the Authority and/or the Arkansas Economic Development Commission (“AEDC”) guarantee through their individual bond guaranty programs (the “State Bond Guaranty Program”); (vi) guarantees bonds issued by other governmental entities that facilitate economic development (the “Local Bond Guaranty Program”); (vii) issues bonds to support the Arkansas Natural Resources Commission’s Wastewater Revolving Loan Fund (the “Wastewater Program”); (viii) issues bonds authorized by specific legislation to support other state programs (the “Miscellaneous State Bonds Program”); and (ix) issues on behalf of the State of Arkansas certain general obligation bonds (the “GO Program”). While the Authority has not made any determination as to materiality, the following paragraphs summarize the results of the Authority’s review.

With respect to all programs, event notices, including, but not limited to, certain bond rating changes relating to third-party credit enhancement providers, underlying rating changes, bond calls, and the appointment of successor trustees were not filed timely. The Authority has filed with the Municipal Securities Rulemaking Board’s EMMA system rating change notices confirming the current ratings of certain third-party credit enhancement providers and the underlying rating.

With respect to the State Facilities Program, the Conduit Issuer Program, the Wastewater Program and Miscellaneous State Bonds Program, the Authority has had instances of late filings of certain financial information and operating data of the Authority and other obligated parties as required in the Undertakings. The nature of these filings typically include (i) supplemental filings to provide information or data identified in the Undertakings, but not included in the initial filing that was made timely and (ii) the filing of financial statements specific to the obligated person, if available, or alternatively, the State's CAFR and/or certain financial information and operating data. With respect to financial information, the delay in filing in most instances was a few days to a few months late, but in some unusual situations, the delay was up to five (5) years late. With respect to information or data that was not included with the initial filing, most of these omissions were discovered in connection with the Authority's recent comprehensive review, and supplemental filings for the necessary years were recently made by the Authority and are continuing to be made by other obligated parties. As noted below, the Authority has implemented a form of annual report to prevent omissions of portions of information in the future and to confirm the status of required financial statements. In connection with annual reports for the June 30, 2014 and June 30, 2015 fiscal years, most of the information required by the Undertakings was filed timely, but not in the annual report format. Actuarial information relating to pension obligations and the per capita general obligation debt calculation were filed late in June 2016. Substantially all filings in the annual report format for the June 30, 2014 and June 30, 2015 fiscal years were filed by July 2016. In connection with some Undertakings for the State Facilities Program, the audited financial statements for certain State agencies for the previous and most recently completed fiscal year are not yet available. In some instances, the Failure to File Notices have not been filed or were filed late.

With respect to the Multifamily Program, most of the bond issues are exempt from the Rule, and the Authority does not have any Undertakings with respect to this program. With respect to the Single Family Program and the GO Program, there were only a few instances of minor late filings.

With respect to the State Bond Guaranty Program and the Local Bond Guaranty Program, most of the Undertakings relating to bonds issued prior to 2010 included a requirement to provide specific information related to borrowers that were in default. The Undertakings permit the Authority to waive requirements not specifically required by the Rule, and the Authority waived the requirement to provide this information, but did not take formal action to do so nor did it file a disclosure identifying the waiver. Documenting the waiver and filing disclosure for each of the effected bond issues has been completed. With respect to bonds guaranteed by AEDC, the Undertakings relating to bonds issued prior to 2009 required the filing, when available, of AEDC's audited financial statements. AEDC does not receive separately audited financial statements, but rather is one of the component units of the State included in the State CAFR. Prior to 2013, no filings were made because AEDC does not have audited financial statements. In 2013, the Authority, in consultation with AEDC, began filing the State CAFR to satisfy this term of the Undertakings and filed the previous five years CAFRs for all bonds guaranteed by AEDC for which the State CAFR had not been previously filed. With respect to some Undertakings, there were a few instances in which the required disclosure information was not associated with all of the CUSIPs for a bond issue at the time the financial information and operating data were initially filed. These occurrences, though infrequent, were most common in connection with the Local Bond Guaranty Program, and necessary filings have been made for previously skipped CUSIPs.

The Authority has implemented policies and procedures that will aid in the Authority's on-going compliance with such Undertakings. The Authority noted that the majority of the instances where it did not comply with its Undertakings resulted when the Authority was required to obtain information from a third party. As a result, recent procedural changes have been implemented to prevent these instances in the future and include, but are not limited to, (i) requiring any obligated party in the Undertakings to specifically designate a representative with whom the Authority may communicate regarding information required by the Undertakings; (ii) incorporating a form of annual report as an exhibit to all subsequent Undertakings and amending in due course existing Undertakings to ensure that both the Authority and other obligated parties provide all required information; and (iii) periodically checking EMMA to ensure such reports and notices have been properly filed and indexed.

The Rule also requires that an obligated party disclose in an official statement related to its debt obligations any instances in the previous five years in which such obligated party failed to comply, in all material respects, with any previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule. DBA is an obligated party under the Rule. In connection with prior obligations of DBA, DBA agreed to provide certain financial information in written agreements specified in paragraph (b)(5)(i) of the Rule. In at least one instance within the last five years, DBA did not timely file certain information related to caseloads and fee revenues in connection with a bond issue for the Justice Building. The late filings were corrected in 2017.

FINANCIAL STATEMENTS

As institutions of the State, the financial affairs of DBA and DAH are conducted in compliance with the laws of the State and in conformity with various federal laws, regulations, and procedures applicable to institutions receiving financial assistance under federal programs. Information about DBA and DAH is contained in the Comprehensive Annual Financial Report for the State of Arkansas, prepared at the close of each fiscal year, and generally available in February of the following calendar year. Separate annual financial audits of the Authority are performed by independent auditors, and are conducted in accordance with generally accepted auditing standards and the Government Auditing Standards of the Comptroller of the United States.

RATING

S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("S&P"), has assigned the rating of "AA-" to the Bonds. Such rating reflects only the views of S&P, and any explanation of the significance of such rating may be obtained from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance that a particular rating will be maintained for any given period of time or that it will be lowered, raised, or withdrawn entirely if, in the judgment of the rating agency, circumstances so warrant. Any such change in or withdrawal of such a rating could have an adverse effect on the price of and marketability of the Bonds.

UNDERWRITING

Under a Bond Purchase Agreement dated September 29, 2020 (the "Bond Purchase Agreement"),

entered into by and between the Authority and the Underwriter named on the cover page of this Official Statement (the “Underwriter”), the Bonds offered hereby are being purchased from the Authority by the Underwriter at a price of \$6,310,312.50, which is the principal amount thereof less the Underwriter’s discount of \$39,687,50. The Bond Purchase Agreement provides that the Underwriter shall purchase all of the Bonds offered thereby if any are purchased, and that the obligation to make such purchase is subject to the approval of certain legal matters by Bond Counsel and certain other conditions. The initial public offering prices of the Bonds are as set forth on the cover of this Official Statement. After the commencement of the public offering of the Bonds, the offering prices thereof may be changed from time to time by the Underwriter.

The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public and may offer the Bonds to such dealers or other underwriters at a price below the public offering price.

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

LITIGATION

There is no controversy or litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds or in any way questioning or affecting the validity of any provision of the Bonds, any of the proceedings of the Authority taken with respect to the authorization, issuance, sale, execution or delivery of the Bonds, the pledge or application of any moneys or security provided for the payment of the Bonds, the existence of powers of the Authority, DBA or DAH, or the title of any officers of the Authority, DBA or DAH, to their respective positions.

The Authority is frequently a party to litigation in connection with its lending and guaranty functions. In the opinion of the Authority’s General Counsel, no litigation is currently pending or threatened which would adversely affect the Authority’s continuing operations or existence.

LEGAL MATTERS

All legal matters related to the authorization, issuance, sale and delivery of the Bonds are subject to the approval of Rose Law Firm, a Professional Association, Little Rock, Arkansas, Bond Counsel. The proposed form of the opinion of Bond Counsel appears as Appendix B to this Official Statement. Payment of Bond Counsel’s fee for services rendered with respect to the issuance of the Bonds is contingent upon the issuance and delivery of the Bonds.

MISCELLANEOUS

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

The execution and delivery of this Official Statement have been duly authorized by the Authority.
This Official Statement is dated the date shown on the cover page hereof.

**ARKANSAS DEVELOPMENT
FINANCE AUTHORITY**

By: _____
Bryan Scoggins, President

**ARKANSAS DEPARTMENT OF
TRANSFORMATION AND SHARED SERVICES,
DIVISION OF BUILDING AUTHORITY**

By: _____
Anne W. Laidlaw, Director

APPENDIX A
DEFINITIONS OF CERTAIN TERMS

“Account” or “Accounts” means one or more of the Accounts established by the Indenture.

“Act” means the Arkansas Development Finance Authority Act, codified as Arkansas Annotated Sections 15-5-101 et seq., and all acts supplemental thereto or amendatory thereof.

“Act No. 1173” means the State Agencies Facilities Acquisition Act of 1991, codified as Arkansas Code Annotated Sections 22-3-1401 et seq., and all acts supplemental thereto or amendatory thereof.

“Authority Representative” means the person or persons at the time designated to act on behalf of Issuer by written certificate furnished to DBA, DAH and the Trustee containing the specimen signatures of such person or persons and signed on behalf of Issuer by its President. Such certificate may designate an alternate or alternates.

“Authorized Officer” means the Chair, Vice Chair or President of the Issuer or any other officer or employee of the Issuer authorized to perform the particular acts or duties by resolution duly adopted by the Issuer or by law.

“Bond Fund” means the Bond Fund created in the Indenture.

“Bond Year” means each period from and including April 2 through and including the following April 1; provided, however, that the initial Bond Year shall commence on the Closing Date and end on April 1, 2039 (unless a different period is selected by the Issuer after the Closing Date).

“Bonds” means the \$6,350,000.00 aggregate principal amount of Issuer’s State Agencies Facilities Revenue Refunding Bonds (Division of Arkansas Heritage Project), Taxable Series 2020 issued pursuant to the Indenture.

“Business Day” means a day on which banking business is transacted, but not including any day on which banks are authorized to be closed, in Little Rock, Arkansas or in the city in which Trustee has its principal corporate trust office.

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

“Closing Date” means the date upon which there is an exchange of the Bond for the proceeds representing the purchase price of the Bonds by the Original Purchaser.

“Code” means the Internal Revenue Code of 1986, as amended, and the Regulations (including temporary or proposed Regulations) thereunder.

“Cost of Issuance Account” means the Cost of Issuance Account in the Project Fund created in the Indenture.

“Counsel’s Opinion” means an opinion signed by an attorney or firm of attorneys, selected by the Issuer, of nationally recognized standing in the field of law relating to municipal securities.

“DAH” means the Department of Arkansas Heritage, an agency of the State of Arkansas.

“DAH Representative” means the person or persons at the time designated to act on behalf of DAH by written certificate furnished to Issuer, DBA, and Trustee containing the specimen signatures of such person or persons and signed by the Director of DAH. Such certificate may designate an alternate or alternates.

“DBA” means the State agency known as the Arkansas Building Authority as established under Arkansas Code Annotated Sections 22-2-101 et seq.

“DBA Representative” means the person or persons at the time designated to act on behalf of DBA by written certificate furnished to Issuer and Trustee containing the specimen signatures of such person or persons and signed on behalf of DBA by the Director thereof. Such certificate may designate an alternate or alternates.

“Default” means, with respect to any Default under the Indenture, any occurrence or event specified in and defined by the Indenture.

“Escrow Deposit Agreement” means the Escrow Deposit Agreement, dated as of October 27, 2020, between the Authority and the Escrow Trustee, requiring the Escrow Trustee to use the proceeds from the deposit to pay the principal and interest on the 2014 Bonds as they become due to and including April 1, 2022 and to redeem the balance of the 2014 Bonds prior to maturity on April 1, 2022.

“Escrow Trustee” means Simmons Bank, as escrow trustee and paying agent for the 2014 Bonds.

“Fiduciary” or “Fiduciaries” means the Trustee, any Co-Trustee, any additional Paying Agent, or any or all of them, as may be appropriate.

“Fund” or “Funds” means one or more of the Funds created in the Indenture.

“Governmental Obligations” means direct obligations of (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or obligations the payment of the principal of and interest on which is unconditionally guaranteed by, the United States of America.

“Heritage Facility” means the building located at 1100 North Street, Little Rock, Arkansas and other existing buildings and facilities located on the same site.

“Indenture” means the Trust Indenture dated as of October 27, 2020, pursuant to which the Bonds are authorized to be issued, and any amendments and supplements thereto.

“Interest Payment Date” means each April 1 and October 1 commencing April 1, 2021, and any date on which Bonds are called for redemption pursuant to the Indenture, so long as any Bonds are Outstanding.

“Issuance Costs” means all costs and expenses of issuance of the Bonds, 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) fees for the rating; (iv) the Trustee’s fees and expenses and the fees and expenses of any counsel retained by the Trustee; (v) legal publication costs; (vi) the cost of preparation and printing of the Bonds, the Preliminary Official Statement, and the Official Statement; and (vii) Underwriter’s clearing and closing costs, including but not limited to ticket costs and day loan charges, IPREO fees, and other costs of closing and delivery of the Bonds; charges

for obtaining CUSIP numbers for the Bonds; fees payable to Depository Trust Company relating to the underwriting of the Bonds.

“Issuer” or “Authority” means the Arkansas Development Finance Authority, a body politic and corporate of the State created by the Act, duly organized and existing under the laws of the State, and its successors and assigns.

“Lease” means the Lease Agreement dated as of December 1, 2014, between Issuer and DBA, and as amended and supplemented by the First Supplemental Lease Agreement dated October 27, 2020 any amendments and supplements thereto.

“Lease Payments” means the amounts payable by DBA pursuant to the Lease.

“Net Proceeds” (a) when used with respect to any insurance or condemnation award, means the gross proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all expenses (including attorney’s fees and any extraordinary fee of Trustee as defined in the Indenture) incurred in the collection of such gross proceeds, and (b) when used with respect to the Bonds, means the amount of Bond proceeds deposited into the Project Fund less the amount paid out or to be paid out from such proceeds for payment of the legal, accounting, financing and printing expenses, fees and all other expenses incurred in connection with the issuance of the Bonds, and shall not include any investment income on moneys in the Project Fund.

“Original Purchaser” means the first purchaser of the Bonds from Issuer.

“Outstanding” or “Bonds Outstanding” means all Bonds which have been authenticated and delivered by Trustee under the Indenture, except: (a) Bonds cancelled after purchase in the open market or because of payment at, or redemption prior to, maturity; (b) Bonds paid or deemed paid pursuant to the Indenture; (c) Bonds cancelled after exchanges pursuant to the Indenture; and (d) Bonds in lieu of which others have been issued, authenticated, and delivered pursuant to the Indenture.

“Owner” or “Bondowner” means the person or persons in whose name or names a Bond shall be registered on the books of Issuer kept by Trustee for that purpose in accordance with the provisions of the Indenture.

“Paying Agent” or “Paying Agents” means the Trustee and such financial institutions as are appointed additional Paying Agents pursuant to the Indenture.

“Permitted Encumbrances” means, as of any particular time, (i) liens for taxes and assessments not then delinquent or which Lessee may, pursuant to the provisions of the Agreement, permit to remain unpaid; (ii) the Agreement, the Indenture, and the Sublease; (iii) utility, access, and other easements and rights-of-way, restrictions, and exceptions that the Authorized Lessee Representative certifies will not interfere with or impair the Heritage Facility; and (iv) such minor defects, irregularities, encumbrances, and clouds on title as normally exist with respect to property similar in character to the Heritage Facility and as do not materially impair the property affected thereby.

“Permitted Investments” means:

- (a) Governmental Obligations;

(b) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

- (i) Farmers Home Administration certificates of beneficial ownership;
- (ii) General Services Administration participation certificates;
- (iii) Government National Mortgage Association guaranteed mortgage-backed bonds and pass-through certificate obligations;
- (iv) U. S. Department of Housing and Urban Development local authority bonds; or
- (v) Federal Housing Administration debentures.

(c) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U. S. Government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

- (i) Federal Home Loan Banks consolidated debt obligations;
- (ii) Federal Home Loan Mortgage Corporation debt obligations;
- (iii) Federal National Mortgage Association debt obligations;
- (iv) Student Loan Marketing Association debt obligations;
- (v) Resolution Funding Corporation obligations; or
- (vi) Farm Credit System consolidated system-wide bonds and notes.

(d) U. S. Treasury, U. S. Government, or tax-exempt money market funds registered with the federal Securities and Exchange Commission and meeting the requirements of Rule 2a-7 under the Investment Company Act of 1940, as amended. Any money market fund which meets the requirements of this clause (d) may be maintained by the Trustee;

(e) certificates of deposit of any national or state bank which has deposits insured by the Federal Deposit Insurance Corporation and which bank (i) has an unsecured long-term debt obligation rating by Standard & Poor's Corporation (S&P) of not less than "AA" or (ii) is the lead bank of a parent holding company with an unsecured long-term debt rating by S&P of not less than "AA3";

(f) commercial paper rated, at the time of purchase, "A-1+" by S&P;

(g) bonds or notes issued by any state or municipality which are rated by S&P in one of the two highest rating categories assigned by S&P;

(h) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured, and unguaranteed obligation rating of "A-1+" or better by S&P;

(i) the following investments fully insured by the Federal Deposit Insurance Corporation: (a) certificates of deposit, (b) savings accounts, (c) deposit accounts, (d) depository receipts of a bank, savings and loan association, or mutual savings bank.

“Pledged Revenues” means any and all of the rents, amounts, income, revenues, issues and profits, and any other sums of money payable or receivable (i) under the Agreement (except for amounts payable to or for the Rebate Fund and to the Issuer thereunder); (ii) under the Sublease (except for amounts payable to or for the Rebate and to the Issuer thereunder as Additional Rent or by way of indemnity); (iii) from any other sub-subletting of the Heritage Facility by DAH pursuant to and in full compliance with the Sublease; and (iv) from the net earnings of the investment of moneys in the Funds and Accounts created in the Indenture (except for the Rebate Fund).

“Principal Installment” means, as of any date of calculation, the principal amount of all Bonds Outstanding due and payable on a specified future date.

“Project Fund” means the Project Fund created in the Indenture.

“Rating Agency” means Standard & Poor’s Rating Services.

“Rating Letter” means the letter stating that the Bonds are rated “AA-” by the Rating Agency.

“Rebate Fund” means the Rebate Fund created in the Indenture.

“Record Date” means that date which is the fifteenth (15th) day of the month immediately preceding any interest payment date or redemption date of such Bond.

“Redemption Price” means, when used with respect to a Bond or portion thereof to be redeemed, the principal amount of such Bond or such portion thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to the Indenture.

“Regulations” means proposed, temporary and permanent regulations promulgated under the Code.

“Sinking Fund Installment” means any amount of money required to be paid on a specified date by the Issuer as provided in the Indenture, toward the retirement of any Term Bond, but not including any amount payable by reason of the maturity of a Term Bond.

“State” means the State of Arkansas.

“Sublease” means the Sublease Agreement by and between DBA and DAH dated as of December 1, 2014 as supplemented by the First Supplemental Sublease Agreement dated as of October 27, 2020 and any amendments and additional supplements thereto.

“Term of the Agreement” means the term of the Agreement as specified in the Agreement.

“Term Bonds” means the Bonds maturing on April 1, 2030, April 1, 2035, and April 1, 2039.

“Trustee” means Simmons Bank, Pine Bluff, Arkansas, and its successors and any entity resulting from or surviving any conversion, sale, transfer, consolidation, or merger to which it or its successors may be a party and any successor Trustee then serving as successor trustee under the Indenture.

“Trust Estate” means the property conveyed to Trustee pursuant to the Granting Clauses of the Indenture.

APPENDIX B
PROPOSED FORM OF OPINION OF BOND COUNSEL

October 27, 2020

Arkansas Development Finance Authority
Little Rock, Arkansas

Simmons Bank
Pine Bluff, Arkansas

Re: Arkansas Development Finance Authority State Agencies Facilities Revenue Refunding
Bonds (Division of Arkansas Heritage Project), Taxable Series 2020

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance and sale by the Arkansas Development Finance Authority (the “Issuer”) of its Arkansas Development Finance Authority State Agencies Facilities Revenue Refunding Bonds (Division of Arkansas Heritage Project), Taxable Series 2020 (the “Bonds”). The Issuer is a public body politic and corporate, with corporate succession, and an independent instrumentality of the State of Arkansas (the “State”), exercising essential public functions, created under the provisions of the Arkansas Development Finance Authority Act, Arkansas Code Annotated §§ 15-5-101 et seq. (the “Act”). The Bonds are authorized to be issued under the Act, the State Agencies Facilities Acquisition Act of 1991, Arkansas Code Annotated §§ 22-3-1401 et seq. (“Act 1173”), and a resolution of the Issuer adopted September 17, 2020 (the “Resolution”). The Bonds are issued under and secured by a Trust Indenture dated as of October 27, 2020 (the “Indenture”), by and between the Issuer and Simmons Bank, Pine Bluff, Arkansas, as trustee thereunder (the “Trustee”). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Indenture.

The Bonds are being issued to provide funds to advance refund the Issuer’s State Agencies Facilities Revenue Bonds (Department of Arkansas Heritage Project) Series 2014 and pay the costs of issuing the Bonds.

The Bonds are issuable in fully registered form, but only in the manner and subject to the terms and conditions set forth in the Indenture, and are dated, mature, bear interest and are subject to redemption prior to maturity as provided in the Indenture. The Bonds are secured by the Issuer’s pledge, under the Indenture, of certain revenues received under the Lease and the Sublease (the “Pledged Revenues”) and certain funds and accounts created by the Indenture.

THE BONDS SHALL CONSTITUTE LIMITED OBLIGATIONS OF THE ISSUER, SECURED SOLELY BY A PLEDGE OF THE PLEDGED REVENUES AND CERTAIN FUNDS AND ACCOUNTS HELD UNDER THE INDENTURE. THE BONDS DO NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL OR SPECIAL, OF THE STATE, ANY MUNICIPALITY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR PAYMENT OF THE BONDS. THE ISSUER HAS NO TAXING POWER.

In connection with the issuance of the Bonds, we have examined (i) copies of the Act and Act 1173, (ii) a copy of the Resolution; (iii) a copy of the Indenture; (iv) copies of the Lease and the Sublease and (v)

such other opinions, documents, certificates and letters as we deem relevant and necessary in rendering this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer, DBA and DAH contained in the Indenture, the Lease and the Sublease, and the certified proceedings and other certifications of officials of the Issuer, DBA and DAH furnished to us, without undertaking to verify the same by independent investigation.

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

(1) The Issuer is duly created and validly existing as a body corporate and politic and a public instrumentality of the State with the corporate power to enter into and perform the Indenture and the Lease and to issue the Bonds.

(2) The Indenture, the Lease, and the Sublease have been duly authorized, executed and delivered by the parties thereto and constitute the valid and binding obligations of the parties thereto enforceable against the parties thereto in accordance with their respective terms. The Indenture creates a valid lien on the Pledged Revenues and the rights of the Issuer under the Lease and the Sublease.

(3) The Bonds have been duly authorized, executed and delivered by the Issuer, and are valid and binding obligations of the Issuer, payable solely from the revenues and other funds provided therefor in the Indenture.

(4) The Bonds and the interest thereon are exempt from all Arkansas state, county and municipal taxes, including income, inheritance and property taxes.

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

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that hereafter occur.

Very truly yours,

APPENDIX C
PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement dated as of October 27, 2020 (this “Agreement”) is executed and delivered by the Arkansas Department of Transformation and Shared Services Division of Building Authority (“DBA”), the Arkansas Development Finance Authority, a Division of the Arkansas Department of Commerce (the “Authority”) the Arkansas Department of Parks, Heritage and Tourism Department, Division of Arkansas Heritage (“DAH” and collectively with DBA and the Authority the “Disclosing Parties”) and Regions Bank, as Trustee (the “Trustee”), in connection with the issuance by the Authority of its State Agencies Facilities Revenue Refunding Bonds (Division of Arkansas Heritage Project), Taxable Series 2020 (the “Bonds”). The Bonds are being issued pursuant to an authorizing resolution of the Authority and that certain Trust Indenture by and between the Authority and the Trustee, dated as of October 27, 2020 (the “Indenture”). The Disclosing Parties and Trustee covenant and agree as follows:

Purpose of this Agreement. This Agreement is being executed and delivered by the Disclosing Parties and the Trustee for the benefit of the Beneficial Owners (as defined below) of the Bonds and in order to assist the Underwriter (as defined below) in complying with, and constitutes the written undertaking for the benefit of the Beneficial Owners of the Bonds required by, subsection (i) of the Rule (as defined below).

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

“Annual Disclosure Statement” shall mean any Annual Disclosure Statement provided by DBA and filed by the Authority in the form attached hereto as Exhibit A and as further described in Section 4(a).

“Audit” shall have the meaning provided in Arkansas Code Annotated Section 10-4-402(a)(1), as the same may be amended from time to time.

“Beneficial Owner” of a Bond shall mean any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise, has or shares (i) voting power which includes the power to vote, or to direct the voting of, a Bond and/or (ii) investment power which includes the power to dispose, or to direct the disposition of, a Bond.

“Business Day” shall mean any day on which banks located in the city in which the designated corporate trust office of the Trustee is located is open for business.

“Disclosure Representative” shall mean the Vice President for Finance and Administration or his or her designee, or such other officer or employee as the Authority shall designate in writing to the Trustee from time to time.

“Dissemination Agent” shall mean the Authority, acting in its capacity as Dissemination Agent under this Agreement, or any successor Dissemination Agent designated in writing by the Authority 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.

“Financial Audit” shall have the meaning provided in Arkansas Code Annotated Section 10-4-402(a)(3), as the same may be amended from time to time.

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with Rule 15c2-12.

“Listed Events” shall mean any of the events listed in Subsection 5(a).

“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.

“Underwriter” shall mean Stephens Inc.

Provision of Annual Disclosure Statement.

The Authority, as Dissemination Agent, shall, or shall cause the Trustee to, not later than 240 days after the end of the State of Arkansas’s fiscal year, commencing with the fiscal year ended June 30, 2020, provide to the MSRB through its continuing disclosure service portal which is provided through EMMA at <http://www.emma.msrb.org>, or any similar system acceptable to the Securities and Exchange Commission, its Annual Disclosure Statement that is consistent with the requirements of this Agreement and in the form attached hereto as Exhibit A. Not later than 30 days prior to said date, DBA shall provide the Annual Disclosure Statement to the Authority. Not later than 15 days prior to said date, the Authority shall provide the Annual Disclosure Statement to the Trustee, and if filed, proof of filing with the MSRB, or if not filed, with directions to the Trustee to file the Annual Disclosure Statement with the MSRB.

Each Annual Disclosure Statement shall be in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB. Each Annual Disclosure Statement may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in this Agreement; provided that, any audited financial statements, Audit, or Financial Audit may be submitted separately from the balance of the Annual Disclosure Statement and later than the date required above for the filing of the Annual Disclosure Statement if they are not available by that date, but shall be submitted, when and if available, within 30 days of the Authority being informed or discovering that any audited financial statements, Audit, or Financial Audit is available.

If by 15 days prior to the date specified above for providing the Annual Disclosure Statement to the MSRB, the Trustee has not received a copy of the Annual Disclosure Statement and proof of filing with the MSRB, the Trustee shall contact the appropriate Disclosure Representative to determine if the Disclosing Parties are in compliance with this Agreement.

If the Trustee is unable to verify that the Annual Disclosure Statement has been provided to the MSRB by the date required in Subsection 3(a), the Trustee shall send a notice to the MSRB in substantially the form attached as Exhibit B.

On the effective date of this Agreement, the most recent fiscal year for which the Authority’s Audit or Financial Audit were available were for the year ending June 30, 2019. On the effective date of this Agreement, the auditor of the Authority’s financial statements is the Legislative Joint Auditing Committee

of the Division of Legislative Audit for the State of Arkansas. The authority and duties of the Division of Legislative Audit are set forth in Arkansas Code Annotated §§ 10-4-401 et. seq.

Content of Annual Disclosure Statement.

The Disclosing Parties' Annual Disclosure Statement shall contain or incorporate by reference the following, the Comprehensive Annual Financial Report ("CAFR") of the State of Arkansas for the most recent fiscal year available.

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

Reporting of Significant Events.

This Section shall govern the giving of notices of the occurrence of any of the following events:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of security holders, if material;
- (viii) Bond calls (other than mandatory sinking fund redemptions, if any), if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;

- (xii) Bankruptcy, insolvency, receivership or similar event of a Disclosing Party;
- (xiii) The consummation of a merger, consolidation or acquisition involving a Disclosing Party or the sale of all or substantially all of the assets of a Disclosing Party, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of a Financial Obligation of a Disclosing Party, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of a Disclosing Party, any of which may affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of a Disclosing Party, any of which reflect financial difficulties.

If a Listed Event occurs while any Bonds are outstanding, the Authority or DBA, as appropriate, shall provide, or shall cause to be provided by the Trustee, a Listed Event Notice (the “Listed Event Notice”), in a timely manner within ten (10) Business Days after the occurrence of such Listed Event, to 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. 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.

Upon occurrence of a Listed Event, DBA agrees to report such occurrence to the Authority in a timely manner not in excess of two Business Days after the occurrence of such Listed Event. The Authority shall in a timely manner determine if a notice relating to such reported event must be filed and, if filing is required, file the Listed Event Notice in the time required by this Agreement.

The Trustee shall promptly advise the Authority whenever, in the course of performing its duties as Trustee hereunder, the Trustee identifies an occurrence which may require the Authority to provide a Listed Event Notice; provided that, the failure of the Trustee so to advise the Authority shall not constitute a breach by the Trustee of any of its duties and responsibilities hereunder or under the Indenture.

If the Trustee has been instructed by the Authority to report the occurrence of a Listed Event, the Trustee shall file a notice of such occurrence with the MSRB through EMMA. Notwithstanding the foregoing, notice of Listed Events described in subsections (viii) and (ix) of the definition of “Listed Event” in Section 5(a) of this Agreement need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Beneficial Owners of affected Bonds pursuant to the Indenture.

Notwithstanding the above, the Trustee shall file a notice in accordance with subsection (d) above of Listed Events described in subsections (viii) and (ix) of the definition of “Listed Event” in Section 5(a)

of this Agreement without direction from the Authority and without a determination by the Authority as whether such event must be filed pursuant to applicable federal securities laws.

Termination of Reporting Obligation. The obligations of the Disclosing Parties under this Agreement shall terminate upon the defeasance, prior redemption, or payment in full of all of the Bonds.

Additional Information. Nothing in this Agreement shall be deemed to prevent the Disclosing Parties from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Disclosure Statement or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Disclosing Parties choose to include any information in any Annual Disclosure Statement or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the Disclosing Parties shall not have any obligation under this Agreement to update such information or include it in any future Annual Disclosure Statement or notice of occurrence of a Listed Event.

Amendment and Waiver. Notwithstanding any other provision of this Agreement, the Disclosing Parties and the Trustee may amend this Agreement (and the Trustee shall agree to any amendment so requested by the Disclosing Parties so long as such amendment is not materially adverse to the Trustee), and any provision of this Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, acceptable to the Disclosing Parties and the Trustee, to the effect that such amendment or waiver would not, in and of itself, cause the undertaking herein to violate the Rule if such amendment or waiver had been effective on the date hereof, but taking into account any subsequent change in or official interpretation of the Rule.

Default.

In the event of a failure of the Disclosing Parties or the Trustee to comply with any provision of this Agreement, the Trustee may (and, at the request of any Underwriter or the Beneficial Owners of at least 25 percent aggregate principal amount of Outstanding Bonds, shall), or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Disclosing Parties or the Trustee, as the case may be, to comply with its obligations under this Agreement.

Notwithstanding the provisions of Subsection 9(a), no Beneficial Owner shall have any right to take any action to challenge the adequacy of the information provided in accordance with this Agreement unless the Beneficial Owners of at least 25 percent aggregate principal amount of Outstanding Bonds shall have made written request to the Trustee to take such action in its own name and shall have offered the Trustee reasonable indemnity, and the Trustee for 60 days after its receipt of notice, request, and offer of indemnity has failed to institute any such action.

A default under this Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Agreement in the event of any failure of the Disclosing Parties or the Trustee to comply with this Agreement shall be an action to compel performance.

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

Beneficiaries. This Agreement shall inure solely to the benefit of the Disclosing Parties, the Trustee, the Underwriter and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Counterparts. This 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.

**ARKANSAS DEVELOPMENT
FINANCE AUTHORITY**

By: _____
Bryan Scoggins, President

**ARKANSAS DEPARTMENT OF PARKS,
HERITAGE AND TOURISM, DIVISION OF
ARKANSAS HERITAGE**

By: _____

**ARKANSAS DEPARTMENT OF
TRANSFORMATION AND SHARED
SERVICES, DIVISION OF BUILDING
AUTHORITY**

By: _____
Anne W. Laidlaw, Director

SIMMONS BANK, as TRUSTEE

By: _____
Glenda Dean, Senior Vice President and
And Corporate Trust Manager

EXHIBIT A

ANNUAL DISCLOSURE STATEMENT

Name of Issuer: Arkansas Development Finance Authority

Name of Obligated Party: The Department of Transformation and Shared Services, Division of Building Authority

Name of Bond Issue: \$6,350,000 Arkansas Development Finance Authority State Agencies Facilities Refunding Bonds (Division of Arkansas Heritage Project), Taxable Series 2020, dated October 27, 2020

Filing Date: _____

CUSIP Nos: _____

Part I

If prepared and available, the Comprehensive Annual Financial Report (CAFR) of the State of Arkansas for the most recent fiscal year available. See the caption “Provision of Annual Disclosure Statement” of the Continuing Disclosure Agreement dated as of October 27, 2020.

The Comprehensive Annual Financial Report (CAFR) of the State of Arkansas for the fiscal year ended June 30, 20__ [is attached hereto and made a part hereof] [has not been provided to the Disclosing Parties as of the date of this filing].

Part II

As of the date of this filing, the rating assigned to the Bonds by _____ is “____.”

EXHIBIT B

**NOTICE OF FAILURE TO FILE
ANNUAL DISCLOSURE STATEMENT**

Name of Issuer: Arkansas Development Finance Authority

Name of Obligated Party: The Department of Transformation and Shared Services, Division of Building Authority

Name of Bond Issue: \$6,350,000 Arkansas Development Finance Authority State Agencies Facilities Refunding Bonds (Division of Arkansas Heritage Project), Taxable Series 2020, dated October 27, 2020

Dated Date: October 27, 2020

NOTICE IS HEREBY GIVEN that the Disclosing Parties have not provided an Annual Disclosure Statement with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated as of October 27, 2020 between the Disclosing Parties and Simmons Bank, as Trustee. [The Disclosing Parties anticipate that the Annual Disclosure Statement will be filed by _____.]

Dated: _____

Simmons Bank, Trustee

cc: Arkansas Development Finance Authority
1 Commerce Way, Suite 602
Little Rock, Arkansas 72202
Attn: President