NEW ISSUE **RATINGS: (AGM Insured) S&P: AA (stable outlook)**
BOOK-ENTRY ONLY **(Underlying Rating) S&P: A (stable outlook)**

*In the opinion of Bond Counsel, based on existing statutes, regulations, rulings and court decisions, the interest on the Series 2020 Bonds is not excludable from gross income for federal income tax purposes, and the Series 2020 Bonds and interest thereon are exempt from all Arkansas state, county and municipal taxes. See **LEGAL MATTERS**, Tax Matters herein.*

$24,250,000
SEVIER COUNTY, ARKANSAS
SALES AND USE TAX BONDS
TAXABLE SERIES 2020

Dated: Date of Delivery Due: August 1, as shown below

Principal of and interest on the Series 2020 Bonds are payable from a pledge of receipts derived by Sevier County, Arkansas (the "County") from a 1% sales and use tax levied by the County. See **THE SERIES 2020 BONDS**, Security herein. Interest on the Series 2020 Bonds is payable semiannually on February 1 and August 1 in each year, commencing February 1, 2021, and the Series 2020 Bonds mature (on August 1 of each year), bear interest and are priced as follows:

MATURITY SCHEDULE

$8,245,000 Serial Bonds

Maturity	Amount	Rate(%)	Maturity	Amount	Rate(%)
2022	$170,000	0.639	2029	$730,000	1.979
2023	170,000	0.812	2030	745,000	2.049
2024	345,000	1.011	2031	760,000	2.179
2025	345,000	1.111	2032	775,000	2.279
2026	525,000	1.409	2033	795,000	2.379
2027	530,000	1.609	2034	810,000	2.479
2028	715,000	1.879	2035	830,000	2.579

$4,535,000 3.032% Term Bonds Due August 1, 2040
$5,285,000 3.182% Term Bonds Due August 1, 2045
$6,185,000 3.282% Term Bonds Due August 1, 2050

Price: 100%

The scheduled payment of principal of and interest on the Series 2020 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2020 Bonds by Assured Guaranty Municipal Corp.

ASSURED GUARANTY MUNICIPAL

The Series 2020 Bonds of each maturity will be initially issued as a single registered Bond registered in the name of Cede & Co., the nominee of The Depository Trust Company ("DTC"), New York, New York. The Series 2020 Bonds will be available for purchase in book-entry form only, in denominations of $5,000 or any integral multiple thereof. Except in limited circumstances described herein, purchasers of the Series 2020 Bonds will not receive physical delivery of Series 2020 Bonds. Payments of principal of and interest on the Series 2020 Bonds will be made by Bank OZK, Little Rock, Arkansas, as the Trustee, directly to Cede & Co., as nominee for DTC, as registered owner of the Series 2020 Bonds, to be subsequently disbursed to DTC Participants and thereafter to the Beneficial Owners of the Series 2020 Bonds, all as further described herein. It is expected that the Series 2020 Bonds will be available for delivery at the facilities of DTC in New York, New York on or about October 22, 2020.

The Series 2020 Bonds are offered, subject to prior sale, when, as and if issued and received by the Underwriter named below, subject to the approval of legality by Friday, Eldredge & Clark, LLP, Little Rock, Arkansas, Bond Counsel, and subject to certain other conditions.

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

Stephens Inc.

Dated: September 18, 2020.

No dealer, broker, salesman or other person has been authorized by the County or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or other solicitation of an offer to buy, nor shall there be any sale of the Series 2020 Bonds by any persons in any state in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the County since the date hereof.

Assured Guaranty Municipal Corp. (the "Insurer") makes no representation regarding the Series 2020 Bonds or the advisability of investing in the Series 2020 Bonds. In addition, the Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Insurer supplied by the Insurer and presented under the heading BOND INSURANCE and Exhibit B, Specimen Municipal Bond Insurance Policy.

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OFFICIAL STATEMENT

$24,250,000
SEVIER COUNTY, ARKANSAS
SALES AND USE TAX BONDS
TAXABLE SERIES 2020

INTRODUCTION TO OFFICIAL STATEMENT

This Introduction is subject in all respects to the more complete information contained in this Official Statement. The offering of the Series 2020 Bonds to potential investors is made only by means of the entire Official Statement, including the cover page hereof and exhibit hereto. A full review should be made of the entire Official Statement, as well as the Authorizing Ordinance described herein.

This Official Statement of Sevier County, Arkansas (the "County") is furnished in connection with the offering by the County of its $24,250,000 principal amount of Sales and Use Tax Bonds, Taxable Series 2020 (the "Series 2020 Bonds"). The Series 2020 Bonds are being issued for the purpose of acquiring, constructing, furnishing and equipping a new county hospital facility (the "Hospital") and any necessary land acquisition and utility, road, parking, drainage or other improvements for the Hospital (collectively, the "Project"), funding capitalized interest, funding a debt service reserve and paying expenses of issuing and insuring the Series 2020 Bonds. See **THE SERIES 2020 BONDS**, Sources and Uses of Funds.

The County is a county duly organized under the laws of the State of Arkansas (the "State"). The County is authorized under Amendment No. 62 to the Constitution of the State ("Amendment 62") and Title 14, Chapter 164, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation") to issue capital improvement bonds and to expend the proceeds thereof for the intended purpose. See **THE COUNTY**.

The Series 2020 Bonds are not general obligations of the County but are special obligations payable solely from collections from a 1% sales and use tax (the "Tax") levied by the County. See **THE TAX** and **THE SERIES 2020 BONDS**, Security. The Tax is levied under Ordinance No. 2019-03 of the County, adopted on August 5, 2019 (the "Tax Ordinance"). The issuance of the Series 2020 Bonds and the pledging of the Tax to the payment of the principal of and interest on the Series 2020 Bonds was approved at a special election held October 8, 2019. The Series 2020 Bonds are being issued pursuant to and in full compliance with Amendment 62 and the Authorizing Legislation and Ordinance No. 2020-04 of the County, adopted on September 11, 2020 (the "Authorizing Ordinance"). See **THE AUTHORIZING ORDINANCE**.

The Series 2020 Bonds will be initially issued in book-entry form and purchasers of Series 2020 Bonds will not receive certificates representing their interest in the Series 2020 Bonds purchased. See **THE SERIES 2020 BONDS**, Book-Entry Only System. The Series 2020 Bonds will contain such other terms and provisions as described herein. See **THE SERIES 2020 BONDS**, Generally.

The County has reserved the right in the Authorizing Ordinance to issue additional bonds on a parity of security with the Series 2020 Bonds (the "Additional Parity Bonds"). See **THE AUTHORIZING ORDINANCE**, Additional Parity Bonds.

The Series 2020 Bonds are issuable only as fully registered bonds, without coupons, in the denomination of $5,000 or any integral multiple thereof. Interest is payable February 1, 2021 and semiannually thereafter on each February 1 and August 1. Payment of principal of the Series 2020 Bonds will be made to the owners of the Series 2020 Bonds at the principal office of Bank OZK, Little Rock, Arkansas, as trustee and paying agent (the "Trustee"). Interest is payable by check mailed by the Trustee to the registered owners as of the record date for each interest payment date. The record date for payment of interest on the Series 2020 Bonds shall be the fifteenth day of the calendar month next preceding each interest payment date. A Series 2020 Bond may be transferred, in whole or in part (in integral multiples of $5,000), but only upon delivery of the Series 2020 Bond, together with a written instrument of transfer, to the Trustee. See **THE SERIES 2020 BONDS**, Generally and Book-Entry Only System.

The scheduled payment of the principal of and interest on the Series 2020 Bonds when due will be guaranteed under a municipal bond insurance policy (the "Insurance Policy") to be issued by Assured Guaranty Municipal Corp. (the "Insurer") simultaneously with the delivery of the Bonds. A specimen municipal bond insurance policy is attached hereto as Exhibit B. It is expected that, based upon the commitment of the Insurer to insure the Bonds, S&P Global Ratings ("S&P") will assign a rating of "AA" (stable outlook) to the Series 2020 Bonds. However, there is no guarantee that such rating will be received. See **BOND INSURANCE and MISCELLANEOUS**, Ratings. So long as the Insurer is not in default under the Insurance Policy, it is subrogated to, and may enjoy and exercise, all rights and remedies of the owners of the Series 2020 Bonds and may direct the Trustee in the exercise of any remedies set forth herein. No remedy set forth herein may be exercised by the Trustee or by any owner of any of the Series 2020 Bonds without the prior written approval of the Insurer. See **THE AUTHORIZING ORDINANCE**, Defaults and Remedies.

The Series 2020 Bonds are subject to extraordinary redemption from proceeds of the Series 2020 Bonds not needed for the purposes intended and are subject to optional redemption on and after August 1, 2030. The Series 2020 Bonds maturing on August 1 in the years 2040, 2045 and 2050 are subject to mandatory sinking fund redemption as described herein. The Trustee shall give at least thirty (30) days notice of redemption. See **THE SERIES 2020 BONDS**, Redemption.

Under existing law (i) interest on the Series 2020 Bonds is not excludable from gross income for federal income tax purposes and (ii) the Series 2020 Bonds and interest thereon are exempt from all State, county and municipal taxes. See **LEGAL MATTERS**, Tax Matters.

It is expected that the Series 2020 Bonds will be available for delivery on or about October 22, 2020, through the facilities of The Depository Trust Company in New York, New York.

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

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of the Authorizing Ordinance and the Continuing Disclosure Agreement summarized herein are available upon request from Stephens Inc., 111 Center Street, Suite 1720, Little Rock, Arkansas 72201, Attention: Public Finance.

THE SERIES 2020 BONDS

Book-Entry Only System. The Depository Trust Company ("DTC"), New York, New York, or its successor, will act as securities depository for the Series 2020 Bonds. The Series 2020 Bonds will each be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2020 Bond certificate for each maturity will be issued in the principal amount of the maturity, and will be deposited with DTC.

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

Purchases of Series 2020 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2020 Bond (referred to herein as "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2020 Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in Series 2020 Bonds, except in the event that use of the book-entry system for the Series 2020 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2020 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2020 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2020 Bonds are credited, which may or may not be the Beneficial Owners. Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices will be sent to Cede & Co. If fewer than all of the Series 2020 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2020 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2020 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and premium, if any, payments on the Series 2020 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 County or Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2020 Bonds at any time by giving reasonable notice to the County or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2020 Bonds are required to be printed and delivered. The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2020 Bonds will be printed and delivered.

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

So long as the Series 2020 Bonds are in book-entry only form, Cede & Co., as nominee for DTC, will be treated as the sole owner of the Series 2020 Bonds for all purposes under the Authorizing Ordinance, including receipt of all principal of and interest on the Series 2020 Bonds, receipt of notices, voting and requesting or directing the Trustee to take or not to take, or consenting to, certain actions under the Authorizing Ordinance. The County and the Trustee have no responsibility or obligation to the Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any Participant; (b) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal of and interest on the Series 2020 Bonds; (c) the delivery or timeliness of delivery by any Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Authorizing Ordinance to be given to owners of Series 2020 Bonds; or (d) other action taken by DTC or Cede & Co. as owner of the Series 2020 Bonds.

Generally. The Series 2020 Bonds are dated, mature and bear interest as set forth on the cover page hereof. The principal of the Series 2020 Bonds is payable upon presentation and surrender at the office of the Trustee. Payment of interest on the Series 2020 Bonds will be made to each registered owner thereof by check or draft mailed by the Trustee to such owner at his address as such name and address appear on the registration book of the County kept by the Trustee on the record date which is the fifteenth day of the calendar month next preceding the calendar month in which such interest payment date falls. All such payments will be made in lawful money of the United States of America.

The Series 2020 Bonds are issuable in the form of registered Series 2020 Bonds without coupons in the denomination of $5,000 each or any integral multiple thereof, interchangeable in accordance with the provisions of the Authorizing Ordinance. In the event any Series 2020 Bond is mutilated, lost or destroyed, the County shall, if not then prohibited by law, execute and the Trustee may authenticate a new Series 2020 Bond in accordance with the provisions therefore in the Authorizing Ordinance.

Each Series 2020 Bond is transferable by the registered owner thereof or by his attorney duly authorized in writing at the office of the Trustee. Upon such transfer a new fully registered Series 2020 Bond or Bonds of the same maturity, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefore.

No charge shall be made to any owner of any Series 2020 Bond for the privilege of registration, but any owner of any Series 2020 Bond requesting any such registration shall pay any tax or other governmental charge required to be paid with respect thereto. Except as otherwise provided in the immediately preceding sentence, the cost of preparing each new Series 2020 Bond upon each exchange or transfer and any other expenses of the County or the Trustee incurred in connection therewith shall be paid by the County. Neither the County nor the Trustee shall be required to transfer or exchange any Series 2020 Bonds selected for redemption in whole or in part.

The person in whose name any Series 2020 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or interest of any Series 2020 Bond shall be made only to or upon the order of the registered owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2020 Bond to the extent of the sum or sums so paid.

In any case where the date of maturity of interest on or principal of the Series 2020 Bonds or the date fixed for redemption of any Series 2020 Bonds shall be a Saturday or Sunday or shall be in the State a legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal need not be made on such date but may be made on the next succeeding business day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after the date of maturity or date fixed for redemption.

Redemption. The Series 2020 Bonds are subject to extraordinary, optional and mandatory sinking fund redemption as follows:

(1) Extraordinary Redemption. The Series 2020 Bonds shall be redeemed from proceeds of the Series 2020 Bonds not needed for the purposes intended on any interest payment date, in whole or in part, in inverse order of maturity and by lot within a maturity in such manner as the Trustee shall determine, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date.

(2) Optional Redemption. The Series 2020 Bonds are subject to redemption at the option of the County, from funds from any source, on and after August 1, 2030, in whole or in part at any time, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date. If fewer than all of the Series 2020 Bonds shall be called for redemption, the particular maturities of the Series 2020 Bonds to be redeemed shall be selected by the County in its discretion. If fewer than all of the Series 2020 Bonds of any one maturity shall be called for redemption, the particular Series 2020 Bonds or portion thereof to be redeemed from such maturity shall be selected by lot by the Trustee.

(3) Mandatory Sinking Fund Redemption. To the extent not previously redeemed, the Series 2020 Bonds maturing on August 1 in the years 2040, 2045 and 2050 are subject to mandatory sinking fund redemption by lot in such manner as the Trustee shall determine, on August 1 in the years and in the amounts set forth below, at a redemption price equal to the principal amount being redeemed plus accrued interest to the date of redemption:

Series 2020 Bonds Maturing August 1, 2040

Years	Principal Amount
2036	$855,000
2037	880,000
2038	905,000
2039	935,000
2040 (maturity)	960,000

Series 2020 Bonds Maturing August 1, 2045

Years	Principal Amount
2041	$ 990,000
2042	1,025,000
2043	1,055,000
2044	1,090,000
2045 (maturity)	1,125,000

Series 2020 Bonds Maturing August 1, 2050

Years	Principal Amount
2046	$1,160,000
2047	1,195,000
2048	1,235,000
2049	1,275,000
2050 (maturity)	1,320,000

In the case of any redemption of Series 2020 Bonds prior to maturity, the Trustee shall mail or send via other standard means, including electronic or facsimile communication, a copy of the redemption notice to the registered owners of the Series 2020 Bonds to be redeemed, in each case not less than 30 days prior to the date of redemption. After the date for redemption no further interest shall accrue on any Series 2020 Bond called for redemption if funds for redemption of such Series 2020 Bond have been deposited with the Trustee as provided in the Authorizing Ordinance.

Notwithstanding the above, so long as the Series 2020 Bonds are issued in book-entry only form, if fewer than all the Series 2020 Bonds of an issue are called for redemption, the particular Series 2020 Bonds to be redeemed will be selected pursuant to the procedures established by DTC. So long as the Series 2020 Bonds are issued in book-entry only form, notice of redemption will be given only to Cede & Co., as nominee for DTC. **The Trustee will not give any notice of redemption to the Beneficial Owners of the Series 2020 Bonds**.

Purposes for Series 2020 Bonds. At the special election held October 8, 2019, there was approved the issuance of bonds in the maximum aggregate principal amount of $24,250,000 to finance all or a portion of the costs of the Project, to fund capitalized interest, to fund a debt service reserve and to pay the costs of issuance.

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

Costs of Project	$22,150,000
Capitalized Interest	856,981
Debt Service Reserve	682,329
Insurance Policy Premium and Costs of Issuance	227,252
Underwriter's Discount	333,438
Total	$24,250,000

The payment of Underwriter's discount, the Insurance Policy premium and the costs of issuing the Series 2020 Bonds relating to the payment of professional fees will be contingent on the Series 2020 Bonds being issued. See **MISCELLANEOUS**, Underwriting for a description of the Underwriter's discount. The County will deposit the net proceeds of the Series 2020 Bonds (principal amount less Underwriter's discount, capitalized interest deposit, Insurance Policy premium, debt service reserve deposit and issuance costs) into a special fund established with the Trustee and designated the "Hospital Construction Fund" (the "Construction Fund"). Moneys contained in the Construction Fund will be disbursed by the Trustee solely in payment of Project costs, paying necessary expenses incidental thereto and paying expenses of issuing the Series 2020 Bonds. Disbursements shall be on the basis of requisitions which shall contain at least the following information: the person to whom payment is being made; the amount of the payment; and the purpose by general classification of the payment. For a description of how the Series 2020 Bond proceeds are to be invested pending use and the provisions governing those investments, see **THE AUTHORIZING ORDINANCE**, Investments.

Security. The Series 2020 Bonds are not general obligations of the County but are special obligations, secured by a pledge of collections of the Tax ("Tax receipts"). Tax receipts will be used to pay the principal of and interest on the Series 2020 Bonds and any Additional Parity Bonds when due, to pay any arbitrage rebate due under Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code"), to pay Trustee's and administrative fees, to pay any amounts due with respect to the Insurance Policy (or any other insurance policy in connection with Additional Parity Bonds) and to maintain the debt service reserve in the required amount. The balance of the Tax receipts will be released from the pledge in favor of the Series 2020 Bonds and any Additional Parity Bonds and may be used by the County for any lawful purpose for which Tax receipts may be used. The Series 2020 Bonds are secured under the Authorizing Ordinance. For a summary of the terms of the Authorizing Ordinance, see **THE AUTHORIZING ORDINANCE**.

A debt service reserve in the Bond Fund will be maintained in an amount equal to one-half of the maximum annual debt service requirement on the Series 2020 Bonds and any Additional Parity Bonds. See **THE AUTHORIZING ORDINANCE**, The Bond Fund.

COVID-19 Disclosure. The World Health Organization has declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus. On March 13, 2020, President Trump declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Arkansas Governor Asa Hutchinson (the "Governor") has declared a state of emergency due to the outbreak of COVID-19 in the State. There have been significant declines in the financial markets in the United States and volatility attributed to concerns about the duration of the pandemic and its continued economic impact. If market declines and/or volatility continues, the ability to sell or trade securities in the financial markets could be materially constrained.

In an attempt to slow the spread of COVID-19 in the State, the Governor has taken numerous and wide-spread actions designed to mandate or encourage "social distancing." Developments with respect to COVID-19 and the State's responses to COVID-19 (including governmental mandates) continue to occur at a rapid pace, including on a daily basis, and the swift spread of the outbreak may continue to increase in severity for an unknown period of time.

To address the ongoing concerns related to the COVID-19 pandemic, County and city leaders have been meeting weekly. The COVID-19 response team includes the County Judge, the Mayor of De Queen, the County Health Officer, the County Health Department Director, an Office of Emergency Management Director, the Police Chief of De Queen, the Fire Chief of De Queen, the County Sheriff, a Justice of the Peace and a local paramedic.

The full impact of COVID-19 on the County is not known. The County's general revenues and road revenues are about the same for the first half of 2020 as compared to the first half of 2019. County General Turnback, which is a form of aid from the State, is down by approximately 18%. Sales and use tax collections are up. See **THE TAX**, Historical Tax Receipts herein. Any decreases the County has realized in some revenues have been offset by increases in other revenues so that overall, there have been no significant difficulties in meeting expenses. Furthermore, the County is not aware of any major businesses in the County that have closed due to COVID-19 that would have a materially adverse effect on sales and use tax collections or other revenues within the County. County officials do not foresee any future financial difficulties for the County as a result of COVID-19.

The County has made changes to its offices to protect employees and the general public. The County Courthouse is closed to walk-in traffic, unless citizens request an appointment. The County is enforcing strict social distancing measures for people who have to make appearances in District or Circuit Court. County Road employees have been permitted to take County vehicles home so they can drive directly to and from a given jobsite. County employees wear masks and several offices have been equipped with glass partitions to protect employees' workspaces. The County has also purchased additional cleaning supplies and other protective equipment for employees. The County may incur additional expense related to COVID-19 and plans to request any aid that becomes available to reimburse itself for COVID-related expenses. With the exception of the Solid Waste Department, which cut back the number of hours some of its satellite stations are manned, County departments have not experienced any furloughs or layoffs.

THE COUNTY

Generally. The County is located in southwest Arkansas. The county seat of the County is De Queen, which is approximately 142 miles southwest of Little Rock, Arkansas. The municipalities in the County and their population are as follows:

Municipality	2010 Population	2018 Population*
Ben Lomond	145	144
De Queen	6,594	6,595
Gillham	160	156
Horatio	1,044	1,041
Lockesburg	739	725

Population. Since 1970, the population trend for the County, according to the U.S. Bureau of Census, is as follows:

Year	County Population
1970	11,272
1980	14,060
1990	13,637
2000	15,757
2010	17,058
2018*	17,139

Transportation. The County is served by U. S. Highway Nos. 59, 70 and 71. Several motor freight carriers make daily shipments from the County to major cities across the United States. The County is served by the Kansas City Southern Railroad and shortline railroad De Queen and Eastern. The J. Lynn Helms-Sevier County Airport in De Queen, Arkansas has a paved 5,000 foot runway.

Government. The County is administered by a Quorum Court, which is comprised of an elected County Judge and nine elected Justices of the Peace. Justices of the Peace are elected for two-year terms. The County Judge is elected for a four-year term. The County Judge is the chief executive officer of the County and is a full-time position. The County Judge is Greg Ray, who is serving his fifth term, which expires December 31, 2022.

Medical Facilities. After completion of the Project, the Hospital will be the only medical facility in the County.

Education. Primary and secondary education for the County's inhabitants is provided by two public school districts: De Queen School District and Horatio School District. The Cossatot Community College of the University of Arkansas is a two-year institution with campuses in De Queen and also in Ashdown and Nashville. The University of Arkansas Rich Mountain Community College is located approximately 48 miles from De Queen in Mena, Arkansas.

Litigation. There is no material litigation pending or threatened against the County.

* Estimate as of July 1, 2018

Economy. Set forth below are the characteristics of the major employers in the County:

Employer	Product or Service	Number of Employees
Pilgrim's Pride	Poultry produces	1,501
De Queen School District	Education	400
Walmart	Retail	173
Cossatot Community College of the University of Arkansas	Education	169
Horatio School District	Education	127
Sevier County	Government	96
City of De Queen	Government	62

Additional Economic Data. Per capita personal income estimates for the County are as follows:(1)

Year	Per Capita Personal Income
2014	$28,933
2015	28,777
2016	29,445
2017	30,197
2018	31,436

Total personal income estimates for the County are as follows:(1)

Year	Total Personal Income
2014	$504,276,000
2015	497,036,000
2016	499,968,000
2017	517,758,000
2018	538,775,000

The annual average unemployment rates for the County and the State since 2015 are as follows according to the Arkansas Department of Workforce Services:

	Annual Average Unemployment Rate (%)	
Year	County	State
2015	6.1	5.0
2016	4.9	4.0
2017	4.6	3.7
2018	4.7	3.7
2019	5.3	3.6
2020*	7.2	8.3

*As of June 2020.

(1)Source: U.S. Bureau of Economic Analysis.

THE TAX

Generally. The County has levied the Tax pursuant to the Tax Ordinance. The Tax is a tax within the County on all items which are subject to taxation under The Arkansas Gross Receipts Act of 1941 and a tax on the receipts from storing, using or consuming tangible personal property under The Arkansas Compensating (Use) Tax Act of 1949. The Tax went into effect on April 1, 2020.

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

Pursuant to Act 757 of 2011 (the "Sales Tax Holiday Act"), the State has created an annual sales tax holiday in which clothing (which are less than $100 per item), clothing accessories or equipment (which are less than $50 per item), school art supplies, school instructional materials and school supplies are exempt from taxation under The Arkansas Gross Receipts Tax Act of 1941. The annual sales tax holiday is from 12:01 a.m. on the first Saturday in August until 11:59 p.m. the following Sunday.

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

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

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Historical Tax Receipts. The Tax will be collected at a rate of 1%. Collections of a 0.5% sales and use tax (the "Existing 0.5% Tax") in the County (the "Existing 0.5% Tax") have been as follows since 2015 (taxes are collected in one month and received by the levying entity two months later):

	2015	2016	2017	2018	2019	2020
January	$66,537.01	$71,429.34	$70,729.91	$75,353.64	$80,393.06	$87,786.73
February	72,222.40	81,149.15	81,510.15	81,332.21	91,911.47	99,635.62
March	63,915.33	67,361.08	75,098.91	72,292.71	76,461.47	80,281.17
April	66,303.81	77,067.67	64,795.35	74,152.06	76,685.79	77,282.49
May	70,813.52	71,712.89	77,381.98	84,031.88	87,543.69	94,161.64
June	68,306.57	71,662.09	81,079.31	74,881.93	82,841.22	86,880.93
July	70,910.00	68,695.74	85,913.84	82,608.97	86,504.68	97,130.56
August	77,611.22	79,024.14	83,008.14	80,020.62	87,573.08	94,469.18
September	76,376.74	79,540.64	79,274.57	82,383.68	91,545.32	N/A
October	75,265.69	72,867.88	77,593.21	79,017.75	93,216.16	N/A
November	70,693.20	78,241.30	80,794.23	88,515.33	85,677.15	N/A
December	73,548.83	72,756.77	72,011.78	80,971.76	87,986.63	N/A
Total	$852,504.32	$891,508.69	$929,191.38	$955,562.54	$1,028,339.72	$717,628.32

TAXES ARE COLLECTED IN ONE MONTH AND RECEIVED BY THE LEVYING ENTITY TWO MONTHS LATER (For example, collections shown in June in the chart above are taxes paid in the County in April).

Based on collections of the Existing 0.5% Tax, Tax receipts would have been as follows since 2015 (taxes are collected in one month and received by the levying entity two months later):

	2015	2016	2017	2018	2019	2020
January	$133,074.02	$142,858.68	$141,459.82	$150,707.28	$160,786.12	$175,573.46
February	144,444.80	162,298.30	163,020.30	162,664.42	183,822.94	199,271.24
March	127,830.66	134,722.16	150,197.82	144,585.42	152,922.94	160,562.34
April	132,607.62	154,135.34	129,590.70	148,304.12	153,371.58	154,564.98
May	141,627.04	143,425.78	154,763.96	168,063.76	175,087.38	188,323.28
June	136,613.14	143,324.18	162,158.62	149,763.86	165,682.44	173,761.86
July	141,820.00	137,391.48	171,827.68	165,217.94	173,009.36	194,261.12
August	155,222.44	158,048.28	166,016.28	160,041.24	175,146.16	188,938.36
September	152,753.48	159,081.28	158,549.14	164,767.36	183,090.64	N/A
October	150,531.38	145,735.76	155,186.42	158,035.50	186,432.32	N/A
November	141,386.40	156,482.60	161,588.46	177,030.66	171,354.30	N/A
December	147,097.66	145,513.54	144,023.56	161,943.52	175,973.26	N/A
Total	$1,705,008.64	$1,783,017.38	$1,858,382.76	$1,911,125.08	$2,056,679.44	$1,435,256.64

TAXES ARE COLLECTED IN ONE MONTH AND RECEIVED BY THE LEVYING ENTITY TWO MONTHS LATER (For example, collections shown in June in the chart above are taxes paid in the County in April).

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Future Tax Receipts. Tax receipts will be contingent upon the sale and use of property and services within the County, which activity is generally dependent upon economic conditions within the County and surrounding trade area. Also, Tax receipts may be affected by changes to transactions exempted from the Tax made by legislation adopted by the General Assembly of the State or by the people of the State in the form of a constitutional amendment or initiated act. In the past the General Assembly of the State has considered new exemptions to the Tax, such as food sales, which, if adopted, would materially reduce Tax receipts. The County has no control over actions of the General Assembly or the people of the State and cannot predict whether changes to the Tax may be made. Accordingly, the County cannot predict with certainty the expected amount of Tax receipts to be received and, therefore, there can be no assurance that Tax receipts will be sufficient to pay the principal of and interest on the Series 2020 Bonds.

The United States Supreme Court held in *S. Dakota v. Wayfair, Inc.*, No. 17-494, 2018 WL 3058015 (U.S. June 21, 2018) that in certain circumstances retailers can be required to collect sales tax even in states where they have no physical presence. The Arkansas General Assembly passed Act 822 of 2019, which was signed by the Governor of the State on April 9, 2019, that requires out-of-state sellers without a physical presence in the State to collect and remit sales and use taxes to the State on annual sales of more than $100,000 from products and services delivered into the State. Alternatively, such sellers would be required to collect and remit sales and use taxes to the State if sales of products and services for delivery in the State consist of 200 or more transactions. These thresholds are identical to those imposed by the United States Supreme Court in *S. Dakota v. Wayfair, Inc.* The County is unable to predict at this time the effect of any future collections of the Tax on sales by retailers located outside the State.

BOND INSURANCE

Bond Insurance Policy. Concurrently with the issuance of the Series 2020 Bonds, Assured Guaranty Municipal Corp. (the "Insurer") will issue its Municipal Bond Insurance Policy for the Series 2020 Bonds (the "Insurance Policy"). The Insurance Policy guarantees the scheduled payment of principal of and interest on the Series 2020 Bonds when due as set forth in the form of the Insurance Policy included as an exhibit to this Official Statement.

The Insurance Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp. The Insurer is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure) and structured finance markets and, as of October 1, 2019, asset management services. Neither AGL nor any of its shareholders or affiliates, other than the Insurer, is obligated to pay any debts of the Insurer or any claims under any insurance policy issued by the Insurer.

The Insurer's financial strength is rated "AA" (stable outlook) by S&P, "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of the Insurer should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of the Insurer in its sole discretion. In addition, the rating agencies may at any time change the Insurer's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by the Insurer. The Insurer only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by the

Insurer on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On July 16, 2020, S&P announced it had affirmed the Insurer's financial strength rating of "AA" (stable outlook). The Insurer can give no assurance as to any further ratings action that S&P may take.

On December 19, 2019, KBRA announced it had affirmed the Insurer's insurance financial strength rating of "AA+" (stable outlook). The Insurer can give no assurance as to any further ratings actions that KBRA may take.

On August 13, 2019, Moody's announced it had affirmed the Insurer's financial strength rating of "A2" (stable outlook). The Insurer can give no assurance as to any further rating action that Moody's may take.

For more information regarding the Insurer's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

Capitalization of AGM

At June 30, 2020:

- The policyholders' surplus of the Insurer was approximately $2,667 million.
- The contingency reserves of the Insurer and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately $1,018 million. Such amount includes 100% of the Insurer's contingency reserve and 60.7% of MAC's contingency reserve.
- The net unearned premium reserves and net deferred ceding commission income of the Insurer and its subsidiaries (as described below) were approximately $2,048 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of the Insurer, (ii) the net unearned premium reserves and net deferred ceding commissions of the Insurer's wholly owned subsidiaries Assured Guaranty (Europe) plc ("AGE UK") and Assured Guaranty (Europe) SA ("AGE SA"), and (iii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of the Insurer and the contingency reserves, net unearned premium reserves and deferred ceding commission income of the Insurer and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGE UK and AGE SA were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to the Insurer are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2019 (filed by AGL with the SEC on February 28, 2020);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 (filed by AGL with the SEC on May 8, 2020); and

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2020 (filed by AGL with the SEC on August 7, 2020).

All information relating to the Insurer included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Series 2020 Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding the Insurer included herein under the caption **BOND INSURANCE**, Assured Guaranty Municipal Corp. or included in a document incorporated by reference herein (collectively, the "Insurer Information") shall be modified or superseded to the extent that any subsequently included Insurer Information (either directly or through incorporation by reference) modifies or supersedes such previously included Insurer Information. Any Insurer Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

The Insurer makes no representation regarding the Series 2020 Bonds or the advisability of investing in the Series 2020 Bonds. In addition, the Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Insurer supplied by the Insurer and presented under the heading **BOND INSURANCE**.

THE AUTHORIZING ORDINANCE

Set forth below is a summary of certain portions of the Authorizing Ordinance. This summary does not purport to be comprehensive and reference is made to the full text of the Authorizing Ordinance for a complete description of its provisions. The County will covenant as set forth below in the Authorizing Ordinance. **Unless the context clearly indicates otherwise, all references under this heading to the "Bonds" shall include the Series 2020 Bonds and any Additional Parity Bonds.**

Rights of Insurer. Various rights of the County and the holders of the Series 2020 Bonds are subject to rights and powers granted to the Insurer pursuant to the Authorizing Ordinance.

The Revenue Fund. The Trustee shall deposit all collections of the Tax as and when received into a special fund of the County in the Trustee heretofore created and designated "Sales and Use Tax Revenue Fund" (the "Revenue Fund"). There is created in the Revenue Fund the following accounts: Bond Account and Surplus Revenues Account. Monthly collections of the Tax shall first be deposited into the Bond Account until there are sufficient funds to make the transfers set forth below. The balance shall then be deposited into the Surplus Revenues Account. Moneys in the Bond Account shall, within five (5) days of receipt, be transferred to the following accounts each month, in the following order of priority:

(1) 1/6 of the interest on the Bonds next due - Debt Service Account in the Bond Fund; and

(2) 1/12 of the principal of the Bonds next due at maturity or upon mandatory sinking fund redemption - Debt Service Account in the Bond Fund; and

(3) the Trustee's fees and expenses and other administrative expenses next due and any amounts due with respect to the Insurance Policy (or any other insurance policy in connection with Additional Parity Bonds ("Parity Bond Policy") - Expense Account in the Bond Fund; and

(4) any amount which may be necessary to increase the Debt Service Reserve Account to the required level - Debt Service Reserve Account in the Bond Fund; and

(5) any amount necessary to pay any arbitrage rebate due under Section 148(f) of the Code - Expense Account in the Bond Fund.

The deposits made into the Debt Service Account in the Bond Fund shall be reduced in order to take into account as a credit (1) interest earnings and (2) transfers from the Debt Service Reserve Account.

Moneys in the Surplus Revenues Account in the Revenue Fund shall be released from the pledge and lien in favor of the Bonds. Moneys in the Surplus Revenues Account shall be transferred into such accounts as specified from time to time by the County and such funds may be used for any lawful purpose for which Tax collections may be used.

<u>The Bond Fund</u>. There is created by the Authorizing Ordinance a special fund of the County in the Trustee that is designated "Sales and Use Tax Bond Fund" (the "Bond Fund") for the purpose of providing funds for the payment of principal of and interest on the Bonds as they become due at maturity or at redemption prior to maturity, the Trustee's fees and expenses and other administrative expenses, any amounts due with respect to the Insurance Policy or Parity Bond Policy and any arbitrage rebate due under Section 148(f) of the Code. There shall be established in the Bond Fund the following accounts into which moneys from the Revenue Fund shall be deposited monthly: Debt Service Account; Expense Account and Redemption Account. Moneys in the following Bond Fund accounts shall be used on each interest payment date (or in the case of a payment with respect to the Insurance Policy or Parity Bond Policy, on any date due) in the following order of priority as and when necessary:

(1) to pay the interest on the Bonds then due - Debt Service Account;

(2) to pay the principal of the Bonds then due at maturity or upon mandatory sinking fund redemption - Debt Service Account;

(3) to pay the Trustee's fees and expenses and other administrative expenses then due and any amounts due with respect to the Insurance Policy or Parity Bond Policy - Expense Account; and

(4) to redeem Bonds prior to maturity - Redemption Account.

In addition, moneys in the Expense Account in the Bond Fund shall be used to pay any arbitrage rebate under Section 148(f) of the Code.

There shall also be established in the Bond Fund a Capitalized Interest Account. Proceeds of the Series 2020 Bonds deposited in the Capitalized Interest Account shall be transferred by the Trustee to the Debt Service Account on interest payment dates to pay interest on the Series 2020 Bonds through February 1, 2022.

There shall also be established and maintained in the Bond Fund a Debt Service Reserve Account in an amount equal to one-half of the maximum annual debt service requirement on the Bonds (the "required level"). Moneys in the Debt Service Reserve Account shall be used to make the payments described in clauses (1) and (2) above if moneys in the Debt Service Account in the Bond Fund are not otherwise sufficient for that purpose. Moneys in the Debt Service Reserve Account over and above the required level shall be immediately transferred from the Debt Service Reserve Account into the Debt Service Account in the Bond Fund.

When the moneys in the Bond Fund shall be and remain sufficient to pay (1) the principal of and interest on the Bonds then outstanding, (2) the Trustee's fees and expenses, (3) any amounts due with respect to the Insurance Policy or Parity Bond Policy and (4) any arbitrage rebate due under Section 148(f) of the Code, there shall be no obligation to make any further payments into the Bond Fund and any Tax receipts remaining in the Bond Fund shall be transferred into such accounts as specified from time to time by the County and such funds may be used for any lawful purpose for which Tax collections may be used.

Investments. (a) Moneys held for the credit of the Debt Service Reserve Account in the Bond Fund shall be invested and reinvested in Permitted Investments, which shall mature, or which shall be subject to redemption by the holder thereof, at the option of such holder, not later than seven (7) years after the date of investment or the final maturity date of the outstanding Bonds, whichever is earlier. The Trustee shall so invest and reinvest pursuant to the direction of the County and in the Trustee's discretion in the absence of any direct instructions from the County.

(b) Moneys held for the credit of the Bond Fund (other than the Debt Service Reserve Account) and the Revenue Fund shall be invested and reinvested in Permitted Investments, which shall mature, or which shall be subject to redemption by the holder thereof at the option of the holder, not later than the date or dates on which the money shall be required for the payment of the principal of and interest on the Bonds when due. The Trustee shall so invest and reinvest pursuant to the direction of the County and in the Trustee's discretion in the absence of any direct instructions from the County.

(c) Moneys held for the credit of the Construction Fund shall be invested and reinvested in Permitted Investments or other investments from time to time permitted by law, which will mature, or which will be subject to redemption by the holder thereof at the option of the holder, not later than the date or dates on which the money shall be required for the purposes intended. The Trustee shall so invest and reinvest pursuant to the direction of the County and in the Trustee's discretion in the absence of any direct instructions from the County.

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

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

(f) Moneys so invested in Government Securities or in certificates of deposit of banks to the extent insured by FDIC need not be secured by the Trustee or the depository bank or banks.

(g) Investments of moneys in all funds shall be valued in terms of current market value as of the last day of each year, except that direct obligations of the United States (State and Local Government Series) in book-entry form shall be continuously valued at par or face amount.

Certain Covenants. The County covenants that (a) it will faithfully and punctually perform all duties with reference to the Tax and the Bonds, required by the Constitution and laws of the State and by the Authorizing Ordinance, including the collection of the Tax, as therein specified and covenanted, the segregating of the Tax receipts and the applying of the Tax receipts as provided in the Authorizing Ordinance.

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

Defaults and Remedies. (a) Subject to the provisions of subparagraph (g) below, if there be any default in the payment of the principal of and interest on the Bonds, or if the County defaults in the performance of any covenant contained in the Authorizing Ordinance, the Trustee may, and upon the written request of (1) the Insurer or (2) with the consent of the Insurer, the owners of not less than 10% in principal amount of the Bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the County and officials of the State, under the Authorizing Ordinance, to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

(b) No owner of any Bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law for the protection or enforcement of any right under the Authorizing Ordinance or under the Constitution and laws of the State unless (1) such owner or the Trustee shall have given written notice of such default to the Insurer and (2) such owner previously shall have given to the Trustee written notice of the default on account of which such suit, action or proceeding is to be taken, and unless the owners of not less than 10% in principal amount of the Bonds then outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted by the Constitution and laws of the State, or to institute such action, suit or proceeding in its name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the cost, expense and liabilities to be incurred therein or thereby and the Trustee shall have refused or neglected to comply with such request within a reasonable time, and such notification, request and offer of indemnity are in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trust of the Authorizing Ordinance or to any other remedy thereunder. No one or more owners of the Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Authorizing Ordinance, or to enforce any right thereunder except in the manner therein provided, that all proceedings at law or in equity shall be instituted, had and maintained in the manner therein provided and for the benefit of all owners of the outstanding Bonds, and any individual rights of action or other right given to one or more of such owners by law are restricted by the Authorizing Ordinance to the rights and remedies therein detailed.

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

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

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

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

(g) Notwithstanding the above, the Insurer shall be deemed to be the sole holder of the Bonds insured by it for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the owners of the Bonds are entitled to take pursuant to the Authorizing Ordinance.

Defeasance. The Bonds shall be deemed paid when there has been deposited with the Trustee in the Bond Fund an amount sufficient to pay the principal or redemption price of and interest on the Bonds to the date of maturity or redemption. The Bonds shall also be deemed paid if there shall be irrevocably deposited with the Trustee (i) cash fully insured by the FDIC and/or fully collateralized with Government Securities sufficient to make such payment and/or (ii) Government Securities maturing as to principal and interest in such amounts and at such times as will provide sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee.

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

When all the Bonds shall have been paid within the meaning of the Authorizing Ordinance, if any arbitrage rebate has been paid or provided for to the satisfaction of the Trustee, if there are no amounts due with respect to the Insurance Policy or Parity Bond Policy and if the Trustee been paid its fees and expenses, the Trustee shall take all appropriate action to cause (i) the pledge and lien of the Authorizing Ordinance to be discharged and canceled, (ii) all moneys held by it pursuant to the Authorizing Ordinance and which are not required for the payment of such Bonds to be paid over or delivered to or at the direction of the County.

Additional Parity Bonds. The County covenants that it will not issue any bonds, or incur any obligation, secured by a lien on or pledge of the Tax receipts, except as hereinafter provided. The County may issue Additional Parity Bonds if Tax receipts for the preceding twelve consecutive months (such twelve-month period ending not less than 30 and not more than 90 days prior to the date that the Additional Parity Bonds are authorized by the Quorum Court of the County to be issued) are equal to or in excess of 125% of the maximum annual debt service requirements for the outstanding Bonds and the proposed Additional Parity Bonds. The County is also authorized to issue bonds or incur obligations secured by a lien on and pledge of the Tax receipts subordinate to the lien and pledge in favor of the Bonds.

The Trustee. The Trustee shall be responsible for the exercise of good faith and ordinary prudence in the execution of its trusts and duties. The recitals in the Authorizing Ordinance and in the Bonds are the recitals of the County and not of the Trustee. The Trustee shall not be required to take any action unless it shall have been requested to do so in writing by the Insurer or the owners of not less than 10% in principal amount of Bonds then outstanding and shall have been offered reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby. The Trustee may resign at any time by 60 days' notice in writing to the County Clerk, the Insurer and the owners of the Bonds. The majority in principal amount of the owners of the outstanding Bonds, the Insurer or the County, so long as it is not in default under the Authorizing Ordinance, in each case with the consent of the Insurer, may at any time, with or without cause, remove the Trustee. In the event of a vacancy in the office of Trustee either by resignation or by removal, the County shall forthwith designate a new Trustee. The Trustee and any successor Trustee shall file a written acceptance and agreement to execute the trusts and duties imposed upon it by the Authorizing Ordinance, but only upon the terms and conditions set forth in the Authorizing Ordinance and subject to the provisions of the Authorizing Ordinance, to all of which the respective owners of the Bonds agree. Such written acceptance shall be filed with the County and the Insurer, and a copy thereof shall be placed in the bond transcript. Any successor Trustee shall have all the powers herein granted to the original Trustee.

Supplemental Ordinances. The terms of the Authorizing Ordinance constitute a contract between the County and the owners of the Bonds and no variation or change in the undertaking set forth in the Authorizing Ordinance shall be made while any of the Bonds are outstanding, except as hereinafter set forth. The Insurer and the owners of not less than 75% in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, to consent to and approve the adoption by the County of a supplemental ordinance as shall be necessary or desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Authorizing Ordinance or in any supplemental ordinance. With the prior written consent of the Insurer, the Trustee may consent to any change without the consent of 75% of the owners of the aggregate principal amount of Bonds outstanding that the Trustee determines is not to the material prejudice of the owners of the Bonds or in order to cure any ambiguity or formal defect or omission in the Authorizing Ordinance or any amendment thereto, provided, however, that nothing therein contained shall permit or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Bond issued thereunder, or (b) a reduction in the principal amount of any Bond or the rate of interest thereon, or (c) the creation of a pledge of Tax receipts superior to the pledge created by the Authorizing Ordinance, or (d) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance. Neither the consent of the Insurer nor the consent of the owners of Bonds outstanding is necessary for the consent by the Trustee of any supplemental ordinance in connection with the issuance of Additional Parity Bonds.

CONTINUING DISCLOSURE AGREEMENT

During the past five years, the County has been a party to one continuing disclosure agreement in connection with outstanding bonds. This agreement required the County to provide annul reports upon request and required the County to file a notice of the occurrence of any event listed in Securities and Exchange Commission Rule 15c2-12(b)(5). In the past five years, the County has been in compliance in all material respects with its obligations pursuant to the continuing disclosure agreement.

Purpose of the Continuing Disclosure Agreement. The Continuing Disclosure Agreement will be executed and delivered by the County and the Trustee for the benefit of the Beneficial Owners of the Series 2020 Bonds and in order to assist the Underwriter in complying with the Securities and Exchange Commission, Rule 15c2-12(b)(5).

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

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

"Beneficial Owner" of a Series 2020 Bond shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Series 2020 Bonds (including persons holding Series 2020 Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean the Trustee, acting in its capacity as Dissemination Agent, or any successor Dissemination Agent designated in writing by the County 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 Obligation" shall mean a

(A) debt obligation;

(B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or

(C) guarantee of obligations described in (A) or (B).

The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

"MSRB" shall mean the Municipal Securities Rulemaking Board.

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

<u>Provision of Annual Report</u>. (a) The County shall, or cause the Dissemination Agent to, not later than June 30 of each year, commencing June 30, 2021, provide to the Insurer and the MSRB, through its continuing disclosure service portal provided through EMMA at http://www.emma.msrb.org or any similar system acceptable to the Securities and Exchange Commission, an Annual Report which is consistent with the requirements of the Continuing Disclosure Agreement. The Annual Report shall be in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in the Continuing Disclosure Agreement; provided that the Financial Statements (as defined below) may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date, but, in such event, the Financial Statements shall be submitted within thirty (30) days of receipt thereof by the County. If the County's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event.

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

(c) If the Trustee is unable to verify that an Annual Report (containing the information in (a) under <u>Content of Annual Report</u>, below) has been provided to the MSRB by the date required in subsection (a), the Trustee shall file a notice to the MSRB.

<u>Content of Annual Report</u>. The County's Annual Report shall contain or incorporate by reference the following:

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

(b) The annual financial statements of the general fund of the County, which (a) shall not be audited in accordance with auditing standards generally accepted in the United States of America, (b) shall be prepared using accounting principles prescribed by Arkansas Code Annotated Section 10-4-412, as it may be amended from time to time, or any successor statute and (c) shall be audited in accordance with, and as required by, State law (the "Financial Statements").

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

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

1. Principal and interest payment delinquencies.

2. Non-payment related defaults, if material.

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

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

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

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

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

8. Series 2020 Bond calls (excluding mandatory sinking fund redemptions), if material.

9. Defeasances and tender offers.

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

11. Rating changes.

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

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

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

15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

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

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

<u>Termination of Reporting Obligation</u>. The County's obligations under the Continuing Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all the Series 2020 Bonds.

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

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

(a) If the amendment or waiver relates to the requirements for providing an Annual Report, to the contents of the Annual Report or the reporting of Listed Events, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2020 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2020 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Beneficial Owners of the Series 2020 Bonds in the same manner as provided in the Authorizing Ordinance for amendments to the Authorizing Ordinance with the consent of Beneficial Owners, or (ii) does not, in the opinion of the Trustee, materially impair the interests of the Beneficial Owners of the Series 2020 Bonds.

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

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

Default. In the event of a failure of the County or the Trustee to comply with any provision of the Continuing Disclosure Agreement, the Trustee, the County, the Insurer or any Beneficial Owner may (and the Trustee, at the request of the Underwriter or the Beneficial Owners of at least 25% aggregate principal amount of outstanding Series 2020 Bonds, shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the County or the Trustee, as the case may be, to comply with its obligations under the Continuing Disclosure Agreement. A default under the Continuing Disclosure Agreement shall not be deemed a default under the Authorizing Ordinance, and the sole remedy under the Continuing Disclosure Agreement in the event of any failure of the County or the Trustee to comply with the Continuing Disclosure Agreement shall be an action to compel performance.

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

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

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DEBT SERVICE COVERAGE

Set forth below is the debt service coverage information. In arriving at the estimate of annual Tax receipts for this calculation, the County examined the collections of the Existing 0.5% Tax for the twelve-month period ended August 31, 2020.

Actual Tax receipts received by the County will depend upon, among other things, the level of retail activity within the County, the economic health of the County and surrounding trade area, possible future actions by the people of the State or the General Assembly of the State defining transactions subject to the Tax and granting exemptions from the Tax, such as exemptions for food sales. The figure set forth below is only an estimate and there can be no assurance that Tax receipts will equal the estimate shown below. See **THE TAX**, Future Tax Receipts.

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

Tax Receipts Available for Debt Service(A)(1)	$2,152,107
Maximum Annual Debt Service for the Series 2020 Bonds(B)	1,364,659
Estimated Coverage(A/B)	1.58x

(1) 200% of collections of the Existing 0.5% Tax for the twelve-month period ended August 31, 2020.

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DEBT SERVICE REQUIREMENTS

The following table shows amounts required to pay principal of and interest on the Series 2020 Bonds during each calendar year:

Year	Principal	Interest	Total Debt Service
2021	--	$ 520,910.09	$ 520,910.09
2022	$ 170,000	672,142.06	842,142.06
2023	170,000	671,055.76	841,055.76
2024	345,000	669,675.36	1,014,675.36
2025	345,000	666,187.40	1,011,187.40
2026	525,000	662,354.46	1,187,354.46
2027	530,000	654,957.20	1,184,957.20
2028	715,000	646,429.50	1,361,429.50
2029	730,000	632,994.66	1,362,994.66
3030	745,000	618,547.96	1,363,547.96
2031	760,000	603,282.90	1,363,282.90
2032	775,000	586,722.50	1,361,722.50
2033	795,000	569,060.26	1,364,060.26
2034	810,000	550,147.20	1,360,147.20
2035	830,000	530,067.30	1,360,067.30
2036	855,000	508,661.60	1,363,661.60
2037	880,000	482,738.00	1,362,738.00
2038	905,000	456,056.40	1,361,056.40
2039	935,000	428,616.80	1,363,616.80
2040	960,000	400,267.60	1,360,267.60
2041	990,000	371,160.40	1,361,160.40
2042	1,025,000	339,658.60	1,364,658.60
2043	1,055,000	307,043.10	1,362,043.10
2044	1,090,000	273,473.00	1,363,473.00
2045	1,125,000	238,789.20	1,363,789.20
2046	1,160,000	202,991.70	1,362,991.70
2047	1,195,000	164,920.50	1,359,920.50
2048	1,235,000	125,700.60	1,360,700.60
2049	1,275,000	85,167.90	1,360,167.90
2050	1,320,000	43,322.40	1,363,322.40
Totals	$24,250,000	$13,683,102.41	$37,933,102.41

LEGAL MATTERS

Legal Proceedings. There is no litigation pending seeking to restrain or enjoin the Tax or the issuance or delivery of the Series 2020 Bonds, or questioning or affecting the legality of the Tax or Series 2020 Bonds or the proceedings and authority under which the Series 2020 Bonds are to be issued or questioning the right of the County to adopt the Authorizing Ordinance or to issue the Series 2020 Bonds or questioning the levy and pledge of the Tax by the County.

Legal Opinions. Legal matters incident to the authorization and issuance of the Series 2020 Bonds are subject to the unqualified approving opinion of Friday, Eldredge & Clark, LLP, Little Rock, Arkansas, Bond Counsel.

Tax Matters. In the opinion of Friday, Eldredge & Clark, LLP, Bond Counsel, under existing law the interest on the Series 2020 Bonds is exempt from all Arkansas state, county and municipal taxes.
In the opinion of Bond Counsel, interest on the Series 2020 Bonds under existing law is not excludable from gross income for federal income tax purposes. Bond Counsel expresses no

opinion regarding other federal tax consequences arising with respect to the Series 2020 Bonds. Prospective purchasers should consult their own tax advisor in determining the federal tax consequences to them of the purchase, holding and disposition of the Series 2020 Bonds.

The following is a summary of certain anticipated federal income tax consequences of the purchase, ownership and disposition of the Series 2020 Bonds under the Code, regulations and the judicial and administrative rulings and court decisions now in effect, all of which are subject to change or possible differing interpretations. This summary does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances, nor certain types of investors subject to special treatment under the federal income tax laws. This summary does not address owners that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or currencies, purchasers that hold the Series 2020 Bonds (or foreign currency) as a hedge against currency risks or as part of a straddle with other investments or as part of a "synthetic security" or other integrated investment (including a "conversion transaction") comprised of a Series 2020 Bond and one or more other investments, or purchasers that have a "functional currency" other than the U.S. dollar. Except to the extent discussed below under "Foreign Investors," this summary is not applicable to non-United States persons not subject to federal income tax on their worldwide income. This summary does not discuss the tax laws of any state other than Arkansas or any local or foreign governments. Potential purchasers of the Series 2020 Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Series 2020 Bonds.

General. Although there are not any regulations, published rulings, or judicial decisions involving the characterization for federal income tax purposes of securities with terms substantially the same as the Series 2020 Bonds, Bond Counsel has advised that the Series 2020 Bonds will be treated for federal income tax purposes as evidences of indebtedness of the County and not as an ownership interest in the trust estate securing the Series 2020 Bonds or as an equity interest in the County or any other party, or in a separate association taxable as a corporation. Although the Series 2020 Bonds are issued by the County, interest on the Series 2020 Bonds (including original issue discount and market discount, if any) is not excludable from gross income for federal income tax purposes under Code Section 103. Interest on the Series 2020 Bonds will be fully subject to federal income taxation. Thus, owners of the Series 2020 Bonds generally must include interest (including original issue discount and market discount) on the Series 2020 Bonds in gross income for federal income tax purposes.

In general, interest paid on the Series 2020 Bonds, original issue discount and market discount, if any, will be treated as ordinary income to the owners of the Series 2020 Bonds, and principal payments (excluding the portion of such payments, if any, characterized as original issue discount and market discount) will be treated as a return of capital.

Market Discount. An investor that acquires a Series 2020 Bond for a price less than the adjusted issue price of such Series 2020 Bond (or an investor who purchases a Series 2020 Bond in the initial offering at a price less than the issue price) may be subject to the market discount rules of Sections 1276 through 1278 of the Code. Under these sections and the principles applied by the regulations, "market discount" means (i) in the case of a Series 2020 Bond originally issued at a discount, the amount by which the issue price of such Series 2020 Bond, increased by all accrued original issue discount (as if held since the issue date), exceeds the initial tax basis of the owner therein, less any prior payments that did not constitute payments of qualified stated interest, and (ii) in the case of a Series 2020 Bond not originally issued at a discount, the amount by which the stated redemption price of such Series 2020 Bond at maturity exceeds the initial tax basis of the owner therein. Under Section 1276 of the Code, the owner of such a Series 2020 Bond will generally be required (i) to allocate each principal payment to accrued market discount not previously included in income and to recognize ordinary income to that extent and to treat any gain upon sale or other disposition of such a bond as ordinary income to the extent of any remaining accrued market discount (as described at "Sales or Other Dispositions" under this caption) or (ii) to elect to include such market discount and income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in legislative history will apply. Under those rules, market discount will be included in income, in the case of a Series 2020 Bond with original issue discount, in proportion to the accrual of original issue discount.

An owner of a Series 2020 Bond who acquired a Series 2020 Bond at a market discount also may be required to defer, until the maturity date of such Series 2020 Bond or its earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry a Series 2020 Bond in excess of the aggregate amount of interest (including original issue discount) includable in such owner's gross income for the taxable year with respect to such Series 2020 Bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Series 2020 Bond for the days during the taxable year on which the owner held the Series 2020 Bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction to be taken into account in the taxable year in which the Series 2020 Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the owner elects to include such market discount in income currently as it accrues on all market discount obligations acquired by such owner in that taxable year or thereafter.

Attention is called to the fact that Treasury regulations implementing the market discount rules have not yet been issued. Therefore, investors should consult their own tax advisors regarding the application of these rules as well as the advisability of making any of the elections with respect thereto.

Sales or Other Dispositions. If a Series 2020 Bond is sold, redeemed prior to maturity or otherwise disposed of in a taxable transaction, gain or loss will be recognized in an amount equal to the difference between the amount realized on the sale or other disposition, and the adjusted basis of the transferor in the Series 2020 Bond. The adjusted basis of a Series 2020 Bond generally will be equal to its costs, increased by any original issue discount or market discount included in the gross income of the transferor with respect to the Series 2020 Bond and reduced by any amortized bond premium under Section 171 of the Code and by the payments on the Series 2020 Bond (other than payments of qualified stated interest), if any, that have previously been received by the transferor. Except as provided in Section 582(c) of the Code, relating to certain financial institutions, or as discussed in the following paragraph, any such gain or loss will be a capital gain or loss taxable at the applicable rate determined by the Code if the Series 2020 Bond to which it is attributable is held as a "capital asset."

Gain on the sale or other disposition of a Series 2020 Bond that was acquired at a market discount will be taxable as ordinary income in an amount not exceeding the portion of such discount that accrued during the period that the Series 2020 Bond was held by the transferor (after reduction by any market discount includable in income by such transferor in accordance with the rules described above under "Market Discount"). In addition, if the County is determined (pursuant to regulations that have yet to be promulgated under Code Section 1271(g)(2)(A)) to have had an intention on the date of original issuance of the Series 2020 Bonds to call all or a portion of the Series 2020 Bonds prior to maturity, then gain on the sale or other disposition of a Series 2020 Bond in an amount equal to the original issue discount or market discount not previously includable in gross income would be required to be treated as ordinary income taxable at the applicable rate determined by the Code.

Backup Withholding. Payments of principal and interest (including original issue discount and market discount) on the Series 2020 Bonds, as well as payments of proceeds from the sale of the Series 2020 Bonds may be subject to the "backup withholding tax" under Section 3406 of the Code with respect to interest or original issue discount and market discount on the Series 2020 Bonds if recipients of such payments (other than foreign investors who have properly provided certifications described below) fail to furnish to the payor certain information, including their taxpayer identification numbers, or otherwise fail to establish an exemption from such tax. Any amounts deducted and withheld from a payment to a recipient would be allowed as a credit against the federal income tax of such recipient.

Foreign Investors. An owner of a Series 2020 Bond that is not a "United States person" (as defined below) and is not subject to federal income tax as a result of any direct or indirect connection to the United States of America in addition to its ownership of a Series 2020 Bond will generally not be subject to United States income or withholding tax in respect of a payment on a Series 2020 Bond, provided that the owner complies to the extent necessary with certain identification requirements (including delivery of a statement, signed by the owner under penalties of perjury, certifying that such owner is not a United States person and providing the name and address of such owner). For this purpose the term "United States person" means a citizen or resident of the United States, a corporation, partnership or other entity created or organized in or under the laws of the United States of America or any political subdivision thereof, or an estate or trust whose income from sources within the United States is includable in gross income for United States of America income tax purposes regardless of its connection with the conduct of a trade or business within the United States of America.

Except as explained in the preceding paragraph and subject to the provisions of any applicable tax treaty, a United States withholding tax will apply to interest paid and original issue discount and market discount on the Series 2020 Bonds owned by foreign investors. In those instances in which payments of interest on the Series 2020 Bonds continue to be subject to withholding, special rules apply with respect to the withholding of tax on payments of interest on, or the sale or exchange of the Series 2020 Bonds having original issue discount or market discount and held by foreign investors. Potential investors that are foreign persons should consult their own tax advisors regarding the specific tax consequences to them of owning a Series 2020 Bond.

ERISA Considerations. The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the Code generally prohibit certain transactions between a qualified employee benefit plan under ERISA (an "ERISA Plan") and persons who, with respect to that plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. In the absence of an applicable statutory, class or administrative exemption, transactions between an ERISA Plan and a party in interest with respect to an ERISA Plan, including the acquisition by one from the other of a Series 2020 Bond, could be viewed as violating those prohibitions. In addition, Code Section 4975 prohibits transactions between certain tax-favored vehicles such as Individual Retirement Accounts and disqualified persons and Code Section 503 includes similar restrictions with respect to governmental and church plans. In this regard, the County or any underwriter of the Series 2020 Bonds, might be considered or might become a "party in interest" within the meaning of ERISA or a "disqualified person" within the meaning of the Code, with respect to an ERISA Plan or a plan or arrangement subject to Code Sections 4975 or 503. Prohibited transactions within the meaning of ERISA and the Code may arise if the Series 2020 Bonds are acquired by such plans or arrangements with respect to which the County or any underwriter is a party in interest or disqualified person. In all events, fiduciaries of ERISA Plans and plans or arrangements subject to the above Code Sections, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the Series 2020 Bonds

MISCELLANEOUS

Underwriting. Under a Bond Purchase Agreement (the "Agreement") entered into by and between the County and Stephens Inc., as underwriter (the "Underwriter"), the Series 2020 Bonds are being purchased at a price of $23,916,562.50 (principal amount less $333,437.50 of Underwriter's discount). The Agreement provides that the Underwriter will purchase all of the Series 2020 Bonds if any are purchased. The obligation of the Underwriter to accept delivery of the Series 2020 Bonds is subject to various conditions contained in the Agreement, including the absence of pending or threatened litigation questioning the validity of the Series 2020 Bonds or any proceedings in connection with the issuance thereof, and the absence of material adverse changes in the financial or business condition of the County.

The County has agreed to indemnify the Underwriter against certain civil liabilities in connection with the offering and sale of the Series 2020 Bonds, including certain liabilities under federal securities laws.

Enforceability of Remedies. Rights of the registered owners of the Series 2020 Bonds and the enforceability of the remedies available under the Authorizing Ordinance may depend on judicial action and may be subject to the valid exercise of the constitutional powers of the United States of America and of the sovereign police powers of the State or other governmental units having jurisdiction, and to the application of federal bankruptcy laws or other debtor relief or moratorium laws in general. Therefore, enforcement of those remedies may be delayed or limited, or the remedies may be modified or unavailable, subject to the exercise of judicial discretion in accordance with general principles of equity. Bond Counsel expresses no opinion as to any effect upon any right, title, interest or relationship created by or arising under the Authorizing Ordinance resulting from the application of state or federal bankruptcy, insolvency, reorganization, moratorium or similar debtor relief laws affecting creditors' rights which are presently or may from time to time be in effect.

Ratings. S&P is expected to assign its municipal bond rating of "AA (stable outlook)" to the Series 2020 Bonds with the understanding that upon delivery of the Series 2020 Bonds, the Insurance Policy insuring the payment when due of the principal of and interest on the Series 2020 Bonds will be issued by the Insurer. The underlying credit rating for the Series 2020 Bonds is "A (stable outlook)" by S&P. Any explanation of such ratings may only be obtained from S&P. Generally, rating agencies base their ratings upon information and materials supplied to them and on their own investigations, studies and assumptions. There is no assurance that such ratings, once assigned, will remain for any given period of time or that they will not be lowered or withdrawn entirely by the rating agency if in its judgment circumstances so warrant. Any such downward change or withdrawal of the ratings assigned to the Series 2020 Bonds by S&P may have an adverse effect on the market price of the Series 2020 Bonds. Neither the Underwriter nor the County have undertaken any responsibility after issuance of the Series 2020 Bonds to assure the maintenance of the ratings or to oppose any such revision or withdrawal.

Information in Official Statement. Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or owners of any of the Series 2020 Bonds.

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

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

SEVIER COUNTY, ARKANSAS

By /s/ Greg Ray
County Judge

Dated: As of the Cover Page hereof.

EXHIBIT A

SUMMARY OF STATE SALES AND USE TAX PROVISIONS

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

(a) (i) Tangible personal property;

(ii) Specified digital products sold;

(iii) Digital codes;

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

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

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

(iii) Service of initial installation, alteration, addition, cleaning, refinishing, replacement and repair of motor vehicles, aircraft, farm machinery and implements, motors of all kinds, tires and batteries, boats, electrical appliances and devices, furniture, rugs, flooring, upholstery, household appliances, televisions and radios, jewelry, watches and clocks, engineering instruments, medical and surgical instruments, machinery of all kinds, bicycles, office machines and equipment, shoes, tin and sheet metal, mechanical tools and shop equipment; however, the tax does not apply to (A) coin operated car washes, (B) the maintenance or repair of railroad parts, railroad cars and equipment brought into the County solely and exclusively for the purpose of being repaired, refurbished, modified, or converted within the County, (C) the service of alteration, addition, cleaning, refinishing, replacement or repair of commercial jet aircraft or commercial jet aircraft components or subcomponents, (D) the repair or remanufacture of industrial metal rollers or platens that have a remanufactured non-metallic material covering on all or a part of the roller or platen surface, (E) the initial installation, alteration, addition, cleaning, refinishing, replacement or repair of non-mechanical, passive or manually operated components of buildings or other improvements or structures affixed to real estate, (F) services performed on watches and clocks received by mail or common carrier from outside this state and which, after the service is performed, are returned by mail or common carrier or in the repairer's own conveyance to points outside this state, (G) services performed by a temporary or leased employee or other contract laborer on items owned or leased by the employer, or (H) service of initial installation of any property that is specifically exempted from the tax imposed by this chapter;

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

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

(e) Tickets or admissions to places of amusement, to athletic, entertainment, recreational events, or fees for access to or the use of amusement, entertainment, athletic or recreational facilities;

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

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

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

(i) Prepaid calling service or prepaid wireless calling service and the recharge of such services;

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

(k) Tangible personal property, specified digital products, a digital code, and services sold to financial institutions;

(l) Wrecker and towing services;

(m) Collection and disposal of solid wastes;

(n) Cleaning of parking lots and gutters;

(o) Dry cleaning and laundry services;

(p) Industrial laundry services;

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

(r) Pest control services;

(s) Security and alarm monitoring services;

(t) Boat storage and docking fees;

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

(v) Locksmith services;

(w) Pet grooming and kennel services; and

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

(y) (i) Computer software, including prewritten computer software;

(ii) Service of repairing or maintaining computer equipment or hardware in any form;

(iii) However, gross receipts or gross proceeds derived from the sale of a computer software maintenance contract are not taxable;

(z) (i) Any intrastate, interstate, and international telecommunications service that is sourced in this state;

(ii) Any ancillary service; and

(iii) Any installation, maintenance, or repair service of telecommunication equipment;

(aa) The sale of new or used heavy equipment;

(bb) A fishing guide service provided as a part of a guided fishing trip if the fishing guide service is purchased in conjunction with the sale or lease of taxable tangible personal property by the person providing the fishing guide service; and

(cc) Withdrawals from stock.

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

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

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

(c) Tangible personal property, specified digital products, a digital code or services by churches, except when such organizations may be engaged in business for profit;

(d) Tangible personal property, specified digital products, a digital code or services by charitable organizations, except when such organizations may be engaged in business for profit;

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

(f) Newspapers;

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

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

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

(j) Advertising space in newspapers and publications, billboard advertising services, or on a public transit bus;

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

(l) Property or services which the State is prohibited by the constitution or laws of the United States or by the constitution of the State from taxing or further taxing;

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

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

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

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

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

(r) Unprocessed crude oil;

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

(t) Property consisting of machinery and equipment required by State or federal law or regulations to be installed and utilized by manufacturing or processing plants or facilities, cities or towns in the State to prevent or reduce air and/or water pollution or contamination;

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

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

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

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

(y) Property or services to humane societies;

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

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

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

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

(dd) New and used farm machinery and equipment;

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

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

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

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

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

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

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

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

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

(nn) Publications sold through regular subscriptions;

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

(pp) Durable medical equipment, mobility enhancing equipment, a prosthetic device, and disposable medical supplies prescribed by a physician;

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

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

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

(tt) New motor vehicles purchased by non-profit organizations and used for the performance of contracts with the Department of Human Services, and new motor vehicles purchased with Federal Transit Administration funds if (i) vehicles meet minimum State specifications and (ii) vehicles are used for transportation under the Department of Human Services' programs for the aging, individuals with disabilities, individuals with mental illness, and children and family services;

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

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

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

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

(yy) Foodstuffs to nonprofit agencies;

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

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

(bbb) Sales to Community Service Clearinghouse, Inc. of Fort Smith;

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

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

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

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

(ggg) Gas produced from biomass and sold for the purpose of generating steam, hot air or electricity to be sold to the gas producer;

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

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

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

(kkk) Tangible personal property, specified digital products, a digital code, or services to the Arkansas Symphony Orchestra, Inc.;

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

(mmm) Tangible personal property, specified digital products, a digital code, or services to a qualified museum;

(nnn) Livestock reproduction equipment or substances;

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

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

(qqq) Tangible property, specified digital products, a digital code, or services to the Arkansas Search Dog Association, Inc.;

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

(sss) Tangible personal property, specified digital products, a digital code, or services to the Arkansas Black Hall of Fame Foundation;

(ttt) Sale, lease or rental of kegs used to sell beer wholesale by a wholesale manufacturer of beer;

(uuu) Repair parts and labor for pollution control machinery and equipment;

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

(www) Sales of tangible personal property, specified digital products, a digital code, or a service to a nonprofit blood donation organization;

(xxx) Sales of utilities used by qualifying agriculture and horticultural equipment;

(yyy) Sales of utilities used by a grain drying and storage facility;

(zzz) Dental appliances sold by or to dentists or certain other professionals; and

(aaaa) Machinery, new and used equipment, and related attachments that are sold to or used by a person engaged primarily in the harvesting of timber;

(bbbb) Sales of tangible personal property at a concession stand operated by a nonprofit youth athletic organization; and

(cccc) (i) Tangible personal property, specified digital products, or a digital code by or to a car wash operator for use in an automatic car wash, a car wash tunnel, or a self-service bay or as part of an ancillary service; (ii) services to a car wash operator; and (iii) ancillary services by a car wash operator.

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

Use Tax. The use tax portion of the Tax is levied on every person for the privilege of storing, using, distributing or consuming in the County any article of tangible personal property, specified digital products, a digital code, or a taxable service purchased for storage, use, distribution or consumption. The use tax applies to the use, distribution, storage or consumption of every article of tangible personal property except as hereinafter provided. The use tax does not apply to aircraft equipment, and railroad parts, cars, and equipment, nor to tangible personal property owned or leased by aircraft, automotive or railroad companies brought into the County solely and exclusively for refurbishing, conversion, or modification within the County or storage for use outside or inside the County regardless of the length of time any such property is so stored in the County. The use tax is levied on the following described tangible personal property:

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

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

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

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

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

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

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

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

(i) Computer software; and

(j) Tangible personal property, specified digital products, a digital code, and services provided to a financial institution.

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

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

(b) Sales of tangible personal property, specified digital products, a digital code, or services on which the tax under the Arkansas Gross Receipts Act of 1941 is levied;

(c) Tangible personal property, specified digital products, a digital code, or services which is exempted from the sales tax under the Arkansas Gross Receipts Act of 1941;

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

(e) Unprocessed crude oil;

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

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

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

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

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

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

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

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

(n) Durable medical equipment, mobility enhancing equipment, a prosthetic device, and prescriptive disposable medical supplies prescribed by a physician;

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

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

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

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

(s) Sales to Community Service Clearinghouse Inc. of Fort Smith;

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

(u) Foodstuffs to nonprofit agencies;

(v) Tangible personal property, specified digital products, a digital code or services for a qualified museum;

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

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

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

(z) Sales of utilities used by qualifying agriculture and horticultural equipment;

(aa) Sales of utilities used by grain drying and storage facilities; and

(bb) Dental appliances sold by or to dentists or certain other professionals.

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

EXHIBIT B

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

MUNICIPAL BOND INSURANCE POLICY

ISSUER:

BONDS: $ in aggregate principal amount of

Policy No: -N

Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ______________________________
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100