

Trust Indenture

between

City of Texarkana, Arkansas

and

Bank OZK, as Trustee

\$_____

**City of Texarkana, Arkansas
Franchise Fee Secured Refunding Revenue Bonds, Series 2021**

Consisting of:

\$_____ **Series 2021-A**

And

\$_____ **Taxable Series 2021-B**

Dated as of January __, 2021

Prepared by:

Rose Law Firm

a Professional Association

120 East Fourth Street
Little Rock, Arkansas 72201-2893
Attention: James M. Fowler, Jr.

Bond Counsel

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Trust Indenture

This Trust Indenture (the “Indenture”) dated as of January __, 2021 is made by and between the City of Texarkana, Arkansas (the “Issuer”), a city of the first class organized and existing under the laws of the State of Arkansas, and Bank OZK (the “Trustee”), a bank organized under and existing by virtue of the laws of the State of Arkansas authorized to exercise corporate trust powers:

WITNESSETH:

Whereas, the Issuer is authorized by the provisions of the Local Government Capital Improvement Revenue Bond Act of 1985, as amended (Ark. Code Ann. §§ 14-164-401 to -418) (the “Act”), to issue and sell bonds for capital improvements; and

Whereas, the Issuer is issuing its \$11,585,000 Franchise Fee Secured Refunding Revenue Bonds, Series 2021, dated January __, 2021 (the “Series 2021 Bonds” or the “Bonds”) consisting of \$3,185,000 original principal amount Series 2021-A Bonds (the “2021-A Bonds”) and its \$8,400,000 original principal amount Taxable Series 2021-B Bonds (the “2021-B Bonds”); and

Whereas, the proceeds of the Series 2021-A Bonds will be used to (i) currently refund the Issuer’s \$3,770,000 Franchise Fee Secured Refunding Revenue Bonds, Series 2015 (the “Series 2015 Bonds”) of which \$3,250,000 remains outstanding; (ii) fund a debt service reserve fund; and (iii) pay the costs of issuing the Series 2021-A Bonds; and

Whereas, the proceeds of the Series 2021-B Bonds will be used to (i) advance refund \$10,300,000 original principal amount Franchise Fee Secured Refunding Revenue Bonds, Series 2012 (the “Series 2012 Bonds”) of which \$7,920,000 remains outstanding; (ii) fund a debt service reserve fund; and (iii) pay the costs of issuing the Series 2021-B Bonds; and

Whereas, the Bonds will be issued on a parity of security with the Issuer’s \$2,260,000 original principal amount Franchise Fee Secured Capital Improvement Revenue Bonds, Series 2018 (the Series 2018 Bonds); and

Whereas, the Issuer has determined that, in the issuance and sale of the Bonds, it will be acting to further the public purposes of the Act; and

Whereas, all things necessary to make the Bonds, when issued, executed, and delivered by the Issuer and authenticated by the Trustee, to the extent required, pursuant to this Indenture, the valid, binding, and legal special obligations of the Issuer, and to constitute this Indenture as a valid assignment and pledge of the revenues herein pledged to the payment of the principal of and interest on the Bonds and a valid assignment and pledge of certain rights of the Issuer have been done and performed, and the creation, execution, and delivery of this Indenture, and the execution, issuance, and delivery of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

Now, Therefore, This Indenture Witnesseth, that to secure the payment of principal of and interest on the Bonds according to their true intent and meaning, and all other amounts due from time to time under this Indenture, including those due to the Trustee, to secure the performance and observance of all of the covenants, agreements, obligations, and conditions contained therein

and herein, and to declare the terms and conditions upon and subject to which the Bonds are and are intended to be issued, held, secured, and enforced and in consideration of the premises and the acceptance by the Trustee of the trusts created herein and of the purchase and acceptance of the Bonds by the Bondholders and for other good and valuable consideration, the receipt of which is acknowledged, the Issuer has executed and delivered this Indenture and absolutely and irrevocably pledges and assigns to the Trustee and to its successors in trust, on the basis set forth herein, and its and their assigns, all right, title, and interest of the Issuer in and to the Trust Estate as defined in *Article I*.

To Have and to Hold unto the Trustee and its successors in trust and its and their assigns forever;

But in Trust, Nevertheless, and subject to the provisions hereof,

(a) for the equal and proportionate benefit, security, and protection of all Bonds,

(b) for the enforcement of the payment of the principal of and interest on the Bonds, and all other amounts due from time to time under this Indenture, including those due to the Trustee, when payable, according to the true intent and meaning thereof and of this Indenture, and

(c) to secure the performance and observance of and compliance with the covenants, agreements, obligations, terms, and conditions of this Indenture,

in each case, without preference, priority, or distinction, as to lien or otherwise except as provided herein, of any one Bond over any other by reason of designation, number, date of the Bonds, or of authorization, issuance, sale, execution, authentication, delivery, or maturity thereof, or otherwise, so that each Bond and all Bonds shall have the same right, lien, and privilege under this Indenture and shall be secured equally and proportionately hereby, it being intended that the lien and security of this Indenture shall take effect from the date hereof, without regard to the date of the actual issue, sale, or disposition of the Bonds, as though upon that date all of the Bonds were actually issued, sold, and delivered to purchasers for value; provided, however, that upon satisfaction of the provisions of and in accordance with *Article IX*, the rights assigned hereby shall cease, determine, and be void to the extent described therein; otherwise such rights shall be and remain in full force and effect;

Provided, Further, that the pledge of the right, title, and interest of the Issuer in and to the Revenues is given on a parity of security with the pledge thereof in favor of the Series 2018 Bonds and subject to the right of the Issuer to issue Additional Parity Indebtedness secured on a parity basis as to the Revenues with the Series 2018 Bonds and the Bonds; and

It is declared that all Bonds issued hereunder and secured hereby are to be issued, authenticated, and delivered, and that all Revenues assigned or pledged hereby are to be dealt with and disposed of under, upon, and subject to, the terms, conditions, stipulations, covenants, agreements, obligations, trusts, uses, and purposes provided in this Indenture; and the Issuer has agreed and covenanted, and agrees and covenants with the Trustee and with each and all Bondholders, as follows:

Article I: Definitions

Section 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Article shall, for all purposes of this Indenture and of any indenture supplemental hereto, have the meanings herein specified:

“Accountant” means an independent certified public accountant or firm of independent certified public accountants (who may be an Accountant for the Issuer but who is not an official, officer, or employee of the Issuer).

“Act” means the Local Government Capital Improvement Revenue Bond Act of 1985, as amended, Ark. Code Ann. §§ 14-164-401 *et seq.*, as amended and supplemented from time to time.

“Additional Parity Indebtedness” means the additional parity bonds authorized to be issued by the Issuer pursuant to **Section 2.13** for the purpose of paying the costs of capital improvements or the costs of refunding, and to the extent permitted by law, any Outstanding Parity Indebtedness.

“Annual Debt Service” means, for any year as applied to outstanding Bonds or Parity Indebtedness, the sum of all amounts required to pay principal (at maturity or upon mandatory redemption) and interest due in such year on all outstanding Bonds or Parity Indebtedness, as applicable.

“Affiliate” of any specified entity means any other entity directly or indirectly controlling or controlled by or under direct or indirect common control with such specified entity and “control,” when used with respect to any specified entity, means the power to direct the management and policies of such entity, directly or indirectly, whether through the ownership of voting securities, by contract, or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Authorized Denomination” means \$5,000 and any multiple thereof.

“Bankruptcy Code” means Title 11 of the United States Code, as it is amended from time to time, and any successor thereto or replacement thereof.

“Beneficial Owner” means, for any Bond which is held by a nominee, the beneficial owner of such Bond.

“Bond Counsel” means Rose Law Firm, a Professional Association, Little Rock, Arkansas, or any other firm of attorneys of nationally recognized expertise with respect to tax-exempt obligations of political subdivisions, selected by the Issuer.

“Bondholder” or “holder of Bonds” or “owner of Bonds” means the Person who owns a Bond, provided that, pursuant to **Section 2.08**, the person in whose name a Bond is registered in the Bond Register shall be regarded for all purposes as such owner.

“Bond Ordinance” means the Bond Ordinance adopted by the Issuer on _____, 2020, authorizing the issuance of the Bonds.

“Bond Register” and “Bond Registrar” shall have the respective meanings specified in **Section 2.08**.

“Bonds” or “Series 2021 Bonds” means the Series 2021-A Bonds and the Taxable Series 2021-B Bonds.

“Book Entry Bonds” means that part of the Bonds for which a Securities Depository or its nominee is the Bondholder.

“Business Day” means any day of the year other than (a) a Saturday or Sunday, (b) any day on which banks located in Texarkana, Arkansas or the city in which the Principal Office of the Trustee is located are required or authorized by law to remain closed, or (c) any day on which the New York Stock Exchange is closed.

“Code” means the Internal Revenue Code of 1986, as amended and supplemented from time to time. Each reference to a section of the Code shall be deemed to include the United States Treasury Regulations, including temporary and proposed regulations, relating to such section, which are applicable to the Indenture, including the Bonds, the use of Bond proceeds.

“Conditional Redemption” means a redemption where the Issuer has stated in the redemption notice to the Trustee that the Issuer has retained the right to rescind the redemption, as further described in **Section 3.06**.

“Counsel” means an attorney-at-law or law firm (who may be Counsel for the Issuer), acceptable to the Trustee.

“Credit Facility” shall have the meaning specified in **Section 4.05**.

“Debt Service Fund” means the trust fund so designated which is described in **Section 4.03**.

“Defeasance Obligations” means obligations of the type described in (a), (b), (c), or (d) of the definition of “Eligible Investments.”

“DTC” shall have the meaning given to such term in **Section 2.12**.

“Eligible Investments” means: (a) Governmental Obligations; (b) obligations of any agency or instrumentality of the United States Government which represent full faith and credit of the United States of America; (c) U.S. dollar denominated certificates of deposit issued by a bank or trust company which are (1) fully insured by the Federal Deposit Insurance Corporation or any similar corporation chartered by the United States or (2) secured by a pledge of any Governmental Obligations which have an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured, which security is held in a custody account by a custodian satisfactory to the Trustee; (d)(1) evidences of a direct ownership in future interest or principal payments on obligations of the type described in (a) above, which obligations are held in a custody account by a custodian satisfactory to the Trustee pursuant to the terms of a custody agreement and (2) obligations issued by any state of the United States or any political subdivision, public instrumentality, or public authority of any state, which obligations are not callable before the date the principal thereof will be required to be paid and which obligations are fully secured

by and payable solely from obligations of the type described in (a) above, which securities are held pursuant to an agreement in form and substance acceptable to the Trustee; (e) U.S. dollar denominated deposit accounts, federal funds, and banker's acceptances with commercial banks (foreign or domestic) which have a rating on their short term certificates of deposit on the date of purchase of "A-1" or "A-1+" by S&P and "P-1" by Moody's and maturing no more than 360 days after the date of purchase; (f) money market funds rated "AAAm" or "AAAm-G" or better by S&P; and (g) investment agreements constituting an obligation of a bank, holding company, savings and loan association, trust company, financial institution, insurance company, securities dealer, or other credit provider whose outstanding unsecured long-term debt is rated at the time of such agreement in any of the two highest rating categories (without regard to any refinement of gradation of rating by numerical modifier or otherwise) by S&P and Moody's).

"Escrow Deposit Agreement" means the Escrow Deposit Agreement, dated as of January __, 2021, between the Issuer and the Escrow Trustee, requiring the Escrow Trustee to use the proceeds from the deposit to pay the principal and interest on the Series 2012 Bonds as they become due to and including September 1, 2022.

"Escrow Trustee" means Regions Bank, as escrow trustee and paying agent for the 2012 Bonds.

"Event of Bankruptcy" means the filing of a petition in bankruptcy (or other commencement of a bankruptcy or similar proceedings) by or against the Issuer, as debtor, under the Bankruptcy Code or any other bankruptcy, reorganization, insolvency, or other similar law as now or hereafter in effect.

"Event of Default" means any of the events specified in **Section 7.01** to be an Event of Default. A "default" means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

"Funds" means the Cost of Issuance Fund, the Debt Service Fund, the Reserve Fund and the Rebate Fund and (a) any account within each such Fund and (b) any other Fund designated as such with respect to the Bonds.

"Governmental Obligations" means (a) direct obligations of the United States of America, (b) obligations the timely payment of the principal of and interest on which is fully and unconditionally guaranteed by the United States of America, and (c) securities or receipts evidencing ownership interests in obligations or specified portions (such as principal or interest) of obligations described in (a) or (b).

"Immediate Notice" means notice transmitted by electronic means, in writing, by telecopier, or by telephone (promptly confirmed in writing), and received by the party addressed.

"Indenture" means this Trust Indenture as amended or supplemented from time to time.

"Interest Payment Date" means (a) the first day of September and March of each year beginning September 1, 2021, (b) for Bonds subject to redemption in whole or in part on any date, the date of such redemption, and (c) any date determined pursuant to **Section 7.08**.

“Issuance Costs” means costs incurred by or on behalf of the Issuer in connection with the issuance of the Bonds including, without limitation, the following: payment of financial, legal, accounting, and appraisal fees, expenses, and disbursements, the Issuer’s fees and expenses attributable to the issuance of the Bonds, the cost of printing, engraving, and reproduction services, legal fees and expenses for Bond Counsel, Issuer’s Counsel, Trustee’s Counsel, and Underwriter’s Counsel relating to the issuance of the Bonds, the initial or acceptance fee of the Trustee, the fees and disbursements of the Trustee payable in accordance with this Indenture prior to the date of completion of the Project (as determined pursuant to **Section 4.02**), and all other fees, charges, and expenses incurred in connection with the issuance of the Bonds and the preparation and filing or recording of this Indenture and of any document relating to the issuance of the Bonds.

“Issue Date” means the date of issuance and delivery of the Bonds to the Underwriter.

“Issuer” means the City of Texarkana, Arkansas and its successors and assigns.

“Issuer Representative” means the City Manager or Finance Director of the Issuer.

“Letter of Representations” means the Letter of Representations executed by the Issuer and the Trustee and delivered to the Securities Depository and any amendments thereto or successor agreements between the Issuer and the Trustee and any successor Securities Depository, relating to a system of Book Entry Bonds to be maintained by the Securities Depository with respect to the Bonds.

“Moody’s” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating service, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating service designated by the Issuer, with the approval of the Trustee.

“Officer’s Certificate” of the Issuer means a written certificate, statement, request, direction, or order signed in the name of the Issuer by its Mayor, City Clerk, an Issuer Representative, or such other person as may be designated and authorized in writing to sign for the Issuer, signed by its Mayor and forwarded to the Trustee.

“Outstanding,” in connection with Bonds means, as of the time in question, all Bonds authenticated and delivered under this Indenture, except: A. Bonds theretofore canceled or delivered to the Trustee for cancellation under **Section 2.11**, B. Bonds which are deemed to have been paid in accordance with **Article IX**, and C. Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to **Article II**. In determining whether the owners of a requisite aggregate principal amount of Bonds Outstanding have concurred in any request, demand, authorization, direction, notice, consent, or waiver under the provisions hereof, Bonds which are held by or on behalf of the Issuer (unless all of the Outstanding Bonds are then owned by the Issuer) shall be disregarded for the purpose of any such determination.

“Outstanding Parity Indebtedness” means as of the time in question, all Series 2018 Bonds, the Bonds, and Additional Parity Indebtedness outstanding under the terms of the indenture pursuant to which such Series 2018 Bonds or Additional Parity Indebtedness were issued.

“Parity Indebtedness” means the Series 2018 Bonds, the Bonds, and any Additional Parity Indebtedness incurred subsequent to the issuance of the Bonds as authorized to be issued pursuant to this Indenture.

“Paying Agent” or “Co-Paying Agent” means any national banking association, bank and trust company, or trust company appointed by the Issuer and meeting the qualifications of, and subject to the obligations of, the Trustee in *Article VIII*. Initially, the Trustee shall be the Paying Agent.

“Person” or “person” means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Principal Office of any Paying Agent” means the office designated in writing to the Trustee.

“Principal Office of the Trustee” means the designated corporate trust office of the Trustee, which office at the date of acceptance by the Trustee of the duties and obligations imposed on the Trustee by this Indenture is set out in *Section 11.03*.

“Project” with respect to the Series 2021 Bonds means the Project as further described under caption Introductory Statement—Purpose in the Official Statement.

“Project Fund” means the trust fund so designated which is described in *Section 4.02*.

“Rating Service” means any nationally recognized securities rating service that shall have assigned a rating that is then in effect with respect to the Bonds upon application of the Issuer.

“Record Date” means, (a) with respect to any Interest Payment Date described in subsections (a) or (b) of that defined term, (1) in the case of Bonds which are not Book Entry Bonds the Trustee’s close of business on the 15th day of the calendar month next preceding such Interest Payment Date, regardless of whether such day is a Business Day, and (2) in the case of Book Entry Bonds the Trustee’s close of business on the Business Day preceding the Interest Payment Date, and (b) with respect to any other Interest Payment Date, a date selected by the Trustee.

“Regulations” means any applicable Internal Revenue Service Regulations promulgated in proposed, temporary, or final form pursuant to the Code or any corresponding provision of a predecessor or successor statute.

“Reserve Fund” means the trust fund so designated which is described in *Section 4.04*.

“Responsible Officer,” when used with respect to the Trustee, means any officer in the corporate trust department (or any successor thereto) of the Trustee, or any other officer or representative of the Trustee customarily performing functions similar to those performed by any of such officers and also means, with respect to a particular corporate trust matter, any other officer of the Trustee to whom such matter is referred because of that officer’s knowledge of and familiarity with the particular subject.

“Revenues” means (a) all revenues received by the Issuer from the franchise fees charged for the privilege of using the Issuer’s streets and rights-of-way (i) to public utilities pursuant to the

authority contained in Ark. Code Ann. §§ 14-200-101 to -112, (ii) as voluntary payments in lieu of taxes from the Issuer's water utility pursuant to the authority contained in Ark. Code Ann. § 14-234-114 , and (iii) to a cable service provider pursuant to the Issuer's cable service franchise ordinance and agreement for a term ending May 21, 2022, (b) all amounts payable to the Trustee with respect to the principal of or interest on the Series 2021 Bonds (1) by the Issuer as required under the Indenture and (2) upon deposit in the Debt Service Fund from the proceeds of the Series 2021 Bonds, and (c) investment income with respect to any moneys held by the Trustee in the Debt Service Fund and the Reserve Fund.

“S&P” means Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating service, “S&P” shall be deemed to refer to any other nationally recognized securities rating service designated by the Issuer, with the approval of the Trustee.

“Securities Depository” means a person that is registered as a clearing agency under section 17A of the Securities Exchange Act of 1934 or whose business is confined to the performance of the functions of a clearing agency with respect to exempted securities, as defined in section 3(a)(12) of such Act for the purposes of section 17A thereof.

“Series 2012 Bonds” means the Issuer's \$10,300,000 original principal amount Franchise Fee Secured Refunding Revenue Bonds, Series 2012, issued in accordance with the terms and conditions of a separate trust indenture.

“Series 2015 Bonds” means the Issuer's \$3,770,000 original principal amount Franchise Fee Secured Refunding Revenue Bonds, Series 2015, issued in accordance with the terms and conditions of a separate trust indenture.

“Series 2018 Bonds” means the Issuer's original principal amount \$2,260,000 Franchise Fee Secured Capital Improvement Revenue Bonds, Series 2018.

“Series 2021 Bonds” means the Issuer's \$11,585,000* Franchise Fee Secured Refunding Revenue Bonds, Series 2021 comprised of the Series 2021-A Bonds and the Series 2021-B Bonds.

“Series 2021-A Bonds” means the Issuer's original principal amount \$8,400,000* Franchise Fee Secured Refunding Revenue Bonds, Series 2021-A.

“Series Required Reserve” means an amount equal to one-half of maximum Annual Debt Service on the Bonds.

“State” means the State of Arkansas.

“Taxable Series 2021-B Bonds” means the Issuer's original principal amount \$3,185,000* Franchise Fee Secured Refunding Revenue Bonds, Taxable Series 2021-B.

“Trust Estate” means all right, title, and interest of the Issuer in and to (a) Revenues, (b) Funds (other than the Rebate Fund”), and (c) all other property of every name and nature from time to

time hereafter by delivery or by writing mortgaged, pledged, delivered, or hypothecated as and for additional security under this Indenture by the Issuer or by anyone on its behalf or with its written consent in favor of the Trustee.

“Trustee” means Bank OZK, a bank organized under and existing by virtue of the laws of the State of Arkansas, and its successor hereunder, acting in its trust capacity.

“Underwriter” means Stephens Inc., the initial purchaser of the Series 2021 Bonds.

Section 1.02 Rules of Interpretation. For purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) The words “herein,” “hereof,” “hereunder,” and other similar words refer to this Indenture as a whole and not to any particular Article, Section, or other subdivision.

(b) The definitions in this Article are applicable whether the terms defined are used in the singular or the plural.

(c) All accounting terms which are not defined in this Indenture have the meanings assigned to them in accordance with then applicable generally accepted accounting principles.

(d) Any pronouns used in this Indenture include both the singular and the plural and cover both genders.

(e) Any terms defined elsewhere in this Indenture have the meanings attributed to them where defined.

(f) Words referring to the redemption or calling for redemption of Bonds shall not be deemed to refer to the payment of Bonds at their stated maturity.

(g) The captions or headings herein are for convenience only and in no way define, limit, or describe the scope or intent, or control or affect the meaning or construction of, any provisions or Sections hereof.

Article II: Authorization, Execution, Authentication, Registration, and Delivery of Bonds

Section 2.01 Authorization of Bonds; Limitation. The Bonds are hereby authorized to be issued as revenue bonds of the Issuer in the aggregate principal amount of \$11,585,000 designated “Franchise Fee Secured Refunding Revenue Bonds, Series 2021” consisting of \$3,185,000 original principal amount Series 2021-A Bonds and \$8,400,000 original principal amount Taxable Series 2021-B Bonds. No obligations may be issued by the Issuer (a) which are senior in claim on the Trust Estate to the Bonds or (b) which, other than Additional Parity Indebtedness authorized pursuant to **Section 2.13**, have a claim on the Revenues in parity with the Bonds. The Issuer will not issue any additional bonds under the Indenture pursuant to which the Bonds were issued. The Issuer reserves the right to issue obligations which are junior or subordinate in claim on the Revenues to the Bonds.

Section 2.02 Bonds Special Obligations. The Bonds shall be special obligations of the Issuer, payable solely from the Trust Estate, and in no event shall the Bonds constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation. The Bonds shall constitute a valid claim of the respective owners thereof against the Trust Estate, which is pledged to secure the payment of the principal of and interest on the Bonds, and which shall be utilized for no other purpose, except as expressly authorized in this Indenture. The Bonds shall not constitute general obligations of the Issuer and under no circumstances shall the Bonds be payable from, nor shall the holders thereof have any rightful claim to, any income, revenues, funds, or assets of the Issuer other than those pledged hereunder for security of the payment of the Bonds.

Section 2.03 Details of Bonds. The Series 2021-A Bonds shall be issued in Authorized Denominations, shall be dated the date of this Indenture, shall be numbered from RA-1 upward, and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) payable on September 1, 2021 and thereafter semiannually on each Interest Payment Date at the rates per annum and shall mature on September 1 in the years and amounts as follows:

Due September 1	Principal Amount	Interest Rate
2022	\$140,000	
2023	140,000	
2024	145,000	
2025	150,000	
2026	150,000	
2027	155,000	
2028	155,000	
2029	160,000	
2030	165,000	
2031	165,000	
2032	170,000	
2033	175,000	
2034	175,000	
2035	180,000	
2040	960,000	

The Taxable Series 2021-B Bonds shall be issued in Authorized Denominations, shall be dated the date of this Indenture, shall be numbered from RB-1 upward, and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) payable on September 1, 2021 and thereafter semiannually on each Interest Payment Date at the rates per annum and shall mature on September 1 in the years and amounts as follows:

Due September 1	Principal Amount	Interest Rate
2021	\$275,000	
2022	420,000	
2023	420,000	
2024	425,000	
2025	425,000	
2026	435,000	
2027	440,000	
2028	450,000	
2029	465,000	
2030	470,000	
2031	480,000	
2032	490,000	
2033	500,000	
2034	510,000	
2035	525,000	
2038	1,670,000	

All Series 2021 Bonds shall bear interest (a) from the date of their delivery, if authenticated prior to the first September 1, 2021, or (b) otherwise from the Interest Payment Date that is, or that immediately precedes, the date on which such Bond is authenticated (unless payment of interest is in default, in which case such Bond shall bear interest from the date to which interest has been paid).

The principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Principal of the Bonds shall be payable by the Paying Agent upon presentation and surrender of the Bonds as they become due at the Principal Office of the Paying Agent. Interest on Bonds shall be payable by the Paying Agent to the Bondholders of Bonds by check or draft mailed to such Bondholders at their addresses as they appear on the Bond Register on the Record Date.

If any principal of or interest on any Bond is not paid when due (whether at maturity, by acceleration, call for redemption, or otherwise), then the overdue installments of principal and, to the extent permitted by law, interest shall bear interest until paid at the same rate set forth in such Bond.

Section 2.04 Execution of Bonds. The Bonds shall be signed by the manual or facsimile signature of the Mayor of the Issuer and attested by the manual or facsimile signature of the City Clerk of the Issuer. The Bonds shall bear the seal of the Issuer or a facsimile thereof will be affixed to or imprinted on the Bonds. In case any officer whose signature or a facsimile of whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery.

Section 2.05 Authentication of Bonds. The Bonds shall bear a certificate of authentication, substantially in the form set forth in Exhibit A, duly executed by the Trustee. The Trustee shall authenticate each Bond with the manual signature of a Responsible Officer of the Trustee, but it shall not be necessary for the same Responsible Officer to authenticate all of the Bonds. Only such authenticated Bonds shall be entitled to any right or benefit under this Indenture. Such certificate on any Bond issued hereunder shall be conclusive evidence that the Bond has been duly issued and is secured by the provisions hereof.

Section 2.06 Forms of Bonds. The Bonds shall be substantially in the form set forth in Exhibit A with such appropriate variations, legends, omissions, and insertions as permitted or required by this Indenture.

Section 2.07 Delivery of Bonds. The Trustee shall authenticate and deliver the Bonds when there have been filed with it the following:

(a) A copy certified by the City Clerk of the Issuer of the Bond Ordinance authorizing the execution and delivery of this Indenture and the issuance, sale, execution, and delivery of the Bonds;

(b) An original executed counterpart of this Indenture;

(c) An opinion or opinions of Bond Counsel, addressed to the Issuer and the Trustee, to the effect that this Indenture and the Bonds have been validly authorized, are binding and enforceable against the Issuer, subject to bankruptcy and equitable principles, that the issuance of the Bonds has been duly authorized, and that interest on the Series 2021-A Bonds is excludable from gross income for federal income taxation purposes under existing law and is exempt from income taxation by the State of Arkansas;

(d) A written opinion of an Accountant, addressed to the Issuer, the Trustee, and the trustee for the Series 2012 Bonds and the Series 2015 Bonds, as required by Section 2.13 (b)(2) of the respective trust indentures pursuant to which the Series 2012 Bonds and the Series 2015 Bonds were issued;

(e) A certificate of the Issuer, signed by its Mayor, that the Issuer is not in default under the trust indenture pursuant to which the Series 2018 Bonds were issued; and

(f) A request and authorization of the Issuer, signed by its Mayor, to the Trustee to authenticate and deliver the Bonds to such person or persons named therein upon payment for the account of the Issuer of a specified sum plus accrued interest to the date of delivery.

Simultaneously with the delivery of the Bonds, the Trustee shall apply, or arrange for the application of, the proceeds thereof in accordance with a certificate of the Issuer, signed by its Mayor, and dated the Issue Date.

Section 2.08 Registration of Transfer and Exchange of Bonds; Persons Treated as Bondholders. The Trustee shall act as Bond registrar (the “Bond Registrar”) and in such capacity shall maintain a bond register (the “Bond Register”) for the registration and transfer of Bonds. Upon surrender of any Bonds at the Principal Office of the Trustee, together with an assignment

duly executed by the current Bondholder of such Bonds or such Bondholder's duly authorized attorney or legal representative in such form as shall be satisfactory to the Trustee, such Bonds may, at the option of the Bondholder, be exchanged for an equal aggregate principal amount of Bonds of the same series and maturity, of Authorized Denominations, and bearing interest at the same rate and in the same form as the Bonds surrendered for exchange, registered in the name or names requested by the assignee of the then Bondholder; provided the Trustee is not required to exchange or register the transfer of Bonds after the giving of notice calling such Bond for redemption, in whole or in part. The Issuer shall execute and the Trustee shall authenticate any Bonds whose execution and authentication is necessary to provide for exchange of Bonds pursuant to this Section and the Issuer may rely on a representation from the Trustee that such execution is required.

Any exchange or registration of transfer of Bonds shall be at the expense of the Issuer except that the Trustee may make a charge to any Bondholder requesting such exchange or registration in the amount of any tax or other governmental charge required to be paid with respect thereto but will not impose any other charge.

Prior to due presentment for registration of transfer of any Bond, the Trustee shall treat the Person shown on the Bond Register as owning a Bond as the Bondholder and the Person exclusively entitled to payment of principal thereof and interest thereon and, except as otherwise expressly provided herein, the exercise of all other rights and powers of the owner thereof, and neither the Issuer, the Trustee, nor any agent of the Issuer or the Trustee shall be affected by notice to the contrary.

Section 2.09 Temporary Bonds. Prior to the preparation of definitive Bonds the Issuer may issue temporary Bonds in registered form and in such denominations as the Issuer may determine but otherwise in substantially the form provided for definitive Bonds with appropriate variations, omissions, and insertions. The Issuer shall promptly prepare, execute, and deliver to the Trustee before the first Interest Payment Date for such Bonds, definitive Bonds and, upon presentation and surrender of Bonds in temporary form, the Trustee shall authenticate and deliver in exchange therefor definitive Bonds of the same maturity for the same aggregate principal amount. Until exchanged for definitive Bonds, Bonds in temporary form shall be entitled to the lien and benefit of this Indenture.

Section 2.10 Mutilated, Lost, or Destroyed Bonds. If any Bond has been mutilated, lost, or destroyed, the Issuer shall execute, and the Trustee shall authenticate and deliver to the Bondholder, a new Bond of like date and tenor in exchange and substitution for, and upon cancellation of, such mutilated Bond or in lieu of and in substitution for such lost or destroyed Bond but only if the Bondholder has paid the reasonable expenses and charges of the Issuer and the Trustee in connection therewith and, in the case of a lost or destroyed Bond, (a) filed with the Trustee evidence satisfactory to the Trustee that such Bond was lost or destroyed and (b) furnished to the Trustee indemnity satisfactory to it. If any such Bond has matured or been called for redemption and is payable, instead of issuing a new Bond the Trustee may pay the same without issuing a replacement Bond.

If, after the delivery of such replacement Bond, the original Bond in lieu of which such replacement Bond was issued is presented for payment or registration, the Trustee shall seek to

recover such replacement Bond from the person to whom it was delivered or any person taking therefrom and shall be entitled to recover from the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the Trustee or the Issuer in connection therewith.

Section 2.11 Cancellation and Disposition of Bonds. The Issuer may deliver Bonds to the Trustee for cancellation at any time and for any reason and the Trustee is hereby authorized to cancel such Bonds. All Bonds that have been paid (whether at maturity or by acceleration, upon redemption, or pursuant to *Section 3.06*) or delivered to the Trustee for cancellation shall not be reissued. Unless otherwise directed by the Issuer, the Trustee shall treat such Bonds in accordance with its document retention policies.

Section 2.12 Securities Depository Provisions. The Bonds shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), and shall be held in the custody of DTC. The Issuer and the Trustee acknowledge that they have executed and delivered a Letter of Representations with DTC. All payments of principal of and interest on the Bonds and all notices with respect thereto, including notices of full or partial redemption, shall be made and given at the times and in the manner set out in the Letter of Representations. The terms and provisions of the Letter of Representations shall govern in the event of any inconsistency between the provisions of this Indenture and the Letter of Representations. The Letter of Representations may be amended without Bondholder consent. All payments of principal of and interest on the Book Entry Bonds and all notices with respect thereto, including notices of full or partial redemption, shall be made and given at the times and in the manner set out in the Letter of Representations.

The book-entry registration system for all of the Bonds may be terminated and certificates delivered to and registered in the name of the Beneficial Owners, under either of the following circumstances:

- (a) DTC notifies the Issuer and the Trustee that it is no longer willing or able to act as Securities Depository for the Bonds and a successor Securities Depository for the Bonds is not appointed by the Issuer prior to the effective date of such discontinuation; or
- (b) The Issuer determines that continuation of the book-entry system through DTC (or a successor Securities Depository) is not in the best interest of the Issuer.

In the event a successor Securities Depository is appointed by the Issuer, the Bonds will be registered in the name of such successor Securities Depository or its nominee. In the event certificates are required to be issued to Beneficial Owners, the Trustee and the Issuer shall be fully protected in relying upon a certificate of DTC or any DTC participant as to the identity of and the principal amount of Bonds held by such Beneficial Owners.

The Beneficial Owners of Bonds will not receive physical delivery of certificates except as provided herein. For so long as there is a Securities Depository for the Bonds, all of such Bonds shall be registered in the name of the nominee of the Securities Depository, all transfers of beneficial ownership interests in such Bonds will be made by the nominee of the Securities Depository, and no investor or other party purchasing, selling, or otherwise transferring beneficial

ownership of such Bonds is to receive, hold, or deliver any certificate. The Issuer and the Trustee shall have no responsibility or liability for transfers of beneficial ownership interests in such Bonds.

The Issuer and the Trustee will recognize the Securities Depository or its nominee as the Bondholder for all purposes, including receipt of payments, notices, and voting; provided the Trustee may recognize votes by or on behalf of Beneficial Owners as if such votes were made by Bondholders of a related portion of the Bonds when such votes are received in compliance with an omnibus proxy or other comparable evidence delivered to the Trustee by the Bondholders.

With respect to Book Entry Bonds, the Issuer and the Trustee shall be entitled to treat the Person in whose name such Bond is registered as the absolute owner of such Bond for all purposes of this Indenture, and neither the Issuer nor the Trustee shall have any responsibility or obligation to any Beneficial Owner of such Book Entry Bond. Without limiting the immediately preceding sentence, neither the Issuer nor the Trustee shall have any responsibility or obligation with respect to (a) the accuracy of the records of any Securities Depository or any other Person with respect to any ownership interest in Book Entry Bonds, (b) the delivery to any Person, other than a Bondholder, of any notice with respect to Book Entry Bonds, including any notice of redemption or refunding, (c) the selection of the particular Bonds or portions thereof to be redeemed or refunded in the event of a partial redemption or refunding of part of the Bonds Outstanding, or (d) the payment to any Person, other than a Bondholder, of any amount with respect to the principal of or interest on Book Entry Bonds.

Section 2.13 Additional Parity Indebtedness. The Issuer will not issue any other bonds or obligations having a lien on the Revenues except for Additional Parity Indebtedness issued pursuant to this Section. Additional Parity Indebtedness may be issued and the Trustee shall authenticate and deliver such Additional Parity Indebtedness when there have been filed with it the following:

(a) An opinion or opinions of Bond Counsel, addressed to the Issuer and the Trustee, to the effect that there has been compliance with all conditions precedent to the authentication and delivery of the Additional Parity Indebtedness, the issuance of the Additional Parity Indebtedness has been duly authorized, interest on the Additional Parity Indebtedness is exempt from income taxation by the State of Arkansas, and issuance of the Additional Parity Indebtedness will not adversely affect the income tax status of interest on Outstanding Parity Indebtedness;

(b)(1) If the Additional Parity Indebtedness is to be issued to acquire, construct, or equip capital improvements, a written opinion of an Accountant that the Revenues collected by the Issuer in the year immediately prior to the year in which the Additional Parity Indebtedness is proposed to be issued were at least 150 percent of the maximum Annual Debt Service on all Outstanding Parity Indebtedness plus the Additional Parity Indebtedness proposed to be issued, and (2) if the Additional Parity Indebtedness is to be issued to refund any series of Outstanding Parity Indebtedness, a written opinion of an Accountant that the test set forth in (1) has been satisfied or that Annual Debt Service on the Additional Parity Indebtedness proposed to be issued does not exceed Annual Debt Service on all Parity Indebtedness which would have been Outstanding had the same not been refunded; and

(c) A certificate of the Issuer, signed by its Mayor, that the Issuer is not in default under this Indenture.

In making the computation set forth in (b)(1) above, the Issuer and the Accountant providing the opinion may treat any increase in franchise fees enacted subsequent to the first day of such preceding year as having been in effect throughout that year and may include in Revenues for the year the amount that would have been received, based on such opinion or report, had the increase been in effect throughout the year.

The Issuer may issue junior lien debt so long as any lien on the Revenues is expressly subordinate to that lien securing the Bonds.

Section 2.14 Designation of the Series 2021-A Bonds as Bank Qualified. The Issuer hereby designates the Series 2021-A Bonds as “qualified tax-exempt obligations” within the meaning of section 265(b)(3) of the Code.

Article III: Redemption of Bonds

Section 3.01 Redemption Dates and Prices. The Bonds may not be called for redemption by the Issuer except as provided in this Article.

Section 3.02 Mandatory Sinking Fund Redemption of Bonds. The Trustee shall redeem Series 2021-A Term Bond maturing on September 1, 2040 in the years and in the principal amounts and at a price of 100 percent of the principal amount of the Series 2021-A Term Bond to be redeemed plus interest accrued to the redemption date, as follows:

Bonds Maturing September 1, 2040	
Year	Amount
2036	\$185,000
2037	190,000
2038	190,000
2039	195,000
2040*	200,000

* Final maturity

The Trustee shall redeem the Taxable Series 2021-B Term Bond maturing on September 1, 2038 in the years and in the principal amounts and at a price of 100 percent of the principal amount of the Series 2021-B Term Bond to be redeemed plus interest accrued to the redemption date, as follows:

**Bonds Maturing
September 1, 2038**

Year	Amount
2036	\$540,000
2037	555,000
2038*	575,000

* Final maturity

On or before the 30th day prior to each such sinking fund redemption date, the Trustee shall proceed to call the principal amount of the Bonds indicated above for redemption on the next April 1, and give notice of such call. At its option, the Issuer may (a) deliver to the Trustee for cancellation Series 2021 Bonds to sinking fund redemption in an aggregate principal amount desired or (b) receive credit in respect of its sinking fund redemption obligation for any Series 2021 Bonds subject to sinking fund redemption, which prior to said date have been canceled (otherwise than through the operation of the sinking fund redemption schedule) by the Trustee and not theretofore applied as a credit against such sinking fund redemption obligation. Each Series 2021 Bond so delivered or previously redeemed shall be credited by the Trustee at the principal amount thereof against the obligation of the Issuer on such sinking fund redemption date, and the principal amount of Series 2021 Bonds to be redeemed by operation of such sinking fund redemption schedule on such date shall be accordingly reduced; and any excess over the principal amount of Series 2021 Bonds to be redeemed by operation of the sinking fund redemption schedule on any sinking fund redemption date shall be credited against future sinking fund redemption payments in such manner as will ensure that each future sinking fund redemption payment shall be reduced as specified by the Issuer or, in the absence of such specification, in inverse order of scheduled sinking fund redemption by an amount proportional to the amount originally established for such future sinking fund redemption date, rounded to the nearest \$5,000 amount so that the total amount so credited equals the principal amount of Series 2021 Bonds so delivered, and the principal amount of Series 2021 Bonds required to be redeemed by operation of the sinking fund on subsequent sinking fund redemption dates shall be correspondingly reduced.

Section 3.03 Optional Redemption of Bonds. The Bonds maturing on or after _____ are subject to redemption by the Issuer on or after _____ in whole or in part at any time from any moneys that may be available for such purpose, upon payment of a redemption price equal to 100 percent of the principal amount of Bonds to be redeemed plus interest accrued to the redemption date.

Section 3.04 Selection of Bonds for Redemption. If less than all of the Bonds are called for redemption, they shall be redeemed from maturities in such order as determined by the Issuer. DTC shall select the Series 2021 Bonds for redemption within particular maturities according to its stated procedures.

Section 3.05 Notice of Redemption. When Series 2021 Bonds (or portions thereof) are to be redeemed, the Issuer shall give notice of the redemption of the Series 2021 Bonds to the Trustee no later than 45 days prior to the redemption date or such shorter time as may be acceptable to the

Trustee. In the case of an optional redemption, the notice may state (a) that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Trustee no later than the redemption date or (b) that the Issuer retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a “Conditional Redemption”), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded. The Trustee shall send notice of any redemption, identifying the Series 2021 Bonds to be redeemed, the redemption date, and the method and place of payment, by first class mail to each holder of a Series 2021 Bond called for redemption to the holder’s address listed on the Bond Register. Such notice shall be sent by the Trustee by first class mail between 30 and 60 days prior to the scheduled redemption date. If notice is given as described in this paragraph, failure of any Bondholder to receive such notice, or any defect in the notice, shall not affect the redemption or the validity of the proceedings for the redemption of the Series 2021 Bonds.

Any Conditional Redemption may be rescinded in whole or in part at any time prior to the redemption date if the Issuer instructs the Trustee to rescind the redemption notice. The Trustee shall give prompt notice of such rescission to the affected Bondholders. Any Series 2021 Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and the rescission shall not constitute any Event of Default. Further, in the case of a Conditional Redemption, the failure of the Issuer to make funds available in part or in whole on or before the redemption date shall not constitute an Event of Default, and the Trustee shall give immediate notice to the affected Bondholders that the redemption did not occur and that the Series 2021 Bonds called for redemption and not so paid remain Outstanding.

Section 3.06 Purchase at Any Time. The Trustee, upon the written request of the Issuer, shall purchase Bonds as specified by the Issuer in the open market at a price not exceeding a price set by the Issuer. Such purchase of Bonds shall be made with funds provided by the Issuer and not with any portion of the Trust Estate. Upon purchase by the Trustee, such Bonds shall be treated as delivered for cancellation pursuant to the Indenture. Nothing in the Indenture shall prevent the Issuer from purchasing Bonds on the open market without the involvement of the Trustee and delivering such Bonds to the Trustee for cancellation pursuant to the Indenture. The principal amount of Bonds to be redeemed by optional redemption under the Indenture may be reduced by the principal amount of Bonds purchased by the Issuer and delivered to the Trustee for cancellation at least 45 days prior to the redemption date.

Article IV: Funds and Accounts

Section 4.01 Creation of Funds. The following funds are hereby created and the proceeds of the Bonds and all Revenues received by the Trustee are, subject to the provisions of *Section 7.08*, to be deposited by it in the Funds described herein and held in trust for the purposes set forth herein:

- (a) Cost of Issuance Fund.
- (b) Debt Service Fund.
- (c) Reserve Fund.

(d) Rebate Fund.

Section 4.02 Cost of Issuance Fund. On the Issue Date, the Trustee shall deposit in the Cost of Issuance Fund, such amount from Bond proceeds as shall be specified in writing signed by an Issuer Representative for the purpose of paying Issuance Costs. The Trustee shall also deposit in the Cost of Issuance Fund any amount delivered to the Trustee by the Issuer for deposit therein.

Any amounts deposited in the Cost of Issuance Fund shall be used on or after the Issue Date to pay Issuance Costs; provided that Series 2021 Bond proceeds deposited in the Cost of Issuance Fund, if any, shall be used to pay Issuance Costs before any money deposited from sources other than Series 2021 Bonds proceeds. For purposes of this paragraph, Series 2021 Bond proceeds in the Cost of Issuance Fund shall be deemed to have been used before any money deposited from other sources is deemed to be so used.

Before each payment is made from the Cost of Issuance Fund by the Trustee, there shall be filed with the Trustee a written requisition signed by an Issuer Representative, accompanied by copies of appropriate invoices or other evidence of amounts due, and stating with respect to each payment to be made (i) the requisition number; (ii) the name and address of the person to whom payment is due (which may be the Issuer if the payment is to reimburse the Issuer for amounts previously paid); (iii) the purpose for which the payment is to be made; (iv) the amount to be paid; (v) that each obligation mentioned therein has been properly incurred and is a proper charge against the Cost of Issuance Fund; and (vi) that none of the items for which payment is requested has been previously paid or reimbursed from the Cost of Issuance Fund.

Any money remaining in the Cost of Issuance Fund 90 days following the Closing Date shall be transferred to the Debt Service Fund.

Section 4.03 Debt Service Fund.

(a) The Trustee shall deposit into the Debt Service Fund a portion of the proceeds of the Series 2021 Bonds (representing accrued interest, if any) for deposit in such Fund as required by the Indenture upon the delivery of the Series 2021 Bonds (see the caption “The Series 2021 Bonds—Sources and Uses of Funds” in the Official Statement), the amounts described in the following paragraph, and all other amounts required or permitted under the Indenture to be deposited in the Debt Service Fund.

(b) On the first Business Day of February 2021, and on the first Business Day of each calendar month thereafter, until all outstanding Series 2021 Bonds, with interest thereon, have been paid in full or provision made for such payment the Issuer shall deliver to the Trustee for deposit in the Debt Service Fund an amount equal to 1/6 of the interest to become due on the next ensuing Interest Payment Date on the Series 2021 Bonds plus 1/12 of the next installment of principal due on the Series 2021 Bonds at maturity or upon mandatory sinking fund redemption or otherwise, together with the fees and expenses of the Trustee; provided, however, that payments shall be adjusted through September 2021 so that approximately level monthly payments are made in order to provide for the first principal and interest payments. The required deposits shall be reduced by any amount in the Debt Service Fund available for meeting the purpose for which a deposit is required

to be made, including amounts received as accrued and capitalized interest upon delivery of a Series of Bonds.

(c) Moneys on deposit in the Debt Service Fund shall be applied as follows:

(1) to the payment of interest, when due, on all Outstanding Bonds, including any accrued interest due in connection with redemptions of Bonds;

(2) to the payment, when due, of the principal of the Bonds then payable at maturity or upon redemption; and

(3) to the payment of principal of and interest on Bonds purchased by the Issuer pursuant to *Section 3.07*.

Section 4.04 Reserve Fund.

(a) The Trustee shall initially deposit in the Reserve Fund an amount equal to the Series Required Reserve on the Series 2021 Bonds from Series 2021 Bond proceeds. In connection with the issuance of any Additional Bonds, the Series Required Reserve shall be recomputed for all Bonds then to be Outstanding, including the Additional Bonds then being issued, and any required increase in the amount on deposit in such Fund shall be funded at settlement for the Additional Bonds. The amount of any withdrawal for the purpose described in (1) below shall be restored by the Issuer in no more than 12 substantially equal, consecutive, monthly installments, each payable on the last Business Day of the month, commencing with the month in which the withdrawal is made; provided that, if any withdrawal is made and if, prior to the restoration of the amount withdrawn, an additional withdrawal is made, such additional withdrawal shall be restored in equal monthly installments over the remainder of the restoration period for the initial withdrawal. In addition, if the fair market value of the investments in the Reserve Fund is less than the Series Required Reserve on all Bonds Outstanding on any valuation date in accordance with the provisions of the Indenture described at the caption “Investment or Deposit of Funds—Valuation of Funds” herein, the difference between such Series Required Reserve and the value of the Reserve Fund shall be restored by the Issuer in no more than six equal, consecutive, monthly installments, each payable on the last Business Day of the month, commencing with the month in which the valuation revealing the deficiency is made. Upon the making of any monthly deposit to restore a withdrawal or deficiency, the Issuer may direct the Trustee to recompute the value of the assets in the Reserve Fund, in which event the remaining amount to be restored, if any, after taking the new valuation into account shall be deposited in equal monthly installments over the balance of the restoration period.

(b) Moneys on deposit in the Reserve Fund shall be applied as follows:

(1) On the date of each required payment from the Debt Service Fund, moneys in the Reserve Fund shall be applied to cure any deficiency in the Debt Service Fund;

(2) Any amount in the Reserve Fund in excess of the Series Required Reserve on all Outstanding Bonds on any valuation date may be (a) transferred to the Debt Service Fund and credited against the payments next becoming due (in direct order) under the Indenture in respect of the principal of or interest on the Series 2021 Bonds, or (b) applied as may be

specified by the Issuer if such Certificate is accompanied by an opinion of Bond Counsel to the effect that such application will not cause interest on any Series of Bonds to be includable in gross income for federal income tax purposes.

(3) In each month during the 12-month period preceding the final maturity date of any Series of Bonds, moneys held in the Reserve Fund shall be credited against the payments otherwise due under the Indenture in respect of principal of and interest on such Series of Bonds and shall be transferred to the Debt Service Fund for the payment of such principal and interest; provided, however, that no such credit shall be given and no such transfer shall be made if and to the extent that, immediately prior to such crediting and transfer, the amount on deposit in the Reserve Fund is not at least equal to the Series Required Reserve on all Bonds, less the amounts previously transferred to the Fund during such 12-month period pursuant to this paragraph.

Section 4.05 Rebate Fund. The Rebate Fund shall be used as a repository of the Rebate Amount, if any. The Rebate Fund shall be held in trust for the benefit of the United States of America and shall not be subject to any lien, security interest, right, claim, or encumbrance of any other person, including the Issuer or the Bondholders. The Issuer covenants to employ and pay a Rebate Analyst to determine the Rebate Amount at such times as shall be required by section 148(f) of the Code.

The Trustee will make any information that it has access to regarding the Series 2021-A Bonds and investments under this Indenture available to the Rebate Analyst prior to the end of each Bond Year, will make deposits into and disbursements from the Rebate Fund in accordance with the directions received solely from the Rebate Analyst, will invest money in the Rebate Fund pursuant to directions of the Issuer, and will deposit income from such investments immediately upon receipt thereof in the Rebate Fund.

If a deposit to the Rebate Fund is required as a result of the computations made as of the end of each Bond Year by the Rebate Analyst, the Issuer will pay the Trustee such amounts as are necessary to make such deposit not more than 25 days after the end of such Bond Year.

The Trustee shall remit from the Rebate Fund to the United States Treasury, at the times designated by the Rebate Analyst but in no event later than 30 days after every fifth Bond Year the amount specified by the Rebate Analyst. Within 30 days after any date the last Series 2021-A Bond is retired, the Trustee shall remit to the United States Treasury the entire aggregate amount of the Rebate Amount, as finally computed by the Rebate Analyst, not theretofore paid to the United States Treasury. All payments to the United States of America pursuant to this Section shall be made by the Trustee for the account of and in the name of the Issuer and shall be paid by check posted by certified United States mail (return receipt requested) addressed to the Internal Revenue Service address specified on Form 8038-T, and shall be accompanied by Form 8038-T and such other forms or statements required by the Code, the Regulations, or other administrative guidelines. The Trustee shall retain records of all calculations and rebate payments required by this Section for a period ending six years after the date the last Series 2021-A Bond is retired.

The Trustee may conclusively rely, without further inquiry or investigation, on the information, instructions, and forms provided or prepared by the Rebate Analyst hereunder with regard to any actions to be taken by the Trustee, including payments to be made, pursuant to this Section and

shall have no liability for any consequences of any failure of the Issuer or the Rebate Analyst to supply accurate or sufficient instructions or to compute erroneously any payment due pursuant to the Indenture. The Trustee shall have no responsibility or duty to perform or to have performed any rebate calculation or to expend its own funds to make any rebate payments.

If at any time during the term of the Indenture the Issuer or the Trustee desire to take any action which would otherwise be prohibited by the terms of the Indenture, such person shall be permitted to take such action if it shall first obtain and provide, at the expense of the Issuer, to the other persons named herein an opinion of Bond Counsel to the effect that such action shall not adversely affect the exclusion of interest on the Series 2021-A Bonds from gross income of the Holders of any Series 2021-A Bond for federal income tax purposes and shall be in compliance with the laws of the State.

The Trustee shall not be liable or responsible for any method of calculation, or any calculation or determination which may be required in connection with or for the purpose of complying with section 148 of the Code or any successor statute or any Regulation, ruling, or other judicial or administrative interpretation thereof, including, without limitation, the calculation of amounts required to be paid to the United States of America or the determination of the maximum amount which may be invested in “non-purpose investments” having a yield higher than the yield on the Series 2021-A Bonds, in connection with any such investments, and the Trustee shall not be liable or responsible for monitoring the compliance by the Issuer with any of the requirements of section 148 of the Code or any applicable Regulation, ruling, or other judicial or administrative interpretation thereof. It is acknowledged and agreed that the sole obligation of the Trustee in this regard shall be to invest money received by the Trustee pursuant to the instructions of the Issuer in a specific investment identified by the Issuer and to disburse money in accordance with the terms of this Indenture.

4.06 Credit Facility. The Issuer shall be permitted to substitute a letter of credit, surety bond, or other credit enhancement (each, a “Credit Facility”) for funds on deposit in the Reserve Fund, provided that:

(1) the credit facility (including any replacement credit facility) is issued by a bank, trust company, national banking association, or insurance company whose unsecured long term debt obligations (in the case of a bank, trust company, or national banking association) or whose claims paying abilities (in the case of an insurance company) are rated AA by a Rating Service, at the time the credit facility is issued and at the time of each extension or renewal thereof;

(2) the issuer of the credit facility does not receive as security for any reimbursement obligation in respect of the credit facility any lien, security interest, or other similar right or interest in any property which is superior to the rights of the Trustee in respect of such property;

(3) the credit facility (including any replacement credit facility, if provided by a different issuer) has an initial term of not less than three years and any extension, renewal, or replacement (if provided by the same issuer) thereof has a term of not less than one year

(4) the Trustee is authorized and has the duty and right to draw on the credit facility to satisfy the purposes for which the Reserve Fund was established; and

(5) the Trustee shall receive an opinion of Counsel to the effect that all of the requirements set forth above have been satisfied.

Upon such substitution, funds on deposit in the Reserve Fund which, when added to the face amount of the credit facility, exceed the Series Required Reserve on all Outstanding Bonds shall be applied as described at paragraph (2) in “Application of Moneys in Reserve Fund”, above. Thereafter, the credit facility shall be considered a part of the Reserve Fund and the amount available thereunder shall be included in any calculations of the amount required to be retained in the Reserve Fund; provided that, (A) if the sum of the amount available under the credit facility and the amount of moneys on deposit in the Reserve Fund exceeds the amount required to be on deposit, the Issuer shall be permitted (i) to cause the amount available under the credit facility to be reduced by an amount equal to such excess, or (ii) to direct that the excess moneys be applied as permitted under the Indenture, and (B) if the credit facility is not extended, renewed, or replaced at least six months prior to its scheduled expiration or termination date, the Trustee shall, not later than 10 days prior to such date, draw on the credit facility for the full amount thereof.

If there are cash and investments on deposit in the Reserve Fund in addition to a Credit Facility, such cash and investments will be drawn on prior to any draws on such Credit Facility.

Section 4.07 Revenues to Be Held for All Bondholders, With Certain Exceptions. Until applied as herein provided and except where moneys have been deposited with or paid to the Trustee pursuant to an instrument restricting the application of such moneys to particular Bonds, the moneys and investments held in all Funds established hereunder and the proceeds of any remedies exercised under *Article VII* shall be held in trust pursuant to the terms of this Indenture for the equal and proportionate benefit of the holders of all Outstanding Bonds, except that: (a) on and after the date on which the interest on or principal of any particular Bond or Bonds is due and payable from the Debt Service Fund or, with respect to which a call for redemption has been given and funds for such redemption have been deposited with the Trustee, the unexpended balance of the amount deposited or reserved in the Debt Service Fund for the making of such payments shall, to the extent necessary therefor, be held for the benefit of the Bondholder or Bondholders entitled thereto; and (b) any special redemption fund established in connection with the defeasance of any Bonds in accordance with *Article IX* shall be held for the benefit of the holders of Bonds being defeased.

Section 4.08 Rebate. The Issuer hereby covenants to pay directly to the government of the United States of America all amounts due in respect of “arbitrage rebate” under section 148(f) of the Code with respect to the Bonds.

Section 4.09 Repayment to the Issuer from Amounts Remaining in Any Funds. Any amounts remaining in any Funds (a) after all of the Outstanding Bonds shall be deemed paid and discharged under the provisions of this Indenture and (b) after payment of all fees, charges, and expenses of the Trustee, the Bond Registrar, and any Paying Agents and of all other amounts required to be paid under this Indenture, shall be paid to the Issuer to the extent that such amounts are in excess of those necessary to effect the payment and discharge of the Outstanding Bonds.

Section 4.10 Disposition of Unclaimed Funds. Notwithstanding any provisions of this Indenture, and subject to applicable unclaimed property laws, any money deposited with the Trustee or any Paying Agent in trust for the payment of principal of or interest on the Bonds remaining unclaimed for three years after the payment thereof: (a) shall be reported and disposed of by the Trustee in accordance with applicable unclaimed property laws; or (b) to the extent

permitted by applicable law, shall be paid to the Issuer, whereupon all liability of the Trustee with respect to such money shall cease, and the holders of the Bonds shall thereafter look solely to the Issuer for payment of any amounts then due. All moneys held by the Trustee or any Paying Agent and subject to this Section shall be held uninvested and without liability for interest thereon.

Section 4.11 Additional Funds and Accounts. In addition to the funds and accounts specifically authorized under this Article, the Trustee shall have the authority to create and maintain such other funds and accounts as it may deem necessary for proper administration hereunder, including without limitation funds and accounts in which to deposit a portion of the bond proceeds pending disbursement for payment of Issuance Costs.

Article V: Investment or Deposit of Funds

Section 5.01 Deposits and Security Therefor. All moneys received by the Trustee under this Indenture for deposit in any Fund established hereunder shall be considered trust funds. All moneys on deposit with the Trustee shall, to the extent not insured, be secured in the manner required or permitted by State or other applicable law. Subject to the foregoing requirements as to security, if at any time the commercial department of the Trustee is unwilling to accept such deposits or unable to secure them as provided above, the Trustee may deposit such moneys with any other depository which is authorized to receive and secure them as aforesaid and the deposits of which are insured by the Federal Deposit Insurance Corporation. All security for deposits shall be perfected in such manner as may be required or permitted under applicable law in order to grant to the Trustee a perfected security interest in such deposits.

Section 5.02 Investment or Deposit of Funds. Moneys on deposit in the Project Fund shall be invested and reinvested by the Issuer and money on deposit in other Funds established pursuant to *Article IV* shall be invested and reinvested by the Trustee, and, as follows:

(a) All moneys on deposit in Funds shall be invested in Eligible Investments which shall mature, or be subject to repurchase, withdrawal without penalty, or redemption at the option of the holder, on or before the dates on which the amounts invested are reasonably expected to be needed for the purposes hereof.

(b) All purchases or sales of Eligible Investments shall be made at the direction of the Issuer (given in writing or orally, confirmed in writing), or in the absence of such direction, by the Trustee in Eligible Investments described in paragraph (f) of the definition thereof, payable on demand.

(c)(1) Any securities or investments held by the Trustee may be transferred by the Trustee, if required in writing by the Issuer, from any of the Funds or accounts mentioned in *Article IV* to any other Fund or account mentioned in *Article IV* at the then current market value thereof without having to be sold and purchased or repurchased; provided, however, that after any such transfer or transfers, the investments in each such Fund or account shall be in accordance with the provisions as stated in this Indenture; and (2) whenever any other transfer or payment is required to be made from any particular Fund, such transfer or payment shall be made from such combination of maturing principal, redemption premiums, liquidation proceeds, and withdrawals of principal as the Trustee deems appropriate for such purpose.

(d) The Trustee shall not be accountable for any depreciation in the value of Eligible Investments or any losses incurred upon any authorized disposition thereof.

(e) The Trustee is expressly authorized to invest moneys in two or more Funds in a single investment, provided that a portion of the investment allocable to each such Fund, and all payments received with respect to such allocable portion, shall be applied in accordance with the applicable provisions governing such Fund hereunder.

(f) Unless otherwise provided in an applicable supplemental indenture, investment income on amounts on deposit in the Reserve Fund shall be transferred to the Debt Service Fund to the extent that no deficiency will exist in the Reserve Fund after such transfer. In all other situations, earnings from investment shall remain in the respective Fund where earned.

Section 5.03 Valuation of Funds. The Trustee shall determine the value of the assets in each of the Funds established under the Indenture on, or on a date not earlier than three days prior to, (a) April 1 of each year and (b) the date of settlement for a Series of Additional Bonds. As soon as practicable after each such valuation date, the Trustee shall furnish to the Issuer a report of the status of each Fund as of such date. In computing the value of assets in any Fund, investments shall be valued at the fair market value thereof and shall include accrued but unpaid interest on each investment, and all investments (valued as aforesaid) and accrued interest thereon shall be deemed a part of such Funds.

Article VI: Covenants and Agreements of the Issuer

Section 6.01 Covenants and Agreements of the Issuer. In addition to any other covenants and agreements of the Issuer contained in this Indenture, the Issuer further covenants and agrees with the Bondholders and the Trustee as follows:

(a) *Payment of Principal and Interest.* The Issuer will pay all principal of and interest on the Bonds or cause them to be paid, solely from the sources provided herein, on the dates, at the places, and in the manner provided in this Indenture.

(b) *Maintenance and Assignment of Revenues.* The Issuer will maintain franchise fees charged for the privilege of using the Issuer's streets and rights-of-way (i) to public utilities pursuant to the authority contained in Ark. Code Ann. §§ 14-200-101 to -112, (ii) as voluntary payments in lieu of taxes from the Issuer's water utility pursuant to the authority contained in Ark. Code Ann. § 14-234-114, and (iii) to a cable service provider pursuant to the Issuer's cable service franchise ordinance and agreement for a term ending May 21, 2022, at a level sufficient to produce annual Revenues at least equal to 150 percent of the maximum Annual Debt Service on all Outstanding Parity Indebtedness. The Issuer will not assign the Revenues or create or authorize to be created any debt, lien, or charge thereon, other than the assignment thereof under this Indenture. The Issuer will not reduce such franchise fees unless it files with the Trustee an opinion of an Accountant to the effect that Revenues for the preceding year, assuming such reduction had been in effect for the entire year, would have equaled not less than 150 percent of the maximum Annual Debt Service on all Outstanding Parity Indebtedness.

(c) *Recordings and Filings.* The Issuer will cause this Indenture, or any related instruments or documents relating to the assignment made by the Issuer under this Indenture to secure the Bonds, to be recorded and filed in the manner and in the places which may be required by law in order to preserve and protect fully the security of the holders of the Bonds and the rights of the Trustee hereunder.

(d) *Inspection of Books.* All books, instruments, and documents in the Issuer's possession relating to the Project and the Revenues shall be open to inspection at all times during the Issuer's regular business hours by any accountants or other agents of the Trustee which the Trustee may designate from time to time or by the holders of 25 percent or more in principal amount of Bonds then Outstanding, or a designated representative thereof.

(e) *Register.* At reasonable times and under reasonable regulations established by the Bond Registrar, the Bond Register may be inspected and copied by or delivered to the Issuer, the Trustee, or the holders of 25 percent or more in principal amount of the Bonds then Outstanding or a designated representative thereof.

(f) *Issuer Not to Adversely Affect Exclusion From Gross Income of Interest on the Series 2021-A Bonds.* The Issuer covenants that it (1) will take, or require to be taken, all actions that may be required of the Issuer for the interest on the Series 2021-A Bonds to be and remain excludable from the gross income for federal income tax purposes and (2) will not take or authorize to be taken any actions that would adversely affect that exclusion under the provisions of the Code.

Section 6.02 Observance and Performance of Covenants, Agreements, Authority, and Actions. The Issuer hereby agrees to observe and perform at all times all covenants, agreements, authority, actions, undertakings, stipulations, and provisions to be observed or performed on its part under this Indenture, the Bond Ordinance, and the Bonds which are executed, authenticated, and delivered under this Indenture, and under all proceedings of its Board of Directors pertaining thereto.

The Issuer represents and warrants that:

(a) It is duly authorized by the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Bonds, to execute and deliver this Indenture, and to provide the security for payment of the principal of and interest on the Bonds in the manner and to the extent set forth in this Indenture.

(b) All actions required on its part to be performed for the issuance, sale, and delivery of the Bonds and for the execution and delivery of this Indenture have been or will be taken duly and effectively; provided no representation is made as to any state securities or "Blue Sky" laws.

(c) The Bonds will be valid and enforceable special obligations of the Issuer according to their terms, subject to bankruptcy and equitable principles, and in no event shall the Bonds constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation.

Section 6.03 Tax Covenants.

The Issuer covenants that it will neither make nor direct the Trustee to make any investment or other use of the proceeds of the Series 2021-A Bonds issued hereunder which would cause the Series 2021-A Bonds to be “arbitrage bonds” as that term is defined in section 148(a) of the Code and all Regulations promulgated with respect thereto, and that it will comply with the requirements of the Code and Regulations throughout the term of the Series 2021-A Bonds. The Trustee covenants that in those instances where it exercises discretion over the investment of funds, it shall not knowingly make any investment inconsistent with the foregoing covenants.

Article VII: Events of Default and Remedies

Section 7.01 Events of Default Defined. Each of the following is an “Event of Default” hereunder:

(a) Default in the payment of any installment of interest on any Bond when it becomes due and payable;

(b) Default in the payment of principal of any Bond when it becomes due and payable;

(c) Subject to the provisions of *Section 7.07*, default in the performance or breach of any covenant, warranty, or representation of the Issuer contained in this Indenture (other than a default under subsections (a) and (b)); or

(d)(1) An Event of Bankruptcy of the Issuer; (2) the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator, or other similar official of the Issuer or of any substantial portion of its property; or (3) the ordering of the winding up or liquidation of its affairs and the continuance of any such involuntary filing, appointment, or order unstayed and in effect for a period of 60 consecutive days.

Section 7.02 Remedies upon Default.

(a) If an Event of Default under *Section 7.01* occurs and is continuing, the Trustee may, and upon the written request to the Trustee by the holder or holders of not less than 25 percent in aggregate principal amount of the Bonds then Outstanding shall, subject to the requirements of *Section 8.02(f)*, by written notice to the Issuer, declare the principal of the Bonds and all interest accrued thereon to the date of acceleration to be immediately due and payable.

(b) At any time after such a declaration of acceleration has been made and before the entry of a judgment or decree for payment of the money due, the Trustee may, or the holders of not less than 25 percent in aggregate principal amount of the Bonds then Outstanding may by written notice to the Issuer and the Trustee (subject to the requirements of *Section 8.02(f)*) direct the Trustee to, rescind and annul such declaration and its consequences if:

(1) there has been paid to or deposited with the Trustee by or for the account of the Issuer, or provision satisfactory to the Trustee in reliance upon an opinion of Counsel has been made for the payment, of a sum sufficient to pay: (A) all overdue installments of interest on the Bonds; (B) the principal of any Bonds which have become due other than by such declaration

of acceleration and interest thereon; (C) to the extent lawful, interest upon overdue installments of interest; and (D) all sums paid or advanced by the Trustee hereunder, together with the reasonable compensation, expenses, disbursements, and advances of the Trustee, its agents, and Counsel prior to the date of notice of rescission; and

(2) all Events of Default, other than the nonpayment of principal of and interest on the Bonds which have occasioned such acceleration, have been cured or waived.

(c) No such rescission and annulment shall affect any subsequent default or impair any consequent right.

Section 7.03 Additional Remedies.

(a) The Trustee upon the occurrence of an Event of Default may, and upon the written request of the holders of not less than a majority in aggregate principal amount of the Bonds Outstanding (subject to the requirements of *Section 8.02(f)*) shall, proceed to protect and enforce its rights and the rights of the holders of the Bonds under this Indenture by a suit or suits in equity or at law, either for the specific performance of any covenant or agreement contained herein or in aid of the execution of any power granted herein, or for the enforcement of any other appropriate legal or equitable remedy, and the Trustee in reliance upon the advice of Counsel may deem most effective to protect and enforce any of the rights or interests of the holders of the Bonds under the Bonds or this Indenture.

(b) Without limiting the generality of the foregoing, the Trustee shall at all times have the power to institute and maintain such proceedings as it may deem expedient: (1) to prevent any impairment of the Trust Estate by any acts which may be unlawful or in violation of this Indenture; and (2) to protect its interests and the interests of the Bondholders in the Trust Estate and in the issues, profits, revenues, and other income arising therefrom, including the power to maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule, or order which may be unconstitutional or otherwise invalid, if the enforcement of, or compliance with, such enactment, rule, or order would impair the Trust Estate or be prejudicial to the interests of the Bondholders or the Trustee.

Section 7.04 Marshaling of Assets. Upon the occurrence of an Event of Default, all moneys in all Funds shall be available to be utilized by the Trustee in accordance with this Article. The rights of the Trustee under *Section 8.05* shall be applicable. During the continuance of any such Event of Default, all provisions of this Indenture relating to the utilization of Funds, including but not limited to those set out in *Article IV*, shall be superseded by this Article. Subsequent to the curing or waiver of any such Event of Default, the provisions of this Indenture relating to utilization of Funds, including the provisions of *Article IV*, shall be reinstated.

Section 7.05 Trustee May File Proofs of Claim.

(a) In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceeding under the Bankruptcy Code relating to the Issuer or any property of the Issuer, the Trustee (whether or not the principal of the Bonds shall then be due and payable by acceleration or otherwise, and whether or not the Trustee shall have made any demand upon the Issuer for the payment of overdue

principal and interest) shall be entitled and empowered, by intervention in such proceeding or other means:

(1) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Bonds then Outstanding or for breach of this Indenture and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements, and advances of the Trustee, its agents, and Counsel) and of the holders allowed in such proceeding; and

(2) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any receiver, assignee, trustee, liquidator, sequestrator, or similar official in any such judicial proceeding is hereby authorized by each holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements, and advances of the Trustee, its agents, and Counsel, and any other amounts due the Trustee under **Section 8.05**.

(b) No provision of this Indenture empowers the Trustee to authorize or consent to or accept or adopt on behalf of any holders of the Bonds any plan of reorganization, arrangement, adjustment, or composition affecting any of the Bonds or the rights of any holder thereof, or to authorize the Trustee to vote in respect of the claim of any holder in any proceeding described in subsection (a).

Section 7.06 Possession of Bonds Not Required. All rights under this Indenture and the Bonds may be enforced by the Trustee without possession of any Bonds or the production of them at trial or other proceedings. Any proceedings instituted by the Trustee may be brought in its name for itself as representative of the Bondholders without the necessity of joining Bondholders as parties, and any recovery resulting from such proceedings shall, subject to **Section 7.08**, be for the ratable benefit of the Bondholders.

Section 7.07 Notice and Opportunity to Cure Certain Defaults. No default under **Section 7.01(c)** shall constitute an Event of Default until written notice of such default shall have been given to the Issuer by the Trustee or by the holders of at least 25 percent in aggregate principal amount of the Bonds Outstanding, and the Issuer shall have had 30 days after receipt of such notice to correct such default or cause such default to be corrected, and shall have failed to do so. In the event, however, that the default be such that it cannot be corrected within such 30-day period, it shall not constitute an Event of Default if corrective action is instituted by the Issuer within such period and diligently pursued (as determined by the Trustee) until the default is corrected.

Section 7.08 Priority of Payment Following Event of Default.

(a) If at any time after the occurrence of an Event of Default the moneys held by the Trustee under this Indenture shall not be sufficient to pay the principal of and interest on the Bonds as the same become due and payable, whether by their terms or as a result of acceleration pursuant to **Section 7.03**, such moneys, together with any moneys then available or thereafter becoming

available for such purpose, whether through the exercise of remedies in this Article or otherwise, shall, subject to subsections (b) and (c), be applied by the Trustee as follows:

(1) first, to the payment of all amounts due the Trustee under *Section 8.05*;

(2) second, to the payment of all installments of interest on the Bonds then due and payable in the order in which such installments became due and payable, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably, according to the amounts due on such installments, without discrimination or preference; and

(3) third, to the payment of the unpaid principal amount of any of the Bonds which shall have become due and payable, in the order of due dates (other than Bonds called for redemption or contracted to be purchased for the payment of which moneys are held pursuant to the provisions of this Indenture), with interest upon the principal amount of the Bonds from the respective dates upon which they shall have become due and payable, and, if the amount available shall not be sufficient to pay in full the principal of such Bonds due and payable on any particular due date, together with such interest, then to the payment first of such interest, ratably, according to the amount of principal due on such date, without any discrimination or preference.

(b) If the principal of all Bonds shall have become due and payable, whether by their terms or by a declaration of acceleration, and subject to subsection (a)(1) regarding payment to the Trustee, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, without any discrimination or preference.

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

Section 7.09 Bondholders May Direct Proceedings. The owners of a majority in aggregate principal amount of the Bonds Outstanding shall, subject to the requirements of *Section 8.02(f)*, have the right, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings by the Trustee hereunder, provided that such direction shall not be in conflict with any rule of law or this Indenture and that

the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unduly prejudicial to the rights of Bondholders not parties to such direction or would subject the Trustee to personal liability. Notwithstanding the foregoing, the Trustee shall have the right to select and retain Counsel of its choosing to represent it in any such proceedings. The Trustee may take any other action which is not inconsistent with any direction under this Section.

Section 7.10 Limitations on Rights of Bondholders.

(a) No Bondholder shall have any right to pursue any other remedy under this Indenture unless: (1) an Event of Default shall have occurred and is continuing; (2) the owners of not less than 25 percent in aggregate principal amount of all Bonds then Outstanding have requested the Trustee, in writing, to exercise the powers hereinabove granted or to pursue such remedy in its or their name or names; (3) the Trustee shall have been offered indemnity satisfactory to it against costs, expenses, and liabilities reasonably anticipated to be incurred; (4) the Trustee has declined to comply with such request, or has failed to do so, within 60 days after its receipt of such written request and offer of indemnity; and (5) no direction inconsistent with such request has been given to the Trustee during such 60-day period by the holders of a majority in aggregate principal amount of the Bonds Outstanding.

(b) The provisions of subsection (a) are conditions precedent to the exercise by any Bondholder of any remedy hereunder. The exercise of such rights is further subject to the provisions of *Sections 7.09, 7.11, and 7.14*. No one or more Bondholders shall have any right in any manner whatever to enforce any right under this Indenture, except in the manner herein provided. All proceedings at law or in equity with respect to an Event of Default shall be instituted and maintained in the manner herein provided for the equal and ratable benefit of the Bondholders of all Bonds Outstanding.

Section 7.11 Unconditional Right of Bondholder to Receive Payment. Notwithstanding any other provision of this Indenture, any Bondholder shall have the absolute and unconditional right to receive payment of principal of and interest on the Bonds on and after the due date thereof, and to institute suit for the enforcement of any such payment.

Section 7.12 Restoration of Rights and Remedies. If the Trustee or any Bondholder has instituted any proceeding to enforce any right or remedy under this Indenture, and any such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or such Bondholder, then the Issuer, the Trustee, and the Bondholders shall, subject to any determination in such proceeding, be restored to their former positions hereunder, and all rights and remedies of the Trustee and the Bondholders shall continue as though no such proceeding had been instituted.

Section 7.13 Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other right or remedy, but each such right or remedy shall, to the extent permitted by law, be cumulative of and in addition to every other right or remedy given hereunder or now or hereafter existing at law, in equity, or otherwise. The assertion or employment of any right or remedy hereunder shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 7.14 Delay or Omission Not Waiver. No delay or omission by the Trustee or any Bondholder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of such Event of Default. Every right and remedy given by this Article or by law to the Trustee or the Bondholders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or the Bondholders, as the case may be.

Section 7.15 Waiver of Defaults.

(a) The holders of a majority in aggregate principal amount of the Outstanding Bonds may, by written notice to the Trustee and subject to the requirements of *Section 8.02(f)*, waive any existing default or Event of Default and its consequences, except an Event of Default under *Section 7.01(a) or (b)*. Upon any such waiver, the default or Event of Default shall be deemed cured and shall cease to exist for all purposes. No waiver of any default or Event of Default shall extend to or effect any subsequent default or Event of Default or shall impair any right or remedy consequent thereto.

(b) Notwithstanding any provision of this Indenture, in no event shall any Person, other than all of the affected Bondholders, have the ability to waive any Event of Default under this Indenture if such event results or may result, in the opinion of Bond Counsel, in interest on any of the Bonds becoming includable in gross income for federal income tax purposes.

Section 7.16 Notice of Events of Default. If an Event of Default occurs of which the Trustee has or is deemed to have notice under *Section 8.02(g)*, the Trustee shall give Immediate Notice thereof to the Issuer. Within 30 days thereafter (unless such Event of Default has been cured or waived), the Trustee shall give notice of such Event of Default to each holder of Bonds then Outstanding, provided however that notice to Bondholders of any Event of Default under *Section 7.01(c)* shall be subject to the provisions of *Section 7.07*.

Article VIII: The Trustee

Section 8.01 Duties and Liabilities of the Trustee.

(a) Prior to the occurrence of an Event of Default of which it has or is deemed to have notice hereunder, and after the curing of any Event of Default which may have occurred:

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee is under a duty to examine same to determine whether or not they conform to the requirements of this Indenture.

(b) In case an Event of Default of which the Trustee has or is deemed to have notice hereunder has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in

it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use in the conduct of such person's own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) this subsection shall not be construed to limit the effect of subsection (a);

(2) the Trustee is not liable for any error of judgment made in good faith by a Responsible Officer, unless it is proven that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee is not liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Bondholders under any provision of this Indenture relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture; and

(4) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee is subject to the provisions of this Section.

Section 8.02 Certain Rights of the Trustee. Except as otherwise provided in *Section 8.01*:

(a) the Trustee may rely and is protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) whenever in the administration of this Indenture the Trustee deems it desirable that a matter be proved or established prior to taking, suffering, or omitting any action hereunder, the Trustee (unless other evidence thereof is specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer's Certificate;

(c) the Trustee may consult with Counsel and the written advice of such Counsel or an opinion of Counsel shall be full and complete authorization and protection for any action taken, suffered, or omitted by it in good faith and in accordance with such advice or opinion;

(d) the Trustee is under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Bondholders unless such holders have offered to the Trustee security or indemnity satisfactory to the Trustee as to its terms, coverage, duration, amount, and otherwise with respect to the costs, expenses, and liabilities which may be incurred by it in compliance with such request or direction, and the provision of such indemnity shall be

mandatory for any remedy taken upon direction of the holders of 25 percent in aggregate principal amount of the Bonds;

(e) the Trustee is not required to make any inquiry or investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture, or other paper or document but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit and, if the Trustee determines to make such further inquiry or investigation, it is entitled to examine the books, records, and premises of the Issuer, in person or by agent or attorney;

(f) the Trustee may execute any of its trusts or powers or perform any duties under this Indenture either directly or by or through agents or attorneys, and may in all cases pay, subject to reimbursement as provided in *Section 8.05*, such reasonable compensation as it deems proper to all such agents and attorneys reasonably employed or retained by it, and the Trustee shall not be responsible for any misconduct or negligence of any agent or attorney appointed with due care by it;

(g) the Trustee is not required to take notice or deemed to have notice of any default or Event of Default hereunder, except Events of Default under *Section 7.01(a) and (b)*, unless a Responsible Officer of the Trustee has actual notice thereof or has received notice in writing of such default or Event of Default from the Issuer or the holders of at least 25 percent in aggregate principal amount of the Outstanding Bonds, and in the absence of any such notice, the Trustee may conclusively assume that no default or Event of Default exists;

(h) the Trustee is not required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under this Indenture;

(i) in the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of holders of Bonds, each representing less than a majority in aggregate principal amount of the Bonds Outstanding, pursuant to the provisions of this Indenture, the Trustee, in its sole discretion, may determine what action, if any, shall be taken;

(j) the Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys, and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture, and final payment of the Bonds;

(k) The permissive right of the Trustee to take the actions permitted by this Indenture shall not be construed as an obligation or duty to do so; and

(l) except for information provided by the Trustee concerning the Trustee, the Trustee shall have no responsibility for any information in any offering memorandum or other disclosure material distributed with respect to the Bonds, and the Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

Section 8.03 Trustee Not Responsible for Recitals. The recitals contained in this Indenture and in the Bonds (other than the certificate of authentication on the Bonds) are statements of the

Issuer and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the value, condition, or sufficiency of any assets pledged or assigned as security for the Bonds, the right, title, or interest of the Issuer therein, the security provided thereby or by this Indenture, the technical or financial feasibility of the Project, the compliance of the Project with the Act, or the tax-exempt status of the Bonds. The Trustee is not accountable for the use or application by the Issuer of any of the Bonds or the proceeds of the Bonds, or for the use or application of any moneys paid over by the Trustee in accordance with any provision of this Indenture.

Section 8.04 Trustee May Own Bonds. The Trustee, in its commercial banking or in any other capacity, may in good faith buy, sell, own, hold, and deal in any of the Bonds and may join in any action which any Bondholder may be entitled to take with like effect as if it were not Trustee. The Trustee, in its commercial banking or in any other capacity, may also engage in or be interested in any financial or other transaction with the Issuer and may act as depository, trustee, or agent for any committee of Bondholders secured hereby or other obligations of the Issuer as freely as if it were not Trustee. The provisions of this Section shall extend to Affiliates of the Trustee.

Section 8.05 Compensation and Expenses of the Trustee. The Issuer hereby covenants and agrees:

(a) to pay to the Trustee compensation for all services rendered by it hereunder and under the other agreements relating to the Bonds to which the Trustee is a party in accordance with terms agreed to from time to time and, subsequent to default, in accordance with the Trustee's then-current fee schedule for default administration (the entirety of which compensation shall not be limited by any provision of law regarding compensation of a trustee of an express trust);

(b) to reimburse the Trustee upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Trustee in accordance with any provision of this Indenture, any other agreement relating to the Bonds to which it is a party, or in complying with any request by the Issuer or any Rating Service with respect to the Bonds, including the reasonable compensation, expenses, and disbursements of its agents and Counsel, except any such expense, disbursement, or advance attributable to the Trustee's negligence or bad faith; and

(c) to indemnify, defend, and hold the Trustee harmless from and against any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the office of Trustee under this Indenture, including the costs of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder or thereunder.

In the event the Trustee incurs expenses or renders services in any proceedings under the Bankruptcy Code relating to the Issuer, the expenses so incurred and compensation for services so rendered are intended to constitute expenses of administration under the Bankruptcy Code.

As security for the performance of the obligations of the Issuer under this Section, the Trustee shall have a lien, which it may exercise through a right of setoff, prior to the Bonds upon all property or funds held or collected by the Trustee pursuant to this Indenture for the payment of principal of and interest on the Bonds. The obligations of the Issuer to make the payments described in this Section shall survive discharge of this Indenture and payment in full of the Bonds.

Section 8.06 Qualifications of Trustee. There shall at all times be a trustee hereunder which shall be a corporation or banking association organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$25,000,000, and subject to supervision or examination by federal or state banking authority. If such corporation or banking association publishes reports of condition at least annually, pursuant to law or the requirements of any supervising or examining authority above referred to, then for purposes of this Section the combined capital and surplus of such corporation or banking association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign promptly in the manner and with the effect specified in this Article.

Section 8.07 Resignation or Removal of Trustee; Appointment of Successor Trustee.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under *Section 8.08*.

(b) The Trustee may resign at any time by giving written notice to the Issuer. Upon receiving such notice of resignation, the Issuer shall promptly appoint a successor Trustee by an instrument in writing. If an instrument of acceptance has not been delivered to the resigning Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee or any holder of a Bond then Outstanding may petition a court of competent jurisdiction for the appointment of a successor Trustee.

(c) Prior to the occurrence and continuance of an Event of Default hereunder, or after the curing or waiver of any such Event of Default, the Issuer or the holders of a majority in aggregate principal amount of the Outstanding Bonds may remove the Trustee and shall appoint a successor Trustee. In the event there shall have occurred and be continuing an Event of Default hereunder, the holders of a majority in aggregate principal amount of the Outstanding Bonds may remove the Trustee and shall appoint a successor Trustee. In each instance such removal and appointment shall be accomplished by an instrument or concurrent instruments in writing signed by the Issuer or such holders, as the case may be, and delivered to the Trustee, the Issuer, and holders of the Outstanding Bonds.

(d) If at any time: (1) the Trustee shall cease to be eligible and qualified under *Section 8.06* and shall fail or refuse to resign after written request to do so by the Issuer or the holder of any Bond or (2) the Trustee shall become incapable of acting or shall be adjudged insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take charge or control of the Trustee, its property, or affairs for the purpose of rehabilitation, conservation, or liquidation, then in either such case (A) the Issuer may remove the Trustee and appoint a successor Trustee in accordance with the provisions of subsection (c); or (B) any holder of a Bond then Outstanding may, on behalf of the holders of all Outstanding Bonds, petition a court of competent jurisdiction for removal of the Trustee and appointment of a successor Trustee.

(e) The Issuer shall give written notice of each resignation or removal of the Trustee and each appointment of a successor Trustee to each holder of Bonds then Outstanding as listed in the Bond

Register. Each such notice shall include the name and address of the corporate trust office of the successor Trustee.

Section 8.08 Acceptance of Appointment by Successor Trustee.

(a) Every successor Trustee appointed hereunder shall execute, acknowledge, and deliver to the Issuer and the predecessor Trustee an instrument accepting its appointment. The resignation or removal of the retiring Trustee shall thereupon become effective, and the successor Trustee shall, without further act, deed, or conveyance, become vested with all the estates, properties, rights, powers, and duties of the predecessor Trustee. Upon the request of the Issuer or the successor Trustee, the predecessor Trustee shall execute and deliver an instrument transferring to the successor Trustee all the estates, properties, rights, powers, and duties of the predecessor Trustee under this Indenture, and shall duly assign, transfer, deliver, and pay over to the successor Trustee all moneys and other property then held under this Indenture, subject, however, to the lien, if any, provided for in *Section 8.05*. The successor Trustee shall promptly give written notice of its appointment to the holders of all Bonds Outstanding in the manner prescribed herein, unless such notice has previously been given.

(b) No successor Trustee shall accept appointment as provided in this Section unless, as of the date of such acceptance, it is eligible and qualified under the provisions of *Section 8.06*.

Section 8.09 Merger or Consolidation of Trustee. Any corporation or association: (a) into which the Trustee is merged or with which it is consolidated, (b) resulting from any merger or consolidation to which the Trustee is a party, or (c) succeeding to all or substantially all of the corporate trust business of the Trustee shall be the successor Trustee without the execution or filing of any document or the taking of any further action. Any such successor shall nevertheless be eligible and qualified under the provisions of *Section 8.06*.

Article IX: Defeasance

Section 9.01 Defeasance. If (a) the principal of the Bonds and the interest due or to become due thereon shall be paid, or is caused to be paid, or is provided for under *Section 9.02*, at the times and in the manner to which reference is made in the Bonds, according to the true intent and meaning thereof, or the outstanding Bonds shall have been paid and discharged in accordance with this Article, and (b) all of the covenants, agreements, obligations, terms, and conditions of the Issuer under this Indenture shall have been kept, performed, and observed and there shall have been paid to the Trustee, the Bond Registrar, and the Paying Agents all sums of money due or to become due to them in accordance with the terms and provisions hereof, then the right, title, and interest of the Trustee in the Trust Estate shall thereupon cease and the Trustee, on request of the Issuer and at the expense of the Issuer, shall release this Indenture and the Trust Estate and shall execute such documents to evidence such release as may be reasonably required by the Issuer and shall turn over to the Issuer, or to such other Person as may be entitled to receive the same, all balances remaining in any Funds hereunder except for amounts required to pay such Bonds or held pursuant to *Section 4.09*.

Section 9.02 Deposit of Funds for Payment of Bonds. If the Issuer deposits with the Trustee moneys or Defeasance Obligations which, together with the earnings thereon, are sufficient to pay

the principal of any particular Bond or Bonds becoming due, either at maturity or by call for redemption or otherwise, together with all interest accruing thereon to the due date or Redemption Date, and pays or makes provision for payment of all fees, costs, and expenses of the Trustee due or to become due with respect to such Bonds, all liability of the Issuer with respect to such Bond or Bonds shall cease, such Bond or Bonds shall be deemed not to be Outstanding hereunder, the holder or holders of such Bond or Bonds shall be restricted exclusively to the moneys or Defeasance Obligations so deposited, together with the earnings thereon, for any claim of whatsoever nature with respect to such Bond or Bonds, and the Trustee shall hold such moneys, Defeasance Obligations, and earnings in trust for such holder or holders. In determining the sufficiency of the moneys and Defeasance Obligations deposited pursuant to this Section, together with the earnings thereon, the Trustee shall be entitled to receive, at the expense of the Issuer, and may rely upon: (a) a verification report of an Accountant; and (b) an opinion of Bond Counsel to the effect that (1) all conditions set forth in this Article have been satisfied and (2) that defeasance of the Bonds will not affect the tax-exempt status of the Bonds. Upon such defeasance all rights of the Issuer, including its right to provide for optional redemption of Bonds on dates other than planned pursuant to such defeasance, shall cease unless specifically retained by filing a written notification thereof with the Trustee.

Section 9.03 Notice of Defeasance.

(a) In case any of the Bonds, for the payment of which moneys or Defeasance Obligations have been deposited with the Trustee pursuant to **Section 9.02**, are to be redeemed on any date prior to their maturity, the Issuer shall give to the Trustee in form satisfactory to it irrevocable instructions to give notice of redemption of such Bonds on the redemption date for such Bonds as provided in **Section 3.06**.

(b) In addition to the foregoing notice, in the event such Bonds to be redeemed are not by their terms subject to redemption within the next succeeding 65 days, the Trustee shall give further notice that the deposit required by **Section 9.02** has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Article and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of said Bonds; such further notice shall be given promptly following the making of the deposit required by **Sections 9.01 or 9.02**; but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of the deposit.

(c) If the Issuer has retained any rights pursuant to the last sentence of **Section 9.02**, notice thereof shall be sent to Bondholders of such Bonds as soon as practicable and not later than any notice required by subsections (a) or (b).

Article X: Supplemental Indentures

Section 10.01 Supplemental Indentures Without Bondholders' Consent. The Issuer and the Trustee may from time to time and at any time enter into trust indentures supplemental hereto, without the consent of or notice to any Bondholder, to effect any one or more of the following:

(a) cure any ambiguity, defect, or omission, or correct or supplement any provision herein or in any supplemental indenture;

(b) grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority, or security that may lawfully be granted to or conferred upon the Bondholders or the Trustee which are not contrary to or inconsistent with this Indenture as theretofore in effect or to subject to the pledge and lien of this Indenture additional revenues, properties, or collateral;

(c) add to the covenants and agreements of the Issuer in this Indenture other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power herein reserved to or conferred upon the Issuer which are not contrary to or inconsistent with this Indenture as theretofore in effect;

(d) permit the appointment of a co-trustee under this Indenture;

(e) modify, alter, supplement, or amend this Indenture in such manner as shall permit the qualification hereof, if required, under the Trust Indenture Act of 1939 or the Securities Act of 1933, as from time to time amended, or any similar federal statute hereafter in effect;

(f) make any other change herein which is determined by the Trustee to be not materially adverse to the interests of the Bondholders and which does not involve a change described in *Section 10.02*; or

(g) if the Bonds are all Book Entry Bonds, amend, modify, alter, or replace the Letter of Representations or other provisions relating to Book Entry Bonds.

The Trustee shall not be obligated to enter into any such supplemental indenture which adversely affects the Trustee's own rights, duties, or immunities under this Indenture.

Section 10.02 Supplemental Indentures Requiring Bondholders' Consent. The Issuer and the Trustee, at any time and from time to time, may execute and deliver a supplemental indenture for the purpose of making any modification or amendment to this Indenture, but only with the written consent, given as provided in *Section 10.03*, of the holders of at least two-thirds in aggregate principal amount of the Bonds Outstanding at the time such consent is given, and in case less than all of the Bonds then Outstanding are affected by the modification or amendment, of the holders of at least two-thirds in aggregate principal amount of the Bonds so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds so affected remain Outstanding, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. Notwithstanding the foregoing, no modification or amendment contained in any such supplemental indenture shall permit any of the following, without the consent of each Bondholder whose rights are affected thereby: (a) a change in the terms of stated maturity or redemption of any Bond or of any installment of interest thereon; (b) a reduction in the principal amount of any Bond or in the rate of interest thereon or a change in the coin or currency in which such Bond is payable; (c) the creation of a lien on or a pledge of any part of the Trust Estate or the money or assets pledged under this Indenture, or any part thereof; (d) the granting of a preference or priority of any Bond or Bonds over any other Bond or Bonds; (e) a reduction in the aggregate principal amount of Bonds of which the consent of the Bondholders is required to effect any such modification or amendment;

or (f) a change in the provisions of *Section 7.15*. Notwithstanding the foregoing, the holder of any Bond may extend the time for payment of the principal of or interest on such Bond; provided, however, that upon the occurrence of an Event of Default, funds available hereunder for the payment of the principal of and interest on the Bonds shall not be applied to any payment so extended until all principal and interest payments which have not been extended have first been paid in full.

Section 10.03 Consents of Bondholders and Opinions. Each supplemental indenture executed and delivered pursuant to the provisions of *Section 10.02* shall take effect only when and as provided in this Section. A copy of such supplemental indenture (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, shall be sent by the Trustee to Bondholders, at the expense of the Issuer, by first class mail, postage prepaid, provided that a failure to mail such request shall not affect the validity of the supplemental indenture when consented to as provided hereinafter. Such supplemental indenture shall not be effective unless and until there shall have been filed with the Trustee (a) the written consents of Bondholders of the percentage of Bonds specified in *Section 10.02* given as provided in *Section 11.10*, and (b) the opinion of Counsel described in *Section 10.06*. Any such consent shall be binding upon the Bondholder giving such consent and upon any subsequent holder of such Bonds and of any Bonds issued in exchange therefor or in lieu thereof (whether or not such subsequent Bondholder has notice thereof), unless such consent is revoked in writing by the Bondholder giving such consent or a subsequent holder of such Bonds by filing such revocation with the Trustee prior to the date the Trustee receives the material required in subsections (a) and (b).

Section 10.04 Exclusion of Certain Bonds. Bonds owned or held by or for the account of the Issuer shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article, and the Issuer shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article or elsewhere in this Indenture. At the time of any consent or other action taken under this Article or elsewhere in this Indenture, the Issuer shall furnish the Trustee an Officer's Certificate of the Issuer, upon which the Trustee may rely, describing all Bonds so to be excluded.

Section 10.05 Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as provided in this Article may, and if the Issuer so determines shall, bear a notation by endorsement or otherwise in form approved by the Trustee as to such action, and in that case upon demand of the holder of any Outstanding Bond at such effective date and presentation of such Bond for the purpose at the Principal Office of the Trustee, or upon any transfer of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer by the Trustee as to any such action. If the Issuer shall so determine, new Bonds so modified as in the opinion of the Trustee and the Issuer to conform to such action shall be prepared, authenticated, and delivered, and upon demand of the holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder for Bonds then Outstanding, upon surrender of such Bonds for Bonds of an equal aggregate principal amount and of the same series, maturity, and interest rate, in any Authorized Denomination.

Section 10.06 Reliance upon Counsel's Opinion with Respect to Supplemental Indentures. Subject to the provisions of *Section 8.01*, the Trustee in executing or accepting the

additional trusts permitted by this Article or the modifications thereby of the trusts created by this Indenture may rely, and shall be fully protected in relying on, an opinion of Counsel acceptable to it stating that: (a) the execution of such supplemental indenture is authorized or permitted by this Indenture and (b) all conditions precedent to the execution and delivery of such supplemental indenture have been complied with. The Trustee may accept and rely upon such opinion of Counsel as conclusive evidence that any supplemental indenture executed pursuant to the provisions of this Article complies with the requirements of this Article.

Section 10.07 Effect of Supplemental Indentures. Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith; such supplemental indenture shall form a part of this Indenture for all purposes; and every holder of any Bond theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

Article XI: Miscellaneous Provisions

Section 11.01 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any Person other than the parties hereto and the Bondholders any legal or equitable right, remedy, or claim under or in respect to this Indenture. This Indenture and all of the covenants, conditions, and provisions hereof are intended to be and being for the sole and exclusive benefit of the parties hereto and the Bondholders, as herein provided.

Section 11.02 Severability. If any term or provision of this Indenture or the Bonds shall be invalid, inoperative, or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever, and such term and provision shall be valid and enforced to the fullest extent permitted by law.

Section 11.03 Notices. Except as otherwise provided herein, all notices, certificates, or other communications hereunder shall be in writing and shall be deemed given upon receipt, by hand delivery, mail, overnight delivery, telecopy, or other electronic means addressed as follows:

Issuer: City of Texarkana, Arkansas
Attention: City Manager
East 3rd & Walnut Streets
Texarkana, AR 71854

Trustee: Bank OZK
Attention: Corporate Trust

Little Rock, Arkansas _____

In case by reason of the suspension of regular mail service, it shall be impracticable to give notice by first class mail of any event to any Bondholder or the Issuer, when such notice is required to be given pursuant to any provisions of this Indenture, then any manner of giving such notice as

shall be satisfactory to the Trustee shall be deemed to be sufficient giving of such notice. The Issuer and the Trustee may, by notice pursuant to this Section, designate any different addresses to which subsequent notices, certificates, or other communications shall be sent. For purposes of this Section, “electronic means” means telecopy or facsimile transmission or other similar electronic means of communication which produces evidence of transmission. Notwithstanding the foregoing, notices to the Trustee shall be effective only upon receipt.

Section 11.04 Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Indenture and no interest shall accrue on the payment so deferred during the intervening period.

Section 11.05 Counterparts. This Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original, but all of which, when taken together, shall constitute but one and the same instrument, and shall become effective when copies hereof shall be delivered to each of the parties hereto, which copies, when taken together, bear the signatures of each of the parties hereto.

Section 11.06 Applicable Law. This Indenture shall be governed in all respects including validity, interpretation, and effect by, and shall be enforceable in accordance with, the laws of the United States of America and of the State.

Section 11.07 Immunity of Certain Persons; Non-Recourse Provision. Notwithstanding anything to the contrary contained herein, for payment of the obligations of the Issuer under this Indenture and the Bonds, the Trustee, the Bondholders, and any other party entitled to seek payment from the Issuer under or to enforce this Indenture and the Bonds will be entitled to look solely to amounts on deposit with and held by the Trustee for the benefit of the Bondholders, subject to the terms of this Indenture, the Project, and such collateral, if any, as may now or hereafter be given to secure the payment of the obligations of the Issuer under this Indenture and the Bonds, and no other property or assets of the Issuer or any officer or director of the Issuer shall be subject to levy, execution, or other enforcement procedure for the satisfaction of the remedies hereunder, or for any payment required to be made under this Indenture and the Bonds, or for the performance of any of the covenants or warranties contained herein.

Section 11.08 Successors and Assigns. All the covenants, promises, and agreements in this Indenture contained by or on behalf of the Issuer, or by or on behalf of the Trustee, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 11.09 Form of Documents Delivered to Trustee. In any case where several matters are required to be certified by, or covered by an opinion of, any specified person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such person, or that they be so certified or covered by only one document, but one such person may certify or give an opinion with respect to some matters and one or more other such persons as to other matters, and any such person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an official of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, Counsel, unless such official or officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his or her certificate or opinion is based are erroneous. Any opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an official or officials of the Issuer stating that the information with respect to such factual matters is in the possession of the Issuer, unless such Counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any person is required to make, give, or execute two or more applications, requests, consents, certificates, statements, opinions, or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Section 11.10 Consent of Holders. Any consent, request, direction, approval, objection, or other instrument required by this Indenture to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and must be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of execution of any such consent, request, direction, approval, objection, or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument, namely:

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

(b) The Issuer may establish a Record Date for the purpose of identifying Bondholders entitled to issue any such consent, request, direction, approval, or instrument.

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In Witness Whereof, the Issuer has caused this Indenture to be signed in its name by its Mayor and attested by its City Clerk, and the Trustee, in acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunder duly authorized all as of the day and year first above written.

CITY OF TEXARKANA, ARKANSAS

By: _____
Mayor

Attest:

By: _____
City Clerk

Bank OZK, as Trustee

By: _____

ACKNOWLEDGMENT

STATE OF ARKANSAS)
) ss.
COUNTY OF _____)

On this ____ day of _____, 2020, before me, a Notary Public duly commissioned, qualified and acting within and for the County and State aforesaid, appeared in person the within named Allen L. Brown and Heather Soyars, Mayor and City Clerk, respectively, of the City of Texarkana, Arkansas, to me personally known, who stated that they were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and behalf of the City and further stated and acknowledged that they had so signed, executed, and delivered the foregoing instrument for the consideration, uses, and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal.

Notary Public

My Commission expires:

(SEAL)

ACKNOWLEDGMENT

STATE OF ARKANSAS)
) ss.
COUNTY OF PULASKI)

On this ____ day of _____ 2020, before me, a Notary Public duly commissioned and acting within and for the State and County aforesaid, appeared in person the within named _____, _____ of Bank OZK, to me personally known, who stated that she was duly authorized in her capacity to execute the foregoing instrument for and in the name and behalf of the Bank, and further stated and acknowledged that she had so signed, executed, and delivered the foregoing instrument for the consideration, uses, and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal.

Notary Public

My Commission expires:

(SEAL)

APPENDIX A: FORM OF BOND

No. R-[A-__ or B-__]

\$_____

United States of America
State of Arkansas
City of Texarkana, Arkansas
Franchise Fee Secured Refunding Revenue Bond, Series 2021-[A or B]

Maturity Date: September 1, _____ CUSIP No.: _____ Interest Rate: _____%

Principal Amount: _____ Dollars

Registered Owner: _____

The City of Texarkana, Arkansas, a city of the first class of the State of Arkansas (the “Issuer”), for value received, hereby promises to pay (but only out of the Revenues, as defined in the Indenture hereinafter mentioned, and other assets pledged therefor as hereinafter mentioned) to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above (subject to any right of prior redemption hereinafter mentioned), the Principal Amount identified above in lawful money of the United States of America; and to pay interest on the Principal Amount hereof in like lawful money (a) from _____, if this Bond is authenticated prior to _____, or (b) otherwise from the _____ 1 or _____ 1 that is, or that immediately precedes, the date on which this Bond is authenticated (unless payment of interest is in default, in which case this Bond shall bear interest from the date to which interest has been paid) until payment of such Principal Amount shall be discharged as provided in the Indenture, at the Interest Rate per annum set forth above, payable on _____ 1 and _____ 1 (or, if such day is not a Business Day, on the next succeeding Business Day) in each year, commencing _____ (each, an “Interest Payment Date”). The principal hereof is payable upon presentation hereof upon maturity, redemption, or acceleration at the principal corporate trust office of the Paying Agent identified below in Little Rock, Arkansas (together with any successor as paying agent under the Indenture, the “Paying Agent”). Interest hereon is payable by check or draft mailed to the registered owner (as defined in the Indenture) hereof. Such interest is payable to the person whose name appears on the bond registration books of the Trustee, as Bond Registrar, as the owner hereof as of the Record Date.

It is hereby certified and recited that any and all conditions, things, and acts required to exist, to have happened, and to have been performed precedent to and in the issuance of this bond do exist, have happened, and have been performed in due time, form, and manner as required by the Trust Indenture dated as of _____ (the “Indenture”) between the Issuer and Bank of the Ozarks, as trustee, paying agent, and registrar (herein “Trustee,” “Paying Agent,” and “Bond Registrar,” respectively) and by the Constitution and laws of the State of Arkansas, and that the amount of this bond is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This bond is one of a duly authorized issue of bonds of the Issuer designated as “City of Texarkana, Arkansas Franchise Fee Secured Refunding Revenue Bonds, Series 2021” (the

“Bonds”), issued in the aggregate principal amount of \$11,585,000 pursuant to the provisions of an ordinance of the Issuer adopted on _____, 2020 (the “Bond Ordinance”), and pursuant to the Indenture. The Bonds are issued to finance public safety capital improvements consisting generally of the acquisition of fire trucks and police communication equipment; to fund a debt service reserve; and to pay the costs of issuance of the Bonds.

The Bonds are issued on a parity of security as to the Revenues with the Issuer’s \$2,260,000 original principal amount Franchise Fee Secured Capital Improvement Revenue Bonds, Series 2018 (the “Series 2018 Bonds”). Under certain circumstances set forth in the Indenture, the Issuer may issue Additional Parity Indebtedness (as defined in the Indenture) ranking on a parity with the Series 2018 Bonds and the Bonds. Reference is hereby made to the Indenture for a description of the rights, duties, and obligations of the Issuer, the Trustee, and the owners of the Bonds and the terms upon which the Bonds are issued and secured.

The Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas, including particularly the Local Government Capital Improvement Revenue Bond Act of 1985, as amended (Ark. Code Ann. §§ 14-164-401 *et seq.*) (the “Act”). The Bonds are special obligations of the Issuer, payable solely from and secured by all revenues received by the Issuer from the franchise fees charged for the privilege of using the Issuer’s streets and rights-of-way (i) to public utilities pursuant to the authority contained in Ark. Code Ann. §§ 14-200-101 to -112, (ii) as voluntary payments in lieu of taxes from the Issuer’s water utility pursuant to the authority contained in Ark. Code Ann. § 14-234-114, and (iii) to a cable service provider pursuant to the Issuer’s cable service franchise ordinance and agreement for a term ending May 21, 2022 (the “Revenues”), and by amounts held in funds and accounts established pursuant to the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. In no event shall the Bonds constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation.

Reference is hereby made to the Indenture (copies of which are on file at the principal corporate trust office of the Trustee) and all indentures supplemental thereto and to the Bond Ordinance for a description of the rights thereunder of the owners of the Bonds, of the nature and extent of the security, of the rights, duties, and immunities of the Trustee, and of the rights and obligations of the Issuer thereunder, to all the provisions of which Indenture the owner of this bond, by acceptance hereof, assents and agrees.

[The Series 2021-A Bonds maturing September 1, 2040 are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof redeemed plus accrued interest to the redemption date in the principal amounts set forth in this Indenture.] [The Taxable Series 2021-B Bonds maturing September 1, 2038 are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof redeemed plus accrued interest to the redemption date in the principal amounts set forth in this Indenture.]

The Bonds maturing on or after _____ are also subject to redemption by the Issuer prior to maturity any time on or after _____, in whole or in part at any time (and if in part from maturities in such order as determined by the Issuer, and by lot within any maturity, subject to selection by the Securities Depository or the Trustee), at the redemption price of 100 percent of

the principal amount thereof plus accrued interest to and including the redemption date.

If this bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

Notice of any redemption of Bonds shall be given by mail to the registered owners of Bonds to be redeemed at least 30 days prior to the date fixed for redemption.

This bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Trustee.

IN WITNESS WHEREOF, the Issuer has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk and its corporate seal (or a facsimile thereof) to be impressed or imprinted hereon all as of _____.

CITY OF TEXARKANA, ARKANSAS

By: _____
Mayor

Attest: _____
City Clerk

(SEAL)

FORM OF CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the City of Texarkana, Arkansas Franchise Fee Secured Refunding Revenue Bonds, Series 2021, referred to in the within-mentioned Indenture.

BANK OZK

Date of Authentication: _____

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received the undersigned does hereby sell, assign, and transfer unto

[Insert Name and Social Security or Tax Identification Number of Assignee.]
the within-mentioned registered bond and hereby irrevocably constitute(s) and appoint(s)
_____ attorney, to transfer
the same on the books of the Bond Registrar with full power of substitution in the premises.

Registered Owner

Dated: _____

Signature guaranteed:
NOTE: Signature must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTE: The signature on this assignment must correspond with the name as it appears the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

FORM OF LEGEND FOR BOOK-ENTRY ONLY BONDS

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.