



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Agenda Finance & Administration Council Committee

Tuesday, December 4, 2012

6:00 PM

Huntington Building

Special Called Meeting

1. Call To Order

2. New Business

Ordinances To Be Introduced

ORD-12:062 AN ORDINANCE TO WAIVE COMPETITIVE BIDDING AND AUTHORIZE THE JONESBORO ECONOMICAL TRANSPORTATION SYSTEM (JETS), A DEPARTMENT OF THE CITY OF JONESBORO, TO PURCHASE SOLE SOURCE FROM SPX GENFARE

Sponsors: JETS

ORD-12:065 AN ORDINANCE FOR THE ADOPTION OF A BUDGET FOR THE CITY OF JONESBORO, ARKANSAS, FOR THE TWELVE (12) MONTHS BEGINNING JANUARY 1, 2013 AND ENDING DECEMBER 31, 2013, APPROPRIATING MONEY FOR EACH ITEM OF EXPENDITURE THEREIN PROVIDED FOR, ADOPTION OF THE EMERGENCY CLAUSE FOR THE EFFICIENT OPERATION OF CITY GOVERNMENT, AND FOR THE FINANCIAL CONTINUITY OF 2013, AND FOR OTHER PURPOSES.

Sponsors: Finance

Resolutions To Be Introduced

RES-12:219 RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS AUTHORIZING CERTAIN AMENDMENTS TO THE CITY OF JONESBORO, ARKANSAS TAX INCREMENT FINANCING REVENUE REDEVELOPMENT BONDS (TURTLE CREEK REDEVELOPMENT DISTRICT PROJECT), SERIES 2006, AND THE TRUST INDENTURE PURSUANT TO WHICH SUCH BONDS WERE ISSUED; AUTHORIZING CERTAIN AMENDMENTS TO THE MEMORANDUM OF UNDERSTANDING AGREEMENTS RELATING TO THE BONDS; AUTHORIZING THE TERMINATION OF THE PILOT AGREEMENT, THE MAJOR ACHORS PILOT AGREEMENT AND THE UNCONDITIONAL GUARANTY OF PAYMENT AND PERFORMANCE WITH RESPECT TO THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN ADDITIONAL DOCUMENTS RELATED TO THE AMENDMENTS TO THE BONDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO

Sponsors: Mayor's Office

Attachments: [First Amendment to Trust Indenture
Series 2006 Bond \(2012 Amendment\)](#)

3. Public Comments

4. Adjournment



Legislation Details (With Text)

File #: ORD-12:062 **Version:** 1 **Name:** Waive bidding for JETS purchase
Type: Ordinance **Status:** To Be Introduced
File created: 11/21/2012 **In control:** Finance & Administration Council Committee
On agenda: **Final action:**
Title: AN ORDINANCE TO WAIVE COMPETITIVE BIDDING AND AUTHORIZE THE JONESBORO ECONOMICAL TRANSPORTATION SYSTEM (JETS), A DEPARTMENT OF THE CITY OF JONESBORO, TO PURCHASE SOLE SOURCE FROM SPX GENFARE
Sponsors: JETS
Indexes: Property purchase - other, Waive competitive bidding
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
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title
AN ORDINANCE TO WAIVE COMPETITIVE BIDDING AND AUTHORIZE THE JONESBORO ECONOMICAL TRANSPORTATION SYSTEM (JETS), A DEPARTMENT OF THE CITY OF JONESBORO, TO PURCHASE SOLE SOURCE FROM SPX GENFARE

body
WHEREAS, THE JONESBORO ECONOMICAL TRANSPORTATION SYSTEM NEEDS TO PURCHASE SOLE SOURCE TO UPGRADE THEIR INTEGRATED FARE COLLECTION SYSTEM

WHEREAS, SAID SERVICES CAN BE OBTAINED FROM SPX GENFARE, 751 PRATT BOULEVARD, ELK GROVE VILLAGE, ILLINOIS, AT AN ESTIMATED COST OF \$35,251.92. PRICE INCLUDES DELIVERY OF THE PURCHASES FROM THEIR FACILITY IN ILLINOIS.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF JONESBORO, ARKANSAS:

SECTION 1: THAT THE CITY COUNCIL IN ACCORD WITH THE TERMS OF A.C.A. SECTION 14-508-302 HEREBY WAIVES THE REQUIREMENT OF COMPETITIVE BIDDING AND DIRECTS THE PURCHASING OFFICER TO PURCHASE THE ABOVE DESCRIBED SERVICES FOR THE PRICE SET FORTH ABOVE.

SECTION 2: IT IS FURTHER FOUND THAT DUE TO THE IMMEDIATE NEED TO ACQUIRE THESE SERVICES AN EMERGENCY IS DECLARED TO EXIST AND THIS ORDINANCE BEING NECESSARY FOR THE PRESERVATION OF THE PUBLIC PEACE, HEALTH, AND SAFETY SHALL TAKE EFFECT FROM AND AFTER ITS PASSAGE AND APPROVAL.



Legislation Details (With Text)

File #:	ORD-12:065	Version:	1	Name:	Adoption of 2013 budget
Type:	Ordinance	Status:		Status:	To Be Introduced
File created:	11/28/2012	In control:		In control:	Finance & Administration Council Committee
On agenda:		Final action:		Final action:	
Title:	AN ORDINANCE FOR THE ADOPTION OF A BUDGET FOR THE CITY OF JONESBORO, ARKANSAS, FOR THE TWELVE (12) MONTHS BEGINNING JANUARY 1, 2013 AND ENDING DECEMBER 31, 2013, APPROPRIATING MONEY FOR EACH ITEM OF EXPENDITURE THEREIN PROVIDED FOR, ADOPTION OF THE EMERGENCY CLAUSE FOR THE EFFICIENT OPERATION OF CITY GOVERNMENT, AND FOR THE FINANCIAL CONTINUITY OF 2013, AND FOR OTHER PURPOSES.				
Sponsors:	Finance				
Indexes:	Budget adoption				
Code sections:					
Attachments:					

Date	Ver.	Action By	Action	Result
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Title

AN ORDINANCE FOR THE ADOPTION OF A BUDGET FOR THE CITY OF JONESBORO, ARKANSAS, FOR THE TWELVE (12) MONTHS BEGINNING JANUARY 1, 2013 AND ENDING DECEMBER 31, 2013, APPROPRIATING MONEY FOR EACH ITEM OF EXPENDITURE THEREIN PROVIDED FOR, ADOPTION OF THE EMERGENCY CLAUSE FOR THE EFFICIENT OPERATION OF CITY GOVERNMENT, AND FOR THE FINANCIAL CONTINUITY OF 2013, AND FOR OTHER PURPOSES.

Body

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS THAT:

WHEREAS, the City Council has made a comprehensive study and review of the proposed budget submitted; and

WHEREAS, it is the opinion of the City Council that the schedules and exhibits of financial information prepared and reviewed revealing anticipated revenues and expenditures for the calendar year appear to be as accurate as possible for budgetary purposes.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF JONESBORO, ARKANSAS:

SECTION 1: This ordinance shall be known as the budget ordinance for the City of Jonesboro, Arkansas, for the twelve (12) month period beginning January 1, 2013 and ending December 31, 2013, reflecting estimated revenues and expenditures as hereinafter set forth on succeeding pages. All revenues herein are estimated and subject to change and all appropriations are calculated upon available revenues.

SECTION 2: The respective amounts of funds for each and every item of expenditure classification herein proposed in the budget for 2013 are hereby approved by the City of Jonesboro, Arkansas, and are hereby authorized and appropriated for the purposes herein set forth for the calendar year ending December 31, 2013.

SECTION 3: Expenditure of funds appropriated by this ordinance shall not be restricted to the line item expenditure but shall be restricted to office/departmental expenditures except for funds appropriated for personnel salaries and wages and related employee benefits. Personnel expenditures shall not exceed the dollar amounts, number of employees and salary or wage rates specified in the annual budget or an amendment thereto.

SECTION 4: WHEREAS, it is necessary for the efficient operation of city government, and for the financial continuity of 2013, that a budget be planned and adopted, now therefore an emergency is hereby declared to exist and this ordinance being necessary for the preservation of the public peace, health and safety shall take effect and be in force from and after its passage and approval.



Legislation Details (With Text)

File #: RES-12:219 **Version:** 1 **Name:**
Type: Resolution **Status:** To Be Introduced
File created: 11/29/2012 **In control:** Finance & Administration Council Committee
On agenda: **Final action:**

Title: RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS AUTHORIZING CERTAIN AMENDMENTS TO THE CITY OF JONESBORO, ARKANSAS TAX INCREMENT FINANCING REVENUE REDEVELOPMENT BONDS (TURTLE CREEK REDEVELOPMENT DISTRICT PROJECT), SERIES 2006, AND THE TRUST INDENTURE PURSUANT TO WHICH SUCH BONDS WERE ISSUED; AUTHORIZING CERTAIN AMENDMENTS TO THE MEMORANDUM OF UNDERSTANDING AGREEMENTS RELATING TO THE BONDS; AUTHORIZING THE TERMINATION OF THE PILOT AGREEMENT, THE MAJOR ACHORS PILOT AGREEMENT AND THE UNCONDITIONAL GUARANTY OF PAYMENT AND PERFORMANCE WITH RESPECT TO THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN ADDITIONAL DOCUMENTS RELATED TO THE AMENDMENTS TO THE BONDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO

Sponsors: Mayor's Office

Indexes:

Code sections:

Attachments: [First Amendment to Trust Indenture Series 2006 Bond \(2012 Amendment\)](#)

Date	Ver.	Action By	Action	Result
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Title

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS AUTHORIZING CERTAIN AMENDMENTS TO THE CITY OF JONESBORO, ARKANSAS TAX INCREMENT FINANCING REVENUE REDEVELOPMENT BONDS (TURTLE CREEK REDEVELOPMENT DISTRICT PROJECT), SERIES 2006, AND THE TRUST INDENTURE PURSUANT TO WHICH SUCH BONDS WERE ISSUED; AUTHORIZING CERTAIN AMENDMENTS TO THE MEMORANDUM OF UNDERSTANDING AGREEMENTS RELATING TO THE BONDS; AUTHORIZING THE TERMINATION OF THE PILOT AGREEMENT, THE MAJOR ACHORS PILOT AGREEMENT AND THE UNCONDITIONAL GUARANTY OF PAYMENT AND PERFORMANCE WITH RESPECT TO THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN ADDITIONAL DOCUMENTS RELATED TO THE AMENDMENTS TO THE BONDS; AND PRESCRIBING OTHER MATTERS RELATING THERETO

Body

WHEREAS, by Ordinance No. 3480 of the Ordinances of the City of Jonesboro, Arkansas (the "City"), passed and approved July 19, 2004, by Ordinance No. 3501 of the Ordinances of the City, passed and approved December 20, 2004, by Ordinance 3586 of the Ordinances of the City passed and approved November 1, 2005 and by Resolution No. 2005-130 adopted by the City on November 1, 2005, there was authorized the issuance of the City's Tax Increment Financing Revenue Redevelopment Bonds (Turtle Creek Redevelopment District Project), Series 2006, dated January 31, 2006 (the "Series 2006 TIF Bonds");

WHEREAS, the Series 2006 TIF Bonds were issued under and pursuant to the terms of a Trust Indenture dated

as of January 31, 2006 (the "Trust Indenture"), between the City and Regions Bank, as trustee (the "Trustee");

WHEREAS, the proceeds of the Series 2006 TIF Bonds were used to finance the cost of a project consisting of the construction of certain public improvements and renovations within the Turtle Creek Redevelopment District (the "District"), in connection with the development of the Mall at Turtle Creek and Turtle Creek Crossing (collectively, the "Shopping Center") by Turtle Creek Partners, LLC (the "Developer");

WHEREAS, the Series 2006 TIF Bonds are limited obligations of the City payable from (1) certain incremental property tax revenue collected in connection with the real property located within the District, (2) payments made by the Developer under the terms of an Agreement to Make Payments in Lieu of Taxes dated January 31, 2006 (the "PILOT Agreement") between the Developer, the City, the Trustee and the Craighead County Tax Assessor (the "Assessor"), (3) payments under an Agreement dated January 31, 2006 (the "Major Anchors PILOT Agreement") between the City, J.C. Penney Properties, Inc., Target Corporation, Dillard's Dollars, Inc. and the Assessor, and (4) payments under an Unconditional Guaranty of Payment and Performance dated January 31, 2006 (the "Guaranty") granted in favor of the Trustee by Bruce Burrow, individually, MSB Family L.P., and Hocker MTC Partners, L.L.C.;

WHEREAS, subsequent to the issuance of the Series 2006 TIF Bonds the Arkansas Supreme Court issued a ruling in the City of Fayetteville v. Washington County, 369 Ark. 455 (2007) case, which resulted in a substantial portion of the incremental property tax revenue collected in connection with the real property located within the District no longer being available to pay debt service on the Series 2006 TIF Bonds and the Series 2006 TIF Bonds subsequently falling into default (which defaults have been waived by the owners of the Series 2006 TIF Bonds through August 1, 2012);

WHEREAS, the Developer and its wholly-owned subsidiary, Mall at Turtle Creek, LLC (collectively, the "Turtle Creek Entities"), have entered into a purchase agreement pursuant to which the Turtle Creek Entities will sell the Shopping Center to a purchaser (the "Mall Purchaser");

WHEREAS, as a condition precedent to the Mall Purchaser's purchase of the Shopping Center, the purchase agreement requires that the PILOT Agreement, the Major Anchors PILOT Agreement and the Guaranty be terminated;

WHEREAS, in order to facilitate the sale of the Shopping Center and the termination of the PILOT Agreement, the Major Anchors PILOT Agreement and the Guaranty, the Developer has requested that the City approve the restructuring of the Series 2006 TIF Bonds in order to reduce the outstanding principal amount to a level at which the debt service can be paid from the legally available property tax increment revenue;

WHEREAS, Section 9.02 of the Trust Indenture permits the Trust Indenture to be amended with the consent of the Developer, the Trustee and all of the owners of the outstanding Series 2006 TIF Bonds;

WHEREAS, the sale of the Shopping Center and the consummation of the amendments provided for in this Resolution shall occur simultaneously and shall result in the Developer, or related entities, being the sole owner (s) of all of the Series 2006 TIF Bonds;

WHEREAS, the owners of the Series 2006 TIF Bonds and the Trustee will consent to the termination of the PILOT Agreement, the Major Anchors PILOT Agreement and the Guaranty and the amendments to the Trust Indenture and the Series 2006 TIF Bonds; and

WHEREAS, the City Council deems it necessary and desirable and in the best interests of the City to approve the requested amendments to the Trust Indenture and the Series 2006 TIF Bonds and the requested termination

the requested amendments to the Trust Indenture and the Series 2006 TIF Bonds and the requested termination of the Guaranty, the PILOT Agreement and the Major Anchors PILOT Agreement in order to cure the default with respect to the payment of debt service on the Series 2006 TIF Bonds;

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS:

Section 1. In order to provide for the various amendments to the Trust Indenture and the Series 2006 TIF Bonds described in the recitals hereto, the City Council hereby approves the form, terms and provisions of a first amendment to the Trust Indenture and the form of the Series 2006 TIF Bonds attached thereto (the "First Amendment"), in substantially the form presented at this meeting, and authorizes and directs the Mayor to execute and deliver the First Amendment, and the City Clerk to attest and affix the City's seal thereto, as may be necessary, with such changes to such document as the officers executing the same may approve, such approval to be conclusively evidenced by such officers' execution thereof. The outstanding principal amount of the Series 2006 TIF Bonds shall be reduced to \$700,000, which is the principal amount at which scheduled debt service on the Series 2006 TIF Bonds will be covered by the legally available property tax increment revenue at a rate of at least 135%, calculated in relation to the amount of property tax increment revenue actually received by the Trustee in calendar year 2011 (\$97,111.21). The Series 2006 TIF Bonds shall be subject to mandatory redemption from surplus revenues and shall have a new mandatory sinking fund redemption schedule so that the debt service requirement can be met.

Section 2. The City Council hereby approves the termination of the Guaranty, the PILOT Agreement and the Major Anchors PILOT Agreement, and hereby authorizes and directs the Mayor to execute and deliver such termination agreements as may be necessary to effectuate the termination of said agreements in such form as the Mayor may approve, such approval to be conclusively evidenced by the Mayor's execution thereof.

Section 3. The City Council hereby approves the amendments to the Memorandum of Understanding agreements originally executed with respect to the Series 2006 TIF Bonds, in order to incorporate certain changes to said agreements necessary to make said agreements consistent with the current state of the law and the amendments to the Trust Indenture and the Series 2006 TIF Bonds provided for in the First Amendment. The City Council hereby authorizes and directs the Mayor to execute and deliver such amendment agreements in such form as the Mayor may approve, such approval to be conclusively evidenced by the Mayor's execution thereof.

Section 4. The City Council is approving the various amendments and terminations described herein and in the First Amendment at the request of the Developer in order to cure defaults in the payment of debt service on the Series 2006 TIF Bonds, and as such, the approvals and authorizations provided herein are expressly conditioned upon the Developer providing the necessary consents from the Trustee and the owners of the Series 2006 TIF Bonds as to the restructuring of the Series 2006 TIF Bonds and the termination of the Guaranty, the PILOT Agreement and the Major Anchors PILOT Agreement simultaneously with (or prior to) the effective date of the amendments and terminations provided for in this Resolution.

Section 5. The Mayor and City Clerk are expressly authorized, empowered and directed from time to time and at any time to do and perform all acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the City all certificates, financing statements, termination statements, instruments and other papers, whether or not herein mentioned, as the Mayor may determine to be necessary or desirable in order to carry out the terms and provisions of this Resolution, as well as the terms and provisions of the First Amendment, such determination to be conclusively evidenced by the performance of such acts and things and the execution of any such certificate, financing statement, instrument or other paper.

Section 6. The provisions of this Resolution are hereby declared to be severable and, if any such provision shall for any reason be held illegal or invalid, such holding shall not affect the validity of the remainder of this Resolution.

This Instrument prepared by:
And when filed return to:
Jack Nelson Jones & Bryant, P.A.
2800 Cantrell Road, Suite 500
Little Rock, Arkansas 72202
Attention: John S. Bryant

FIRST AMENDMENT TO

CITY OF JONESBORO, ARKANSAS

TO

**REGIONS BANK
as Trustee**

TRUST INDENTURE

With respect to:

**CITY OF JONESBORO, ARKANSAS
\$7,040,000 Tax Increment Financing Revenue Redevelopment Bonds
(Turtle Creek Redevelopment District Project)
Series 2006**

Dated December ___, 2012

FIRST AMENDMENT TO TRUST INDENTURE

THIS FIRST AMENDMENT TO TRUST INDENTURE (this “First Amendment”) is effective as of December __, 2012, and amends that certain Trust Indenture dated as of January 31, 2006 (the “Original Indenture”), between the **City of Jonesboro, Arkansas**, a city of the first class organized and existing under the laws of the State of Arkansas (the “City”), **Regions Bank**, an Alabama banking corporation organized under and existing under the laws of the State of Alabama and authorized to exercise corporate trust powers in the State of Arkansas, and its successors, as trustee (the “Trustee”), and **Turtle Creek Partners, LLC**, an Arkansas limited liability company and property owner within the City (the “Developer”). All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Original Indenture.

WITNESSETH:

WHEREAS, the City, pursuant to Amendment No. 78 to the Constitution of the State of Arkansas and the enacting provisions of Arkansas Code Annotated Sections 14-168-301 *et seq.* as amended (collectively, the “Authorizing Legislation”) and several ordinances and resolutions of the City, created the “Turtle Creek Redevelopment District of the City of Jonesboro, Arkansas #1” and issued its redevelopment bonds designated as the City of Jonesboro, Arkansas Tax Increment Financing Revenue Redevelopment Bonds (Turtle Creek Redevelopment District Project) Series 2006 in the principal amount of \$7,040,000 (the “Bonds”);

WHEREAS, the Bonds were issued pursuant to the Original Indenture, as described in the preamble, and are payable from and secured by the Pledged Revenues, which is defined in the Original Indenture to include the Pledged Increment, the Developer PILOT Agreement, the Unconditional Guaranty of Payment and Performance and the Major Anchors PILOT Agreement;

WHEREAS, subsequent to the issuance of the Bonds, the Arkansas Supreme Court entered a ruling in the case of *City of Fayetteville v. Washington County*, 369 Ark. 455 (2007), which substantially limited the amount of Pledged Increment available to pay debt service on the Bonds, which resulted in the Bonds falling into default (which has been waived by owners of the Bonds);

WHEREAS, the Issuer and the Developer, as owner of all of the Bonds Outstanding upon completion of the transactions contemplated hereby, have agreed that the financing structure of the Bonds, as set forth in the Original Indenture, should be substantially restructured in order to reduce the outstanding principal amount of the Bonds so that the current legally available Pledged Increment will be sufficient to pay the debt service on the restructured Bonds;

WHEREAS, simultaneously herewith, the Developer has entered into a purchase and sale agreement (the “Purchase Agreement”) with Rouse Properties, Inc. (“Rouse”) to sell the Mall at Turtle Creek and Turtle Creek Crossing (collectively, the “Shopping Center”) which benefited from the Project;

WHEREAS, in connection with the sale of the Shopping Center, the Developer will purchase all of the outstanding Bonds;

WHEREAS, as a condition precedent to the sale of the Shopping Center, the Purchase Agreement requires the termination of the Developer PILOT Agreement, the Major Anchors PILOT Agreement and the Unconditional Guaranty of Payment and Performance, which terminations have been agreed to by the City, the Developer and the respective parties to the above-referenced agreements;

WHEREAS, Section 9.02 of the Original Indenture permits the amendment of the Original Indenture with prior notice and the consent of all of the holders of the Bonds then Outstanding (the "Holders") and the Developer; and

WHEREAS, pursuant to a Bondholder Consent Form and Direction to Trustee dated December __, 2012, and effective as of _____, 2012 (the "Bondholder Consent and Direction"), attached hereto as Attachment 2, executed and delivered by each of the Holders, the Holders have agreed to amend the Original Indenture on the basis set forth herein;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS INDENTURE WITNESSETH:

Section 101. The foregoing recitals are hereby incorporated into the body of this First Amendment as if fully rewritten and restated herein. Except as the Original Indenture is amended by this First Amendment, the Original Indenture is hereby ratified and confirmed in all respects. The amendments made by this First Amendment are intended to be given broad and liberal construction to amend and supersede any portions of the Original Indenture in conflict with the express terms hereof. Where a term or provision has been deleted, any other provision containing a reference thereto shall be construed as broadly as possible to give effect to such provision in the absence of the applicable reference.

Section 102. The currently outstanding principal amount of the Bonds is \$_____. In order to reduce the outstanding principal amount of the Bonds so that the current legally available Pledged Increment is sufficient to pay the debt service on the restructured Bonds, the principal amount of the Bonds is hereby reduced to \$700,000 (the "Amended Principal Amount") and all references to the principal amount of the Bonds are hereby amended and replaced with \$700,000. The amounts representing the difference between the currently outstanding principal amount of the Bonds and the Amended Principal Amount are hereby waived, forgiven and released. Additionally, all previously due and unpaid interest on the Bonds is hereby waived, forgiven and released through December 31, 2012. The amended debt service schedule with respect to the Bonds, reflecting the Amended Principal Amount, is attached hereto as Attachment 1. Interest on the Bonds, as amended, shall accrue from January 1, 2013, with interest payable on each February 1 and August 1 commencing August 1, 2013 and principal payable on each February 1 commencing February 1, 2014. In order to effectuate the amendments provided for herein, the Bonds shall be reissued in substantially the form attached hereto as Attachment 2.

Section 103. Section 5.01(b)(ii) is hereby amended by deleting the mandatory sinking fund redemption chart in its entirety and replacing it with the following:

Year	Principal Amount (\$)
2014	25,000
2015	30,000
2016	30,000
2017	35,000
2018	35,000
2019	35,000
2020	40,000
2021	40,000
2022	45,000
2023	45,000
2024	50,000
2025	50,000
2026	55,000
2027	60,000
2028	60,000
2029*	65,000

*Final Maturity

Section 104. Section 5.01(b) of the Indenture is hereby amended by adding the following subsection (iv) at the end of Section 5.01(b):

(iv) Mandatory Redemption from Excess Funds. The Bonds shall be mandatorily redeemed prior to maturity, in whole or in part, on each February 1, commencing February 1, 2014, in inverse order of maturity and by lot in such manner as the Trustee shall determine within a maturity, at a redemption price equal to 100% of the principal amount being redeemed, plus accrued interest to the date of redemption, from excess funds deposited in the Debt Service Fund from the Special Fund pursuant to Section 4.01(e) hereof.

Section 105. The following sections, subsections or paragraphs of the Indenture are hereby deleted in their entirety:

Section 2.12
Subsection 3.01(g)
Subsection 3.01(h)
Subsection 3.01(i)
Subsection 4.01(d)
The last paragraph of Section 4.01

Section 106. Exhibit F of the Indenture, the form of Investor Letter is hereby deleted in its entirety and replaced with the amended form of Investor Letter attached hereto as Attachment

3. Additionally, Section 2.06 of the Indenture is hereby amended by deleting the first sentence of the second paragraph of 2.06 in its entirety and replacing it with the following:

Bonds may be transferred on the books of registration kept by the Trustee by the Registered Owner in person or by the Owner's duly authorized attorney, upon surrender thereof, together with a written instrument of transfer duly executed by the Registered Owner or the Owner's duly authorized attorney, and an investor letter, in the form attached hereto as Exhibit F, signed by the transferee of the Bonds.

Section 107. Simultaneously herewith, the Developer, the Affiliated Entities and the City are executing an Agreement to Terminate the Unconditional Guaranty of Payment and Performance dated December __, 2012, (the "Guaranty Termination") terminating the Unconditional Guaranty of Payment and Performance. All references to the Unconditional Guaranty of Payment and Performance in the Original Indenture shall be and hereby are deleted.

Section 108. Simultaneously herewith, the Developer, the Trustee, the Craighead County Tax Assessor (the "Tax Assessor") and the City are executing an Agreement to Terminate the Agreement to Make Payments in Lieu of Taxes dated December __, 2012, (the "Developer PILOT Termination Agreement") terminating the Developer PILOT Agreement. All references to the Developer PILOT Agreement in the Original Indenture shall be and hereby are deleted.

Section 109. Pursuant to the terms of the Major Anchor PILOT Agreement, the Major Anchor PILOT Agreement terminates upon termination of the Developer PILOT Agreement. Accordingly, upon execution of the Developer PILOT Termination Agreement, all references to the Major Anchor PILOT Agreement in the Original Indenture shall be and hereby are deleted.

Section 110. The last paragraph of Section 7.01 of the Trust Indenture shall be deleted in its entirety and replaced with the following:

"So long as no more than five (5) Persons are Owners of the Bonds, in the event of (a) through (e) above, Trustee shall provide notice to such Owner or Owners that unless otherwise notified in writing to the contrary by such Owner or Owners, such default shall be deemed waived pursuant to the Investor Letter delivered by the initial Owner dated January 31, 2006. At such time as the Bonds are owned by more than five (5) Owners, a default under (c) above is not an Event of Default until Trustee or the Owners of at least a majority in principal amount of the Bonds give the City a notice specifying the default, demanding that it be remedied and stating that the notice is a "Notice of Default," and that if the City does not cure the default within thirty (30) calendar days after receipt of the notice, or within such longer period as set forth in the notice, not to exceed one hundred-twenty (120) days."

Section 111. For the benefit of the Trustee and the Holders of the Bonds, the Issuer hereby incorporates by reference those covenants, representations and warranties of the Issuer set forth in the Original Indenture into the First Amendment, and hereby affirms, restates and

covenants, as of the date of this First Amendment, that it shall comply with all such covenants, and all representations and warranties contained therein are true and accurate.

Section 112. In the event that any provision of this First Amendment shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall be confined to the provision determined to be invalid or unenforceable and shall not invalidate or render unenforceable any other provisions of this First Amendment.

Section 113. This First Amendment may be executed in any number of counterparts, each of which, when so executed, shall be deemed to be an original and such counterparts, added together, shall constitute and be one and the same instrument.

Section 114. This First Amendment shall be governed by and construed in accordance with the substantive laws of the State of Arkansas without regard to any laws, rules or regulations concerning conflict of laws that might result in the application of the laws of any other jurisdiction.

Section 115. The foregoing First Amendment has been consented to and approved by the Holders pursuant to the Bondholder Consent and Direction, attached hereto as Attachment 4, executed and delivered by each of the Holders of the Bonds.

Section 116. All terms and conditions of the Original Indenture in express and direct conflict with the provisions of Section 101 through Section 114 of this Supplemental Indenture are hereby superseded, amended and modified to the extent necessary to be consistent with Sections 101 through Section 114 above. All other terms and conditions of the Original Indenture are hereby otherwise expressly ratified, confirmed and agreed to.

[Signature pages follow.]

**Attachment 1 to
First Amendment to Trust Indenture**

MODIFIED DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	Net New D/S
02/01/2013	-	-	-	-	-
08/01/2013	-	-	24,500.00	24,500.00	24,500.00
02/01/2014	25,000.00	6.000%	21,000.00	46,000.00	46,000.00
08/01/2014	-	-	20,250.00	20,250.00	20,250.00
02/01/2015	30,000.00	6.000%	20,250.00	50,250.00	50,250.00
08/01/2015	-	-	19,350.00	19,350.00	19,350.00
02/01/2016	30,000.00	6.000%	19,350.00	49,350.00	49,350.00
08/01/2016	-	-	18,450.00	18,450.00	18,450.00
02/01/2017	35,000.00	6.000%	18,450.00	53,450.00	53,450.00
08/01/2017	-	-	17,400.00	17,400.00	17,400.00
02/01/2018	35,000.00	6.000%	17,400.00	52,400.00	52,400.00
08/01/2018	-	-	16,350.00	16,350.00	16,350.00
02/01/2019	35,000.00	6.000%	16,350.00	51,350.00	51,350.00
08/01/2019	-	-	15,300.00	15,300.00	15,300.00
02/01/2020	40,000.00	6.000%	15,300.00	55,300.00	55,300.00
08/01/2020	-	-	14,100.00	14,100.00	14,100.00
02/01/2021	40,000.00	6.000%	14,100.00	54,100.00	54,100.00
08/01/2021	-	-	12,900.00	12,900.00	12,900.00
02/01/2022	45,000.00	6.000%	12,900.00	57,900.00	57,900.00
08/01/2022	-	-	11,550.00	11,550.00	11,550.00
02/01/2023	45,000.00	6.000%	11,550.00	56,550.00	56,550.00
08/01/2023	-	-	10,200.00	10,200.00	10,200.00
02/01/2024	50,000.00	6.000%	10,200.00	60,200.00	60,200.00
08/01/2024	-	-	8,700.00	8,700.00	8,700.00
02/01/2025	50,000.00	6.000%	8,700.00	58,700.00	58,700.00
08/01/2025	-	-	7,200.00	7,200.00	7,200.00
02/01/2026	55,000.00	6.000%	7,200.00	62,200.00	62,200.00
08/01/2026	-	-	5,550.00	5,550.00	5,550.00
02/01/2027	60,000.00	6.000%	5,550.00	65,550.00	65,550.00
08/01/2027	-	-	3,750.00	3,750.00	3,750.00
02/01/2028	60,000.00	6.000%	3,750.00	63,750.00	63,750.00
08/01/2028	-	-	1,950.00	1,950.00	1,950.00
02/01/2029	65,000.00	6.000%	1,950.00	66,950.00	66,950.00
Total	\$700,000.00	-	\$411,500.00	\$1,111,500.00	\$1,111,500.00

**Attachment 2 to
First Amendment to Trust Indenture**

FORM OF BOND

**Attachment 3 to
First Amendment to Trust Indenture**

FORM OF INVESTOR LETTER

**Attachment 4 to
First Amendment to Trust Indenture**

BONDHOLDER CONSENT

RA-___

\$_____

CITY OF JONESBORO, ARKANSAS
\$700,000
TAX INCREMENT FINANCING REVENUE REDEVELOPMENT BONDS
(TURTLE CREEK REDEVELOPMENT DISTRICT PROJECT
SERIES 2006 (REISSUED))

INTEREST RATE	MATURITY DATE	ISSUE DATE	CUSIP No.
6.00%	February 1, 2029	December __, 2012	

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ **AND NO DOLLARS**

FOR VALUE RECEIVED, the City of Jonesboro, Arkansas, a city of the first class organized and existing under the laws of the State of Arkansas (the “City”), hereby promises to pay to the Registered Owner specified above, or registered assigns, upon surrender hereof, at the principal office of the Trustee named below, on the Maturity Date specified above, unless redeemed prior thereto, the Principal Amount specified above, together with interest thereon at the rate set forth above from the Issue Date specified above, but only from the sources and in the manner hereinafter provided on each February 1 and August 1 (an “Interest Payment Date”) until the principal hereof is paid or duly provided for upon redemption or maturity. Payment of the principal and redemption premium, if any, and interest on this Bond shall be made in lawful money of the United States of America which on the respective dates of payment thereof shall be legal tender for the payment of public and private debts. Unless other arrangements are made pursuant to the Indenture (hereinafter defined), interest is payable by check or draft drawn upon Regions Bank, as Trustee (the “Trustee”), mailed on the Interest Payment Date (or, if such day is not a Business Day, the next succeeding Business Day) to the Registered Owner hereof at the close of business on the Record Date immediately preceding each Interest Payment Date at the address of such Registered Owner as it appears on the books of registration maintained as described herein.

Interest on this Bond shall be computed on the basis of a 360-day year consisting of twelve (12) months of thirty (30) days each (calculated by multiplying the principal amount of Bonds by the interest rate, dividing that sum by 360, and multiplying that amount by the actual days elapsed). In any case where the date of maturity of interest on or premium, if any, or principal of this Bond, or the date fixed for redemption of this Bond, shall not be a Business Day, then payment of such interest, premium or principal need not be made on such date but shall be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and, in the case of such payment, no interest shall accrue for the period from and after such date.

THIS BOND SHALL BE A LIMITED AND SPECIAL OBLIGATION OF THE CITY, THE PRINCIPAL, INTEREST, AND REDEMPTION PREMIUM (IF ANY) OF WHICH ARE PAYABLE SOLELY FROM AND SECURED BY THE SECURITY DESCRIBED IN THE

INDENTURE, AND FROM MONEYS AVAILABLE TO BE DRAWN BY TRUSTEE THAT MAY BE IN EFFECT FROM TIME TO TIME TO SUPPORT PAYMENTS DUE ON OR WITH RESPECT TO THIS BOND, ALL AS DESCRIBED IN AND SUBJECT TO LIMITATIONS SET FORTH IN THE INDENTURE, FOR THE EQUAL AND RATABLE BENEFIT OF THE REGISTERED OWNERS, FROM TIME TO TIME OF THIS BOND. THIS BOND AND THE INTEREST THEREON AND REDEMPTION PREMIUM, IF ANY, SHALL NOT BE DEEMED TO CONSTITUTE OR CREATE AN INDEBTEDNESS, LIABILITY OR OBLIGATION OF THE CITY OF JONESBORO OR THE STATE OF ARKANSAS OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, OR A PLEDGE OF THE FAITH AND CREDIT OR THE TAXING POWER OF THE CITY OF JONESBORO OR THE STATE OF ARKANSAS OR ANY POLITICAL SUBDIVISION THEREOF. THE CITY HAS TAXING POWER.

This Bond has been issued under the provisions of Amendment No. 78 to the Constitution of the State of Arkansas and the enacting provisions of Arkansas Code Annotated Sections 14-168-301 *et seq.*, as amended (collectively, the “Authorizing Legislation”) and in no event shall this Bond constitute an indebtedness of the City of Jonesboro or an indebtedness for which the faith and credit of the City of Jonesboro or any of its revenues are pledged or an indebtedness secured by a lien on or a security interest in any property of the City of Jonesboro.

This Bond is one of the Bonds of a duly authorized reissuance of Bonds of the City in the aggregate principal amount of \$700,000 known as the City of Jonesboro, Arkansas Tax Increment Financing Redevelopment Bonds (Turtle Creek Redevelopment District Project), Series 2006 (Reissued) (herein called the “Bonds”), dated as of the Issue Date referenced above. The City originally issued the Bonds as its \$7,040,000 Tax Increment Financing Redevelopment Bonds (Turtle Creek Redevelopment District Project), Series 2006. The terms of the Bonds, as originally issued, have been amended to restructure the outstanding indebtedness represented by the Bonds. All of the Bonds are issued under and pursuant to the Authorizing Legislation, and a Trust Indenture, dated as of January 31, 2006, as amended by a First Amendment to Trust Indenture, dated as of December ___, 2012 (collectively, and as may be amended or supplemented from time, the “Indenture”) by and between the City and Regions Bank, as the trustee (“Trustee”). Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Bonds, the collection and disposition of revenues, a description of the funds charged with and pledged to the payment of the principal of and redemption premium, if any, and interest on, the Bonds, the nature and extent of the security for the Bonds, the terms and conditions under which the Bonds are or may be issued, the rights, duties and obligations of the City and of Trustee and the rights of the Registered Owners of the Bonds, and, by the acceptance of this Bond, the Registered Owner hereof assents to all of the provisions of the Indenture. Capitalized terms used herein and not defined shall have the meaning ascribed to them in the Indenture.

The Bonds have been initially issued in fully registered, physical form, registered in the name of the Registered Owners

The Bonds were originally issued for the purpose of financing the construction of public improvements and renovations within the Turtle Creek District (described and defined in the Trust Indenture), fund the Turtle Creek Redevelopment District of the City of Jonesboro,

Arkansas #1 Special Fund (the “Special Fund”) for the Bonds and to pay the costs of issuing the Bonds.

Pursuant to the Indenture the City has, for the benefit of the Registered Owners of the Bonds, assigned, without recourse, representation or warranty, to Trustee in trust the “Security” which includes:

(a) the Pledged Increment, (b) all moneys and securities held from time to time by Trustee in or as part of the funds and accounts held under the Indenture, (c) proceeds of the foregoing and (d) a lien on the Project (collectively, the Pledged Revenues).

The Bonds are issuable as fully registered Bonds in the principal amount of \$5,000 and integral multiples of \$5,000 in excess thereof (an “Authorized Denomination”). This Bond, upon surrender hereof at the principal office of the Registrar (as defined in the Indenture) with a written instrument of transfer satisfactory to the Registrar executed by the Registered Owner hereof or his attorney duly authorized in writing, may, at the option of the Registered Owner hereof, be exchanged for an equal aggregate principal amount of Bonds of the same aggregate principal amount and tenor as the Bonds being exchanged and of any Authorized Denomination. This Bond may be registered as transferred as provided in the Indenture, subject to certain limitations therein contained, only upon the books of registration, and only upon surrender of this Bond for registration of transfer to the Registrar accompanied by a written instrument of transfer (in substantially the form of the assignment attached hereto) duly executed by the Registered Owner hereof or his duly authorized attorney, and an investor letter, in the form attached to the Indenture as Exhibit F, signed by the transferee of the Bonds. Thereupon, one or more new Bonds of any Authorized Denomination and in the same aggregate principal amount and tenor as the Bond surrendered (or for which registration of transfer has been effected) will be issued to the designated transferee or transferees.

This Bond shall bear interest as provided in the Indenture at the rate stated above from an accrual date of January 1, 2013 to and including the date of payment in full hereof. Interest accrued on this Bond shall be paid on February 1 and August 1 (each an “Interest Payment Date”), commencing on August 1, 2013 (or, if such day is not a Business Day, the next succeeding Business Day).

Optional Redemption.

The Bonds maturing on and after February 1, 2016 will be redeemable at the option of the City upon the direction of the Developer as a whole or in part on February 1, 2016, in inverse order of maturity, from moneys deposited in the Debt Service Fund, and when redeemed in any period shown in the following table, at the redemption price (expressed as a percentage of the principal amount) set opposite such date in said table plus accrued interest to the redemption date:

Period of Redemption	Redemption Price
February 1, 2016 to January 31, 2017	102%
February 1, 2017 to January 31, 2018	101%
February 1, 2018 and thereafter	100%

In case of any such optional redemption, Developer shall, at least thirty (30) calendar days prior to the redemption date (unless a shorter notice shall be satisfactory to Trustee), deliver a Written Request to the County and Trustee notifying the County and Trustee of such redemption date and of the principal amount of Bonds to be redeemed.

Extraordinary Redemption

The Bonds are subject to extraordinary redemption prior to maturity as a whole as a result of any changes in the Constitution of the State of Arkansas or the Authorizing Legislation or the Constitution of the United States of America or of legislative or administrative action (whether State, federal or local) with respect to the Project, at a redemption price equal to the principal amount of the Bonds then Outstanding to be so redeemed, plus accrued interest to the date fixed for such redemption and without premium, with funds provided by the Developer, or upon written direction from the Developer to the Trustee, Trustee may cancel the Bonds. Developer shall pay any fees then due Trustee and any fees incurred in connection with such Extraordinary Redemption.

Mandatory Sinking Fund Redemption.

The Bonds are subject to Mandatory Sinking Fund Redemption prior to maturity, in part by lot within a maturity, as selected by the Trustee, on February 1 of each year as set forth in the table below, in the respective principal amounts listed opposite each such year, at a redemption price equal to one hundred percent (100%) of the principal amount thereof plus interest accrued to the redemption date:

<u>Year</u>	<u>Principal Amount</u>
2013	
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029*	

* Final maturity

Mandatory Redemption from Excess Funds

The Bonds shall be mandatorily redeemed prior to maturity, in whole or in part, on each February 1, commencing February 1, 2014, in inverse order of maturity and by lot in such manner as the Trustee shall determine within a maturity, at a redemption price equal to 100% of the principal amount being redeemed, plus accrued interest to the date of redemption, from excess funds deposited in the Debt Service Fund from the Special Fund pursuant to Section 4.01(e) of the Indenture.

Notice of Redemption. When Bonds are to be redeemed under any provision of the Indenture, the City shall give Trustee not more than sixty (60) calendar days' notice of the date fixed for redemption, unless a shorter period (but never less than thirty (30) calendar days) may be acceptable to Trustee. The City shall not be required to give Trustee any notice with respect to Bonds called for mandatory redemption and Trustee shall take all steps necessary to call Bonds for mandatory redemption as provided herein. When Bonds are called for redemption, Trustee shall cause a notice to be deposited in the United States mail first class, postage prepaid, not more than forty-five (45) nor less than thirty (30) calendar days prior to the redemption date addressed to the Registered Owners of the Bonds called for redemption, at the addresses appearing in the books of registration kept by Trustee. Such notice shall be given in the name of the City, shall identify the Bonds to be redeemed by CUSIP number, date of issue, interest rate, maturity date and any other identifying information (and in the case of a partial redemption of any Bonds, the respective principal amounts thereof to be redeemed, the certificate numbers and CUSIP numbers, if applicable, of the Bonds to be redeemed which may, if appropriate, be expressed in designated blocks of numbers), shall specify the redemption date, the redemption price and Trustee's name and address and shall state that on the redemption date the Bonds called for redemption will be payable at the office of Trustee designated in such notice and that from the date of redemption interest will cease to accrue; *provided, however*, that the Registered Owners of all Bonds to be redeemed may file written waivers of notice with Trustee, and if so waived, such Bonds may be redeemed and all rights and liabilities of the Owners shall mature and accrue on the date set for such redemption, without the requirement of written notice. Any defect in or failure to give such notice with respect to any particular Bond or Bonds shall not affect the validity of any such redemption of other Bonds.

Miscellaneous. Under certain circumstances as described in the Indenture, the principal of all the Bonds may be declared due and payable in the manner and with the effect provided in the Indenture.

Modifications or alterations to the Indenture may be made only to the extent and in the circumstances permitted by the Indenture.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to a default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided under certain limited circumstances described in the Indenture; *provided, however*, that nothing contained in the Indenture shall affect or impair any right of enforcement conferred on the Registered Owner hereof by the Authorizing Legislation to enforce: (i) the payment of the principal of and premium, if any, and interest on, this Bond at and after the maturity hereof, or (ii) the obligation of the City to pay the principal of and premium, if any, and interest on, this Bond to the Registered Owner hereof at the time, place, from the source and in the manner as provided in the Indenture.

It is hereby certified that all acts, conditions and things required to happen, exist and be performed under the Constitution and laws of the State of Arkansas and under the Indenture precedent to and in the issuance of this Bond have happened, exist and have been performed as so required and that the issuance, authentication and delivery of this Bond have been duly authorized by the City.

Unless the certificate of authentication hereon has been executed by Trustee by manual signature of one of its authorized signers, this Bond shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the City of Jonesboro, Arkansas, has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Mayor and its official seal to be impressed or imprinted hereon and attested by manual or facsimile signature of the City Clerk, all as of the Issue Date referenced above.

CITY OF JONESBORO, ARKANSAS
Issuer

By: _____
Harold Perrin, Mayor

ATTEST:

By: _____
Donna Jackson, City Clerk

[S E A L]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds issued under the provisions of the within mentioned Indenture.

REGIONS BANK, Trustee

By: _____
Dyan Kirkpatrick, Authorized Officer

Dated: _____

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(Social Security or Federal Taxpayer Identification Number)

(Please print or typewrite Name and Address, including Zip Code, of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints the Registrar under the Indenture as Attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature guaranteed by:

NOTICE:

Signature guarantee should be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to Trustee.

NOTICE:

The signature of the registered owner to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.