OFFICIAL NOTICE OF SALE

PRELIMINARY OFFICIAL STATEMENT

OFFICIAL BID FORM

$108,750,000

PULASKI COUNTY SPECIAL SCHOOL DISTRICT OF

PULASKI COUNTY, ARKANSAS

REFUNDING AND CONSTRUCTION BONDS,

TAX-EXEMPT SERIES 2021B

Dated December 30, 2021

[BOOK-ENTRY ONLY]

Being sold on written or electronic bids, which will be received until 11:00 o'clock a.m., local time, on December 9, 2021, as follows: in the case of written bids, at the offices of Stephens Inc., 111 Center Street, Suite 2300, Little Rock, Arkansas 72201, and in the case of electronic bids, via PARITY, as described herein.

OFFICIAL NOTICE OF SALE

Pulaski County Special School District of Pulaski County, Arkansas (the "District") offers the above described bonds (the "Bonds") for sale on written or electronic bids, which will be received at the place and until the time specified on the cover sheet.

Reference is made to the Preliminary Official Statement, attached hereto and incorporated herein, for details concerning the Bonds.

The District will, within seven (7) business days after the sale date, furnish to the successful bidder one signed copy of the final Official Statement. It will be the responsibility of the purchaser to make sufficient copies to satisfy its disclosure obligations and its insurance obligations. The obligations of the District to furnish the signed copy of the final Official Statement within seven (7) business days after bid opening is conditioned upon the successful bidder furnishing to the District's Municipal Advisor, within three (3) business days after bid opening, the name of the trustee (see **TRUSTEE**).

BOND DETAILS

The Bonds will be dated as of December 30, 2021. Interest will be payable semiannually on February 1 and August 1 in each year, beginning August 1, 2022. The Bonds are being issued to refund existing debt of the District (the "Bonds Being Refunded") and to finance certain capital improvements.

The Bonds shall mature on or become due through mandatory sinking fund redemptions as set forth below (subject to adjustment as hereinafter provided):

Year (February 1)	Amount	Year (February 1)	Amount
2023	$540,000.00	2036	$6,560,000.00
2024	810,000.00	2037	6,700,000.00
2025	840,000.00	2038	6,850,000.00
2026	880,000.00	2039	7,000,000.00
2027	915,000.00	2040	7,160,000.00
2028	960,000.00	2041	7,325,000.00
2029	975,000.00	2042	7,505,000.00
2030	995,000.00	2043	7,680,000.00
2031	1,015,000.00	2044	7,865,000.00
2032	1,045,000.00	2045	8,060,000.00
2033	545,000.00	2046	8,255,000.00
2034	555,000.00	2047	8,465,000.00
2035	575,000.00	2048	8,675,000.00

Reference is made to the Preliminary Official Statement, attached hereto and incorporated herein, for further details concerning the Bonds.

REDEMPTION

Optional Redemption. The Bonds are subject to redemption prior to maturity, at the option of the District, in whole, or in part, at any time on or after February 1, 2027 at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the redemption date. If fewer than all of the Bonds are called for redemption, the particular maturities to be redeemed shall be selected by the District in its discretion. If fewer than all of the Bonds of any maturity shall be called for redemption, the particular Bonds or portion thereof to be redeemed from such maturity shall be selected by lot by the Trustee.

Mandatory Sinking Fund Redemption. Term Bonds (defined below), if any, will be subject to mandatory sinking fund redemptions on February 1 in the year or years immediately prior to the stated maturity of such Term Bonds, as specified by the successful bidder on the Official Bid Form. The particular Bonds of each maturity are to be redeemed at the principal amount thereof plus accrued and unpaid interest to the date of redemption and payment.

Extraordinary Redemption. The Bonds shall be redeemed from surplus funds remaining in the Construction Fund, in inverse order of maturity, at the earlier of (i) completion of the Project, or (ii) expiration of the temporary period for construction financings provided in §148 of the Internal Revenue Code of 1986, as amended, pursuant to the terms of the Resolution on the first Interest Payment Date for which the required notice of redemption can be given, at a price of the principal amount being redeemed plus accrued interest to the date of redemption.

On the specified redemption date, all Bonds called for redemption shall cease to bear interest, provided that the amounts necessary to pay the redemption price thereof are on deposit with the Trustee. If fewer than all of the Bonds of like maturity, interest rate and otherwise identical payment terms shall be called for redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate. For purposes of selection by lot within a maturity, each $5,000 of principal amount of a Bond will be considered a separate Bond without regard to the actual denomination of such Bond.

Notice of redemption will be mailed to the Registered Owners of the Bonds by the Trustee as described in the Preliminary Official Statement.

The District shall be entitled to reduce its mandatory sinking fund redemption obligation in any year with respect to Term Bonds of any maturity by the principal amount of any such Term Bonds previously redeemed or acquired by the District and surrendered to the Trustee.

RATING

Moody's Investors Service, Inc. (“Moody’s”), has assigned an “A2” underlying rating and an “Aa2” enhanced rating to the Bonds. Certain information was supplied to the rating agency to be considered in evaluating the Bonds. Any rating issued will reflect only the views of the rating agency, and any explanation of the significance of such rating on the Bonds should be obtained from the rating agency. There is no assurance that the ratings obtained for the Bonds will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agency for the Bonds if, in its judgment, circumstances so warrant. Neither

the Underwriter nor the District undertake any responsibility to oppose any revision or withdrawal of the rating. Any such downward revision or withdrawal of the rating obtained may have an adverse effect on the market price of the Bonds. The assignment of the enhanced rating reflects the additional bond security provided by A.C.A. § 6-20-1204.

CONTINUING DISCLOSURE

In order to assist the bidders in complying with S.E.C. Rule 15c2-12(b)(5) (the "Rule"), the District will undertake pursuant to a Continuing Disclosure Agreement, to provide certain annual financial information and operating data and timely notices of the occurrences of certain material events. A description of this undertaking is set forth in the Preliminary Official Statement and will be set forth in the Final Official Statement.

FORM OF BONDS

The Bonds are issuable only as fully registered bonds without coupons in denominations of $5,000 or an integral multiple thereof.

BOOK-ENTRY ONLY SYSTEM

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

BIDDING CONDITIONS

Bids will be received on the Bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions. The same rate of interest shall apply to all Bonds of the same maturity. Each interest rate specified shall be a multiple of 1/8 or 1/20 of 1%. No bid of less than $106,645,687.50 will be considered (the "Purchase Price"). No supplemental interest payments will be authorized.

The Bonds shall mature serially or come due through mandatory sinking fund redemptions on February 1 in each of the years 2023 through 2048. Bidders may specify on the Official Bid Form that all of the principal amount of Bonds in any two or more consecutive years of the issue may, in lieu of maturing in each such year, be combined to comprise one or more maturities of Bonds ("Term Bonds") scheduled to mature in the latest of such years and be subject to mandatory sinking fund redemptions at par on February 1, in each of the years and in the principal amounts specified on the Official Bid Form. Each mandatory sinking fund redemption shall be allocated to the payment of the Term Bonds maturing in the nearest subsequent year. Bidders may specify one or more Term Bonds.

All bids shall either be submitted on the Official Bid Form, a copy of which is attached as **Exhibit A** hereto or electronically via PARITY.

The District reserves the right to waive any informalities or irregularities and to reject any and all bids.

SUBMISSION OF BIDS

Bids must be submitted by 11:00 a.m., Central Time on December 9, 2021 either: (a) in a sealed envelope addressed to Pulaski County Special School District of Pulaski County, Arkansas, c/o Michele Casavechia, Stephens Inc., 111 Center Street, Suite 2300, Little Rock, Arkansas 72201, marked "Bid for the Purchase of $108,750,000 Pulaski County Special School District of Pulaski County, Arkansas Refunding and Construction Bonds, Tax Exempt Series 2021B, dated December 30, 2021," or (b) electronically via PARITY in accordance with this Official Notice of Sale, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about PARITY, potential bidders may contact the Municipal Advisor or Dalcomp at 1359 Broadway, 2nd Floor, New York, NY 10018, telephone (212) 849-5021.

No bids shall be submitted by facsimile or telephone.

ESTABLISHMENT OF ISSUE PRICE

Simultaneously with or before delivery of the bonds, the successful bidder must furnish to the District a certificate in form acceptable to Bond Counsel, together with the supporting pricing wires or equivalent communications, as to the "issue price" of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the "Code").

The District intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements"). In the event that the competitive sale requirements are not satisfied, the District shall so advise the successful bidder. The District may determine to treat (i) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The District shall promptly advise the successful bidder, at or before the time of award of the Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the District determines to apply the hold-the-offering-price rule to any maturity of the Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.

By submitting a bid, the successful bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the successful bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The successful bidder shall promptly advise the District when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Bonds, the successful bidder agrees to promptly report to the District the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the issue date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold.

The District acknowledges that, in making the representation set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The District further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the successful bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until

it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the Bonds are awarded by the District to the successful bidder.

AWARD OF THE BONDS

The Bonds will be dated December 30, 2021, and the first interest payment date will be August 1, 2022. All of the Bonds will be awarded to the bidder offering to purchase all of the Bonds at the lowest true interest cost ("TIC") to the District. The TIC shall mean the rate that, as of December 30, 2021, discounts semi-annually, all future payments on account of principal, mandatory sinking fund redemption and interest to the net purchase price bid. The Bonds will be awarded immediately after opening.

The Successful Bidder must furnish a Good Faith Deposit (the "Deposit") in the form of a wire transfer in the amount of $2,175,000.00 payable to the order of the District. A wire reference number (the "Fed Reference Number") for the Deposit must be received by the Municipal Advisor by 2:00 p.m., Central Time, on the Sale Date (the "Deposit Deadline"). If the Deposit, or the Fed Reference Number, is not received by the Deposit Deadline the District may rescind its award to the Successful Bidder, and for the following twelve (12) months, the Successful Bidder will be required to furnish a Deposit prior to submitting its bid on any Arkansas School Bonds. Wiring instructions are as follows: Bank of America, ABA 026009593, credit Stephens Inc., Account No. 000089203828, f/c Pulaski County Special School District of Pulaski County, Arkansas. No

interest on the Deposit will accrue to the Successful Bidder. The wire transfer Deposit of the Successful Bidder will be applied to the Purchase Price of the Bonds. As soon as a wire is transmitted to the Municipal Advisor, the Successful Bidder shall notify Michele Casavechia at goodfaith@stephens.com of the Fed Reference Number. In the event the Successful Bidder fails to honor its accepted bid, the Deposit will be retained by the District.

If two or more proper bids providing for identical amounts for the lowest TIC are received, the District shall determine by lot which, if any, bid shall be accepted and its determination shall be final.

ADJUSTMENT TO PRINCIPAL AMOUNT

Subsequent to the date and time for receipt of bids, the principal amount of Bonds per maturity may be adjusted by the Municipal Advisor, if necessary, in order to maintain the semi-annual debt service requirements at appropriate levels and/or to insure proceeds of the Bonds will not exceed the amount needed for the purposes intended. In the event of a reduction or increase of a principal maturity, the Bonds of that maturity shall bear interest at rates specified in the successful bid and any Term Bonds shall be subject to mandatory sinking fund redemption on the dates specified in the bid. The District and Municipal Advisor will prepare and submit to the successful bidder, not later than 1 p.m., Central Standard Time on December 9, 2021, an adjusted schedule of principal amounts. The adjusted schedule shall be subject to the approval of the successful bidder which approval shall not be unreasonably withheld. In the event of a reduction in total principal, the Purchase Price shall be reduced in proportion to the reduction in principal amount. In the event of a reduction in total principal, the underwriter's discount percentage based upon the original bid will be maintained.

TRUSTEE

The Trustee will be Bank OZK, Little Rock, Arkansas. The Trustee will be responsible for maintaining the Bond Registration Book, paying interest to the registered owners by check, transferring registration of ownership, authenticating and delivering new Bonds and paying the Bonds at maturity, as well as performing the normal functions of a Trustee.

PROVIDED THAT THE TRUSTEE HAS RECEIVED WRITTEN NOTICE FROM THE MUNICIPAL ADVISOR AT LEAST SEVEN (7) DAYS PRIOR TO CLOSING OF THE DATE, TIME AND PLACE OF CLOSING AND PROVIDED THAT THE TRUSTEE RECEIVES FROM THE PURCHASER NO LATER THAN 10:30 A.M. THE PURCHASE PRICE IN FEDERAL RESERVE FUNDS, THE TRUSTEE WILL BE RESPONSIBLE FOR DELIVERING THE BONDS TO THE PURCHASER AND FOR THE SAME-DAY WIRE TRANSFER OF FEDERAL RESERVE FUNDS TO THE DISTRICT TREASURER IN AN AMOUNT EQUAL TO SUCH PORTION OF THE PURCHASE PRICE AS SPECIFIED BY THE DISTRICT. THE TRUSTEE WILL BE REQUIRED TO EXECUTE A CERTIFICATE AND DELIVER IT TO THE MUNICIPAL ADVISOR (A COPY OF WHICH IS ATTACHED HERETO AS **EXHIBIT B**) ACCEPTING AND AGREEING TO PERFORM ITS RESPONSIBILITIES, INCLUDING THOSE DESCRIBED IN THE PRECEDING SENTENCE NO LATER THAN SEVEN DAYS PRIOR TO THE CLOSING DATE. FOR ANY CLOSING SET FOR 10:30 A.M. OR EARLIER, THE CERTIFICATE WILL PROVIDE FOR AN AMOUNT PAYABLE EQUAL TO 125% OF THE DAILY INTEREST ON BOND PROCEEDS AT THE RATE QUOTED TO THE

DISTRICT TREASURER BY THE DEPOSITORY BANK FOR EACH CALENDAR DAY'S DELAY IN THE TRANSFER OF FUNDS (PROVIDED THAT THE ABOVE CONDITIONS HAVE BEEN SATISFIED). HOWEVER, THE TRUSTEE SHALL NOT BE REQUIRED TO PAY THE DAMAGES SET FORTH ABOVE IF THE FEDERAL RESERVE WIRE IS DOWN OR IF AN EVENT OCCURS BEYOND THE CONTROL OF THE TRUSTEE AND SUCH EVENT PREVENTS THE TRUSTEE FROM MAKING THE SAME-DAY WIRE TRANSFER.

A TRANSFER COMPLETED AFTER 2:00 P.M., LITTLE ROCK, ARKANSAS TIME, ON ANY DAY WILL BE DEEMED MADE ON THE NEXT BUSINESS DAY.

EXPENSES

The District will pay all expenses of the issue, including the fee of Bond Counsel.

LEGAL OPINION

The successful bidder will be furnished the opinion of Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., Bond Counsel, dated the date of the issuance and delivery of the Bonds, to the effect that the Bonds have been lawfully issued under the Constitution and laws of the State of Arkansas and constitute valid, binding and enforceable obligations of the District, that interest on the Bonds is exempt from State of Arkansas income taxes, and that the Bonds are exempt from property taxes in the State of Arkansas. See the attached Preliminary Official Statement for a description of that portion of the opinion relating to federal income taxes.

REGISTRATION AND DELIVERY

The Bonds will be delivered to the purchaser upon payment of the purchase price. Delivery will be made within sixty (60) days after the date of sale, the exact date of delivery to be specified by the District by seven days' notice to the purchaser. Delivery will be in the City of Little Rock, Arkansas, or elsewhere at the option of the purchaser and at the purchaser's expense. THE PURCHASER WILL BE REQUIRED TO SEND A REPRESENTATIVE TO ACCEPT DELIVERY UNLESS SPECIAL ARRANGEMENTS ARE MADE WITH THE TRUSTEE AND THE MUNICIPAL ADVISOR AND THE PURCHASER AGREES TO PAY ANY ADDITIONAL EXPENSES OF THE TRUSTEE, MUNICIPAL ADVISOR AND BOND COUNSEL.

It shall be the responsibility of the purchaser to notify the Trustee, at least six (6) days prior to delivery, of the names and tax identification numbers of registered owners to be shown at the initial delivery of the Bonds, and such notice shall specify the principal amounts in which the Bonds are to be issued. Otherwise, the District will furnish to the purchaser one bond for each annual maturity, registered in the name of the purchaser or in the name of the bidder representative named in the purchaser's bid.

CUSIP NUMBERS

It is anticipated that CUSIP numbers will be printed on the Bonds. It will be the responsibility of the Municipal Advisor to make application for CUSIP numbers no later than one business day after dissemination of this Official Notice of Sale. It will be the responsibility of the purchaser to obtain the CUSIP numbers and to pay the fee therefor. In no event will the District be responsible for or Bond Counsel review or express any opinion of the correctness of such

numbers, and incorrect numbers on the Bonds shall not be cause for the purchaser to refuse to accept delivery.

ADDITIONAL INFORMATION

Additional information may be obtained from the undersigned.

PULASKI COUNTY SPECIAL SCHOOL
DISTRICT OF PULASKI COUNTY, ARKANSAS

By: /s/ Jack Truemper
Jack Truemper,
STEPHENS INC., MUNICIPAL ADVISOR

PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER 2, 2021

This Preliminary Official Statement has been prepared for use in connection with the District's offering of these Bonds for public sale on sealed bids. Bidding requirements and procedures are set out in the Official Notice of Sale. The District will furnish to the successful bidder a final Official Statement.

NEW ISSUE **RATING: MOODY'S A2 (Underlying)**

BOOK ENTRY ONLY **RATING: MOODY'S Aa2 (Enhanced)**

In the opinion of Bond Counsel, under existing law, assuming compliance with certain covenants described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes, (ii) interest on the Bonds is exempt from State of Arkansas income tax and (iii) the Bonds are exempt from property taxes in the State of Arkansas.

$108,750,000*
Pulaski County Special School District of Pulaski County, Arkansas
Refunding and Construction Bonds, Tax Exempt Series 2021B

Dated: December 30, 2021 **Due: February 1**

The Bonds are limited, general obligations of the Pulaski County Special School District of Pulaski County, Arkansas. Interest on the Bonds is payable on February 1 and August 1, commencing August 1, 2022 and the Bonds mature (on February 1 of each year), bear interest and are priced as follows:

Maturity	Amount	Interest Rate	Price or Yield	Maturity	Amount	Interest Rate	Price or Yield
2023	$540,000.00			2036	$6,560,000.00		
2024	810,000.00			2037	6,700,000.00		
2025	840,000.00			2038	6,850,000.00		
2026	880,000.00			2039	7,000,000.00		
2027	915,000.00			2040	7,160,000.00		
2028	960,000.00			2041	7,325,000.00		
2029	975,000.00			2042	7,505,000.00		
2030	995,000.00			2043	7,680,000.00		
2031	1,015,000.00			2044	7,865,000.00		
2032	1,045,000.00			2045	8,060,000.00		
2033	545,000.00			2046	8,255,000.00		
2034	555,000.00			2047	8,465,000.00		
2035	575,000.00			2048	8,675,000.00		

The Bonds of each maturity will be initially issued as a single registered Bond registered in the name of Cede & Co., the nominee of The Depository Trust Company ("DTC"), New York, New York. The Bonds will be available for purchase in book-entry form only, in denominations of $5,000 or any integral multiple thereof. Except in limited circumstances described herein, purchasers of the Bonds will not receive physical delivery of Bonds. Payments of principal of and interest on the Bonds will be made by Bank OZK, Little Rock, Arkansas, as the Trustee, directly to Cede & Co., as nominee for DTC, as registered owner of the Bonds, to be subsequently disbursed to DTC Participants and thereafter to the Beneficial Owners of the Bonds, all as further described herein. The Bonds are subject to optional redemption on and after February 1, 2027.

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

The Bonds are offered, subject to prior sale, when, as and if issued and accepted by the Underwriter named below, subject to the approval of legality by Bond Counsel and certain other conditions.

UNDERWRITER

Official Statement dated: _____, 2021.

* Preliminary, subject to change.

No dealer, broker, salesman or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any offer, solicitation or sale of the Bonds by or to any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. Neither the delivery of this Official Statement nor the sale of any of the Bonds implies that there has been no change in the matters described herein since the date hereof or that the information herein is correct as of any time subsequent to its date.

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INTRODUCTION TO THE PRELIMINARY OFFICIAL STATEMENT

This introduction to the Preliminary Official Statement is only a brief description and is subject in all respects to the more complete information contained in the Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement, including the cover page.

This Preliminary Official Statement is provided to furnish certain information in connection with the issuance by Pulaski County Special School District of Pulaski County, Arkansas (the "District"), of its Refunding and Construction Bonds, Tax Exempt Series 2021B, dated December 30, 2021, in the aggregate principal amount of $108,750,000* (the "Bonds").

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

The District. The District is a school district duly established and existing under the Constitution and laws of the State of Arkansas for the purpose of providing public school education for persons residing within the geographic boundaries of the District. See **DESCRIPTION OF THE SCHOOL DISTRICT**.

Litigation Involving the District. For a discussion of certain litigation pending against the District, see **LEGAL MATTERS**, Litigation Involving the District.

Security and Source of Payment. The Bonds will be limited, general obligations of the District. The Bonds are secured by a pledge of (1) the proceeds of a tax continuation of 14.8 mills previously voted as a continuing levy pledged for the retirement of existing bonded indebtedness, on the dollar of the assessed valuation of taxable property of the District, subject to prior pledges of the 14.8 mills pledged to prior bond issues, and (2) surplus revenues (being revenues in excess of the amounts necessary to insure the payment when due of principal of, interest on and fees of trustees and paying agents in connection with the bonds for which voted) derived from debt service taxes heretofore or hereafter voted for payment of other bond issues of the District (subject to prior pledges of such surplus revenues) that may legally be used for the purpose of paying the principal of and interest on the Bonds. See **BONDS BEING OFFERED**, Security and Source of Payment.

Litigation Over State Funding for Schools. In an Order issued November 9, 1994, the Honorable Annabelle C. Imber held that the existing state funding system for public education violated the equal protection provision of the Arkansas Constitution and violated Article 14, § 1 of the Arkansas Constitution by "failing to provide a general, suitable and efficient system of free public education." *Tucker v. Lake View Sch. Dist. No. 25 of Phillips Cty.*, 323 Ark. 693, 937 S.W.2d 162 (1996) (quoting *Lake View Sch. Dist. No. 25 of Phillips Cty, Arkansas v. Jim Guy Tucker*, Case No. 92-5318 (1994)). Judge Imber stayed the effect of her judgment for two years to allow the General Assembly to adopt and implement legislation consistent with her Order. The

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* Preliminary, subject to change.

case was appealed to the Arkansas Supreme Court. The Supreme Court remanded the case back to the Chancery Court to determine whether the system of public school finance was in compliance with Judge Imber's original Order and whether the amount of funding was sufficient to provide all Arkansas students with an adequate education. On May 25, 2001, the Chancery Court ruled that the present system of school funding was inequitable and inadequate under the Arkansas Constitution. On November 21, 2002, the Arkansas Supreme Court affirmed the Chancery Court and held the current school funding system unconstitutional. *Lake View Sch. Dist. No. 25 of Phillips Cty. v. Huckabee*, 351 Ark. 31, 91 S.W.3d 472 (2002) (mandate issued Jan. 22, 2004). In order to allow the General Assembly and the Department of Education time to correct the constitutional disability, the Court stayed the issuance of its mandate until January 2004. On January 2, 2004, the Lake View School District, the Class Member, filed a Motion for Writ of Prohibition, requesting that the Supreme Court prohibit the State from spending money until the State corrected the unconstitutional school system. The Class Member also requested that all funds appropriated by the State for the purpose of supporting the school system be held in escrow until the unconstitutional system was corrected. On January 22, 2004, the Supreme Court issued an opinion recalling its mandate and ruling that there had been noncompliance with its November 21, 2002 opinion. *Lake View Sch. Dist. No. 25 of Phillips Cty. v. Huckabee*, 355 Ark. 617, 142 S.W.3d 643 (2004). As a result, the Court appointed two special masters, charged with the responsibility of overseeing legislative actions regarding school finance. The masters issued their report on April 1, 2004. The Court, on June 18, 2004, released jurisdiction of the case. On April 14, 2005, the Rogers School District asked the Court to reopen the *Lake View* case, arguing that lawmakers "reverted back to their old ways" and had failed to follow the Court's mandate to fund public education adequately. The Rogers School District maintained that the Arkansas General Assembly had not increased foundation funding as they had promised in the extraordinary session of 2004. On April 25, 2005, four additional petitions were filed with the Court by a combined 46 districts asking the Court to reopen the *Lake View* case. On June 9, 2005, the Court once again reopened the case and reappointed the two special masters to assess whether the Governor and the General Assembly had complied with the *Lake View* ruling. On October 3, 2005, the masters issued their findings and concluded that the General Assembly had not complied with the *Lake View* ruling and had not made education the State's first priority. The Supreme Court agreed with the masters and held that the General Assembly had retreated from its prior actions to comply with the Court's directives in *Lake View* and that the public school funding system continued to be inadequate. *Lake View Sch. Dist. No. 25 of Phillips Cty. v. Huckabee*, 364 Ark. 398, 220 S.W.3d 645 (2005). The Supreme Court further held that the public schools were operating under a constitutional infirmity that must be corrected immediately. The Court stayed the issuance of its mandate until December 1, 2006 to allow the necessary time to correct the constitutional deficiencies. In April 2006, the General Assembly met in special session to address some of the Court's concerns. The General Assembly appropriated more money to the State Department of Education for public school operation and school buildings. The General Assembly, among other things, also increased per-student funding and the minimum teacher salary schedule. On December 1, 2006, the Supreme Court ruled that it would keep jurisdiction over the case and reappointed the two special masters to evaluate whether the State met the constitutional requirements of an adequate and equitable education system. The Court delayed the case deadline for 180 days, to give the State time to provide documents, the masters time to evaluate the State's actions and the Court time to rule. **On May 31, 2007, the Court concluded that the system of public school financing had come into**

constitutional compliance. *Lake View Sch. Dist. No. 25 of Phillips Cty. v. Huckabee*, 370 Ark. 139, 257 S.W.3d 879 (2007).

At the 1996 general election, a Constitutional Amendment was passed ("Amendment No. 74") that establishes a statewide 25-mill property tax minimum for maintenance and operation of the public schools (the "Uniform Rate of Tax"). The Uniform Rate of Tax replaces that portion of local school district ad valorem taxes available for maintenance and operation. The Uniform Rate of Tax is to be collected in the same manner as other school property taxes, but the revenues generated from the Uniform Rate of Tax are remitted to the State Treasurer for distribution to the school districts. The method for distributing the state aid back to the individual school districts, and the authorized uses of the state aid once received by the school districts are set forth in Act 1300 of 1997.

Purpose. The Bonds are being issued to refund the District's Refunding Bonds, dated March 15, 2016 and the District's Refunding Bonds, dated November 1, 2012 (the "Bonds Being Refunded") and to finance certain capital improvements. See **BONDS BEING OFFERED**, Purpose.

Additional Bonds. The District's Refunding and Construction Bonds, Taxable Series 2021A (the "Taxable Series 2021A Bonds"), are being issued contemporaneously with the Bonds to refund the District's Refunding Bonds, Series 2017, dated August 1, 2017 and to finance certain capital improvements.

Redemption. The Bonds are subject to optional redemption on and after February 1, 2027. Term Bonds, if any, will be subject to mandatory sinking fund redemption on February 1 in the year or years immediately prior to the stated maturity of such Term Bonds in such years as are specified by the successful bidder. The Trustee shall give at least thirty (30) days' notice of redemption and shall redeem Bonds in inverse order of maturity (and by lot within a maturity) in such manner as the Trustee may determine. See **BONDS BEING OFFERED**, Redemption.

Denominations and Registration. The Bonds are issuable only as fully registered bonds, without coupons, in the denomination of $5,000 or an integral multiple thereof. Interest is payable August 1, 2022, and semiannually thereafter on each February 1 and August 1. Unless the Bonds are in book- entry form, payment of principal of the Bonds will be made to the owners of the Bonds at the principal office of Bank OZK, Little Rock, Arkansas (the "Trustee"). Interest is payable by check mailed by the Trustee to the registered owners as of the Record Date (herein defined) for each interest payment date. A bond may be transferred, in whole or in part (in integral multiples of $5,000), but only upon delivery of the bond, together with a written instrument of transfer, to the Trustee. See **BONDS BEING OFFERED**, Generally and Book-Entry Only System.

Tax Exemption. In the opinion of Bond Counsel, Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., under existing law, assuming compliance with certain covenants described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes, (ii) interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax, (iii) interest on the Bonds is exempt from State of Arkansas income tax, and (iv) the Bonds are exempt from property taxes in the State of Arkansas (see **LEGAL MATTERS**, Tax Exemption).

Municipal Advisor. The District has employed Stephens Inc. as its municipal advisor to assist the District in the sale and issuance of the Bonds (the "Municipal Advisor"). See **MISCELLANEOUS**, Interest of Certain Persons.

Authority. The Bonds are being issued under the authority of the Constitution and laws of the State of Arkansas, including particularly Amendments No. 40 and No. 74 to the Arkansas Constitution and Ark. Code Ann. §§ 6-20-1201 *et. seq.*, and a resolution and approval of the Board of Education of the District (the "Resolution") and approval by the Commissioner of the Department of Education. See **BONDS BEING OFFERED**, Authority, and **THE RESOLUTION**.

Delivery of Bonds. It is expected that the Bonds will be available for delivery on or about December 30, 2021.

This Preliminary Official Statement speaks only as of its date, and the information contained herein is subject to change.

BONDS BEING OFFERED

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

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (referred to herein as "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations

providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

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

Neither DTC nor Cede & Co. will consent or vote with respect to Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payments on the payable date. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest on the Bonds to DTC is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

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

book-entry transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered.

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

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

Generally. The Bonds are issuable in the form and denominations and are in the total principal amount shown on the cover page, and will be dated, mature and bear interest as set out on the cover page. The Trustee will maintain books for the registration and transfer of ownership of the Bonds. Interest due on a bond on each interest payment date will be paid to the person in whose name the bond was registered at the close of business on the fifteenth day of the month (whether or not a business day) next preceding the interest payment date (the "Record Date"), irrespective of any transfer of the bond subsequent to the Record Date and prior to the interest payment date. Payment of interest shall be made by check mailed to such registered owner.

A Bond may be transferred, in whole or in part (in integral multiples of $5,000), but only upon delivery of the bond, together with a written instrument of transfer, to the Trustee. The transfer instrument must be signed by the registered owner or his attorney-in-fact or legal representative and the signature must be guaranteed by a guarantor acceptable to the Trustee. The transfer instrument shall state the name, mailing address and social security number or federal employer identification number of the transferee. Upon such transfer, the Trustee shall enter the transfer of ownership in the registration books and authenticate and deliver in the name or names of the new registered owner or owners a new fully registered bond or bonds of authorized denomination of the same maturity and interest rate for the aggregate principal amount of the bond transferred.

Authority. The Bonds are being issued under the authority of the Constitution and laws of the State of Arkansas, including particularly Amendments No. 40 and No. 74 to the Arkansas Constitution and Ark. Code Ann. §§ 6-20-1201 *et. seq.*, a resolution and approval of the Board of Education of the District (the "Resolution"). For a summary of the Resolution, see **THE RESOLUTION**.

Amendments No. 40 and No. 74 to the Arkansas Constitution require the Board of Education of each school district to prepare and make public not less than sixty (60) days in

advance of the annual school election a proposed budget of expenditures for the support of the public schools in the District, together with a rate of tax levy sufficient to provide the funds therefor. The tax rate is divided into (1) maintenance and operation millage, (2) current expenditure millage, (3) continuing debt service millage previously voted for the retirement of existing indebtedness and (4) any additional debt service millage for proposed new bonded indebtedness. If the proposed rate of tax levy is approved at the school election it becomes the rate of tax levy to be collected for the District in the next ensuing calendar year for use in the school fiscal year commencing July 1 of the calendar year in which collected. Debt service millage, once approved, is a continuing levy until retirement of the indebtedness for which voted. Maintenance and operation millage is voted for one year only, except that if the overall rate of tax levy is disapproved in the school election the millage rate for maintenance and operation remains at the rate last approved.

The issuance of refunding bonds by a school district is subject to the approval of the Commissioner of the Arkansas State Department of Education. The bonds must be offered for public sale, and the offering is subject to the approval of the Commissioner of the State Department of Education. The Commissioner has approved the offering of the Bonds for sale. The sale and issuance of the Bonds have been, or will be, authorized by resolution of the Board of Education of the District, the governing body of the District.

School district bonds may be issued for the purposes of acquiring sites for, building and equipping new school buildings, making additions and repairs to and equipping existing school buildings, purchasing and refurbishing school buses and for the purpose of refunding outstanding indebtedness.

Arkansas law authorizes the State Board of Education to set a maximum rate of interest for school bonds (the "Maximum Lawful Rate"). Bonds may be sold at a discount, but in no event shall the District be required to pay more than the Maximum Lawful Rate of interest on the amount received. Bonds may also be sold with the privilege of conversion into bonds bearing a lower rate or rates of interest, provided the District receive no less and pay no more in principal and interest combined than it would receive and pay if the bonds were not converted.

Purpose. Bonds are being issued for the purposes of financing expansions, modifications, construction and equipping of facilities on various campuses in the District (the "Project") and of refunding the Bonds Being Refunded. The Bonds Being Refunded are dated, are in the outstanding principal amount and are to be called for redemption on the redemption date set out below.

Date of Issue	Principal Outstanding	Amount to Be Refunded	Redemption Date
March 15, 2016	$23,155,000	$23,155,000	February 1, 2022
November 1, 2012	$ 2,805,000	$ 2,805,000	February 1, 2022

The Bonds Being Refunded dated November 1, 2012 refunded the District's Construction Bonds dated November 1, 2007 which financed the purchase of land for campuses in Sherwood and Maumelle and new buses. The Bonds Being Refunded dated March 15, 2016 refunded (i) the District's Refunding Bonds dated February 15, 2010 (which refunded the District's Refunding and Construction Bonds, Series A, dated November 1, 2002 which financed new middle school

facilities and additions and improvements to other school facilities, including renovation of Harris Elementary, and partially refunded the District's Construction Bonds dated September 15, 1992 and dated April 1, 1998 which financed portable classrooms and construction of a bus garage and other capital improvements in the District) and (ii) the District's Refunding Bonds, dated January 1, 2011 which refunded the District's Refunding and Construction Bonds, dated December 1, 2002 which refunded the District's Refunding Bonds dated December 1, 1998 (which refunded the District's Construction Bonds dated February 1, 1994 which financed the acquisition of land and construction of an elementary school), the District's Construction Bonds dated September 1, 1999 (which financed construction of an elementary school and the purchase of buses and technology equipment), and the District's 2001 Refunding Bonds dated November 1, 2002 (which refunded the District's Construction Bonds dated March 1, 1996 which financed various capital improvements including portable classrooms and HVAC replacements and improvements).

Sources and Uses of Funds. This issue of Bonds has been sized so as to provide funds only to accomplish the Project and the refunding of the Bonds Being Refunded and to pay the costs of issuance of the Bonds.

The estimated sources and uses of funds for the refunding and the Project are as follows:

Sources*	
Par Amount of Bonds	$108,750,000.00
Net Original Issue Premium/Discount	
Total Sources:	$108,750,000.00
Uses*	
Refunding Proceeds	$26,373,212.50
Project Costs	80,000,000.00
Costs of Issuance(1)	2,376,787.50
Total Uses:	$108,750,000.00

(1) Including underwriting fee and expenses.

Security and Source of Payment. The Bonds will be limited, general obligations of the District. The Bonds are secured by a pledge of (1) the proceeds of a tax continuation of 14.8 mills previously voted as a continuing levy pledged for the retirement of existing bonded indebtedness, on the dollar of the assessed valuation of taxable property of the District, subject to prior pledges of the 14.8 mills pledged to prior bond issues, and (2) surplus revenues (being revenues in excess of the amounts necessary to insure the payment when due of principal of, interest on and fees of trustees and paying agents in connection with the bonds for which voted) derived from debt service taxes heretofore or hereafter voted for payment of other bond issues of the District (subject to prior

* Preliminary, subject to change.

pledges of such surplus revenues) that may legally be used for the purpose of paying the principal of and interest on the Bonds.

See **DEBT STRUCTURE**, Outstanding Indebtedness, for a description of other debt and debt service taxes pledged.

In addition to the pledged revenues, the District will also covenant to use for payment of principal of and interest on the Bonds, as and to the extent necessary, all other revenues of the District that may legally be used for the purpose. The District may not legally pay debt service from revenues derived from the tax voted for maintenance and operation of schools.

Any surplus of the pledged revenues over and above the amount necessary to insure the payment as due of principal of, interest on and trustee fees in connection with the Bonds of this issue will be released from the pledge in favor of the Bonds and may be used for other school purposes.

The Bonds are not secured by any lien on or security interest in any physical properties of the District.

Developments. Various elected officials, public interest groups and individuals have indicated publicly that they consider ad valorem property taxation reform to be of significant public interest. At the 2000 general election, the electors of the State voted in favor of a new constitutional amendment ("Amendment No. 79"), which does the following:

1. Limits the amount of assessment increases following reappraisal;
2. Limits assessment increases for people who are disabled or who are 65 years of age;
3. Provides for an annual state credit against ad valorem property tax on a homestead;
4. Equalizes real and personal millage rates;
5. Provides that reassessment must occur at least once every five (5) years; and
6. Provides that rollback adjustments under Amendment No. 59 shall be determined after the adjustments are made to assessed value under Amendment No. 79.

The annual state credit began for taxes due in calendar year 2001. The tax reduction is reflected on the tax bill sent to the property owner by the county collector. The taxing units within the county are entitled to reimbursement of the reduction. See **DEBT STRUCTURE**, Computation of Dollar Amount of Debt Service Tax Levied.

Redemption. The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity, as follows:

(1) *Optional Redemption*. The Bonds are subject to redemption prior to maturity, at the option of the District, in whole or in part, at any time on or after February 1, 2027, at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the redemption date. If fewer than all of the Bonds are called for redemption, the particular maturities

to be redeemed shall be selected by the District in its discretion. If fewer than all of the Bonds of any maturity shall be called for redemption, the particular Bonds or portion thereof to be redeemed from such maturity shall be selected by lot by the Trustee.

(2) *Mandatory Sinking Fund Redemption*. Term Bonds, if any, will be designated by the successful bidder. The Term Bonds, if any, will be subject to mandatory sinking fund redemptions in part by lot on any February 1 in the years designated by the successful bidder, at the principal amount thereof, plus accrued and unpaid interest to the date of redemption, from installments that are required to be made in amounts sufficient to redeem on February 1 of each year the principal amount of the Bonds specified for each of the years below:

Year*	Amount

* Table to be completed after sale of Bonds.

The District shall be entitled to reduce any mandatory sinking fund redemption obligation in any year with respect to the Term Bonds of any maturity by the principal amount of any such Term Bond previously redeemed or acquired by the District and surrendered to the Trustee.

Extraordinary Redemption. The Bonds shall be redeemed from surplus funds remaining in the Construction Fund, in inverse order of maturity, at the earlier of (i) completion of the Project, or (ii) expiration of the temporary period for construction financings provided in §148 of the Internal Revenue Code of 1986, as amended, pursuant to the terms of the Resolution on the first Interest Payment Date for which the required notice of redemption can be given, at a price of the principal amount being redeemed plus accrued interest to the date of redemption.

Notice of early redemption identifying the bonds or portions thereof (which must be $5,000 or an integral multiple thereof) to be redeemed and the date fixed for redemption shall be mailed by the Trustee, not less than thirty (30) nor more than sixty (60) days prior to the redemption date, by first-class mail, postage prepaid, to all registered owners of bonds to be redeemed. Failure to mail an appropriate notice or any such notice to one or more registered owners of bonds to be redeemed shall not affect the validity of the proceedings for redemption of other bonds as to which notice of redemption is duly given and in proper and timely fashion. All such bonds or portions thereof thus called for redemption shall cease to bear interest on and after the date fixed for redemption, provided funds for redemption are on deposit with the Trustee at that time.

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

Redemption of Prior Tax Bonds. The District will covenant that it will not, so long as any of these Bonds remain outstanding, redeem, prior to their maturity, any bonds of another issue

for the payment of which a specific debt service tax was voted prior to issuance of these Bonds (all such bonds being hereafter referred to as "Prior Tax Bonds") unless, after such redemption, a continuing annual tax of not less than the same number of mills and of not less than the same duration as was pledged to the redeemed bonds remains pledged to these Bonds or other bonds of the District.

Additional Parity Bonds. No additional bonds may be issued on a parity of security with these Bonds and the Taxable Series 2021A Bonds.

Priority Among Successive Bond Issues. Other additional bonds may be issued by the District from time to time in accordance with law for the purpose of financing additional capital improvements. If the District, prior to issuance of these Bonds, has reserved the right to issue additional bonds on a parity of security with previously issued bonds, such additional bonds will have a prior claim and pledge over these Bonds as to all revenues pledged to such additional bonds. See **DEBT STRUCTURE**, Parity Debt, for a description of any authorized and unissued parity debt. Otherwise, any additional bonds shall be subordinate to these Bonds and the pledge of revenues to these Bonds.

DESCRIPTION OF THE SCHOOL DISTRICT

Area. The area of the District is approximately 634.74 square miles, of which approximately 591.30 square miles are located in Pulaski County, approximately 17.06 square miles are located in Lonoke County, approximately 20.25 square miles are located in Saline County, and approximately 6.13 square miles are located in Faulkner County. The incorporated municipalities located, in whole or in part, within the boundaries of the District are Little Rock, Alexander, Maumelle, North Little Rock, Sherwood and Wrightsville, Arkansas.

Governmental Organization and Executive Officials. The governing body of the District is a Board of Education elected for staggered terms at the annual school election. Previously, the District was declared to be a fiscal distress status school district by the Arkansas Department of Education, and on June 20, 2011, the Commissioner of Education dissolved the District Board of Education and removed the Superintendent and assumed State control of the District. While under state control, Arkansas Commissioner of Education Johnny Key, by statute, functioned as the District Board. As of March 10, 2016, the District was released from State control and returned to local control. A new Board of Education was elected on November 8, 2016 and held its first official meeting on December 13, 2016.

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The term of each Director ends at an annual school election, but the Director continues to serve until a successor has been elected and qualified. The present members of the Board of Education of the District are as follows:

Name	Term Expires
Lindsey Gustafson	2023
Shelby Thomas	2024
Stephen Delaney	2024
Tina Ward	2025
Eli Keller	2025
Laurel Tait	2026
Heather B. Smith	2026

At the first regular meeting following the annual school election, the Board of Education elects one of their number President, one of their number Vice President, and also elects a Secretary who may, but need not be, a member of the Board. These officers serve terms of one year, unless recalled during the term. The present officers are: President, _____, Vice President, _____, and Secretary, _____.*

The Board of Education has authority to do all things necessary for the conduct of an efficient public school system in the District.

Executive Officials. All employees of the District are employed by the Board of Education. The chief executive employee is the Superintendent of Schools. Dr. Charles McNulty was appointed Superintendent as of July 1, 2018. His contact terminates as of June 30, 2024.

Services Provided. The District operates a public school system, consisting of kindergarten and grades 1 through 12, for the purpose of educating the children residing within the District. The principal funding sources for the District are: (1) funds received from the State of Arkansas, (2) ad valorem taxes on the real and tangible personal property located within the boundaries of the District (see **BONDS BEING OFFERED**, Developments), and (3) funds received from the United States of America.

There have been no recent major changes or interruptions in the educational services provided by the District.

* The new officers will be elected at the regularly scheduled December meeting of the Board of Education.

School Buildings. The school buildings presently operated by the District are as follows:

Name of School	Grades Housed	Year in Which Construction or Most Recent Renovation Completed	Present Condition (Good, Fair or Poor)
Baker Elementary School	K-5	1994	Good
Daisy L. Bates Elementary School	K-5	2000	Good
Cato Elementary School	K-5	1997	Good
Chenal Elementary School	K-5	2008	Good
William Jefferson Clinton Elementary	K-5	1994	Good
College Station Elementary School	K-5	1990	Good
Crystal Hill Elementary Magnet School	K-5	1992	Good
Mills Middle School	6-8	2018	Good
Harris Elementary School	K-5	1988	Good
Landmark Elementary School	K-5	1996	Good
Lawson Elementary School	K-5	1980	Good
Maumelle Middle School	6-8	2004	Good
Maumelle High School	9-12	2011	Good
Wilbert D. Mills University Studies High School	9-12	2018	Good
Oakbrooke Elementary School	K-5	1980	Good
Oak Grove Elementary School	K-5	1971	Good
Pine Forest Elementary School	K-5	1997	Good
Joe T. Robinson Elementary School	K-5	1995	Good
Joe T. Robinson High School	9-12	2015	Good
Joe T. Robinson Middle School	6-8	2018	Good
Sherwood Elementary School	K-5	1994	Good
Sylvan Hills Elementary School	K-5	1995	Good
Sylvan Hills Junior High	9	2016	Good
Sylvan Hills High School	10-12	2021	Good
Indoor Practice Facility	10-12	2020	Good
Classroom and Dining Building	10-12	2019	Good
Performing Art Center	10-12	2021	Good
Multi-Purpose Arena	10-12	2021	Good
Sylvan Hills Middle School	6-8	2011	Good
Administration Building			Good
Auxiliary Building			Good
Maintenance Warehouse			Good
Transportation South			Good
Fuller Annex			Good

School Enrollment and Population. The average daily membership (enrollment) of the District and estimated population of the District for each of the last five (5) years is as follows.

Fiscal Year Ending June 30	Average Daily Membership	Estimated Population
2021	11,356	45,424
2020	11,734	46,936
2019	11,755	47,020
2018	11,864	47,456
2017	11,855	47,420

Accreditation. In accordance with the requirements of The Quality Education Act of 1983 (Subchapter 2 of Chapter 15, Title 6, Ark. Code Ann. (1987)), the State Board of Education adopted new, more stringent educational standards that all public elementary and secondary schools in the State must meet to be accredited. The Act provides that any school not meeting these standards will be eliminated, and that any school district operating one or more of such schools is to be dissolved and its territory annexed to another district or districts that operate all schools therein in compliance with the minimum standards. The Arkansas Department of Education (the "ADE") reviews annual reports to determine whether the school district is in compliance with the standards and conducts an in-depth review every five (5) years.

Under the ADE regulations and guidelines, schools may be classified as accredited, accredited-cited or probationary. Schools that meet all policies and standards promulgated by the ADE are classified as accredited. Schools that meet all policies and standards, with the exception of certification requirements or ratio/class size discrepancies related to unexpected population shifts, are classified as accredited-cited. Schools that have previously met all applicable policies and standards, and subsequently fall below those standards, are classified as accredited-probationary. For those schools classified as accredited-cited or accredited-probationary, the ADE has promulgated maximum times allowable for correction of particular violations of standards. A school that has been classified as accredited-cited and does not correct the violation in the allowable time will be placed on probation. If a school in probationary status fails to comply within the allotted time frame, the school falls into loss of accreditation status. A school or district that is in loss of accreditation status for two years is subject to dissolution and annexation. The two-year period begins on the date the school was placed on probation.

The District currently meets all the standards and policies of the ADE and is fully accredited.

Assessed Valuation. Taxable property is valued for tax purposes as of January 1 of each year. However, the assessment process is not completed until November of the year of assessment. See **FINANCIAL INFORMATION**, Assessment of Property and Collection of Property Taxes. The assessed valuation of taxable property located within the boundaries of the District (as of January 1) has been as follows.

Year	Real Estate	Personal Property	Utilities and Regulated Carriers	Total Assessed Value
2020	$2,274,160,422	$585,590,645	$111,905,520	$2,971,656,587
2019	2,186,637,900	557,049,530	107,394,353	2,851,081,783
2018	2,106,697,802	541,309,250	105,137,139	2,753,144,191
2017	2,000,922,418	538,760,145	104,319,846	2,644,002,409
2016	1,950,635,134	581,133,535	109,282,380	2,641,051,049

The most recent reassessment for Pulaski County was completed in 2017, for Saline County in 2017, for Lonoke County in 2021 and for Faulkner County in 2021. The next reassessments are scheduled for Pulaski County in 2022, for Saline County in 2022, for Lonoke County in 2026, and for Faulkner County in 2024.

Financial Institution Deposits. The total deposits of banks with principal offices within the boundaries of the District as of the end of each year have been as follows:

Year	Bank Deposits
2020	$19,805,156,000
2019	$19,258,859,000
2018	$18,817,081,000
2017	$18,546,156,000
2016	$12,413,966,000

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Major Employers. The principal industries, commercial and governmental entities, and other major employers within the boundaries of the District are as follows. Additional statistical information with respect to major employers located in central Arkansas is available from the Little Rock Regional Chamber of Commerce and the Arkansas Department of Economic Development.

Company	Business or Product	Number of Employees
Pulaski County Special School District	Public School	2,000
Maverick Trucking	Trucking Industry	1,000-2,499
Caterpillar	Construction equipment	850
L'Oreal USA	Cosmetics	600
Molex Inc.	Electrical Connectors	500
Dillard's Fulfillment Center	Internet Fulfillment Center	400+
De Wafelbakkers	Food Processing	400+
McGeorge Contracting	Construction contractors	350
Ace Hardware Retail Support Center	Wholesale distribution	300+
City of Sherwood	City	300
St. Vincent Rehab	Rehab Hospital	250+
Kimberly-Clark	Huggies Baby Wipes	250+
Delta Dental	Dental Insurance	215
Holman Logistics	Third Party Logistics and Supply Chain MGT Services	200+
Pepsi Beverages Company	Beverage distribution center	188
Claudia's Canine Bakery	Wholesale Pet Treat Bakery	161
Cintas Corporation	Industrial Laundry	150+
Russell Chevrolet and Russell Honda	Automotive dealerships	150
Clinton National Airport	Airport	147
BEI Precision Systems and Space Company, Inc.	A company of Schneider Electric	140
Sherwood Nursing and Rehab Center	Nursing and Rehabilitation facility	120

The District has no knowledge of any presently proposed significant additions to or losses of employment within the District.

Employees. The number of persons presently employed by the District are as follows:

	NUMBER
Superintendent and Central District Staff	81
Principals	26
Classroom Teachers	1,017
Other Non-Teaching Personnel	876
Total:	2,000

Currently, no union is recognized by the District for collective bargaining. The total number of District employees has not decreased by more than fifteen percent (15%) within the previous three (3) years.

Release from Fiscal Distress Status. On May 16, 2011, the District was classified as being in fiscal distress by the State Board of Education. The reasons cited for the classification were:

Material state or federal audit exceptions or violations.

The District completed a Fiscal Distress Improvement Plan and submitted it to the Department May 26, 2011. That plan included corrective actions for the material state and federal audit exceptions and violations and has been implemented.

A January 19, 2012, letter from Kathleen Crain, Interim Assistant Commissioner, Fiscal and Administrative Services, Arkansas Department of Education, provided notice that an additional indicator of fiscal distress had been identified:

- A declining balance determined to jeopardize the fiscal integrity of a school district. (Ark. Code Ann. §6-20-1904(a)(1)(A)).

This additional indicator was based upon a joint review of the District's finances by the Department and the District, and the administration of the District agreed with this determination. A balance decline of $5,500,000 was identified for the 2010-2011 school year.

On April 20, 2012, ADE via the commissioner of education, made binding recommendations upon the District. These included directives to the superintendent to:

1. Withdraw recognition of both the teacher organization, PACT, and the support staff organization, PASS; and

2. To terminate recognition of the so-called professionally negotiated agreements which had theretofore existed between the District, PACT, and PASS which, among other things, detailed compensation, benefits and most "working conditions."

The superintendent did so on the same day.

Thereafter, personnel policy committees were established in the District to take over various functions previously performed by PACT and PASS. The authority of these committees was challenged by certain individuals' lawsuits filed in Pulaski County Circuit Court. Later, these actions were consolidated in Pulaski County Circuit Court Ninth Division. Amendments were made to add PACT, PASS, the superintendent of the District and the Commissioner of Education as parties. Subsequent to the commencement of the above-referenced cases, another action was brought in Pulaski County Circuit Court and assigned to a judge outside the Ninth Division. This case sought class action status. On October 18, 2012, this subsequent case was transferred to the Ninth Division, but the Court has declined to consolidate it with the cases discussed above. On October 31, 2012, State Circuit Judge Mary McGowan dismissed the Arkansas Department of Education and the Commissioner of Education as parties to these cases. The plaintiffs appealed but the dismissal was affirmed.

Further, on November 2, 2012, a fourth case was filed that is largely identical to the class action described above except that it primarily involves support staff rather than certified staff. In the spring of 2014, Judge McGowan recused, and the case was reassigned to Judge Chris Piazza. The Court granted the District's motion for judgment on the pleadings and dismissed the case on May 12, 2015. The case was not appealed, and all matters with respect thereto have been resolved in favor of the District.

The Arkansas State Board of Education met on March 10, 2016 and decided to end the District's fiscal distress status. A new Board of Education was elected on November 8, 2016 and held its first official meeting on December 13, 2016.

DEBT STRUCTURE

Outstanding Indebtedness. The principal categories of indebtedness that the District is authorized to incur are commercial bonds (offered at public sale on competitive bids), revolving loan bonds and certificates of indebtedness (representing loans from the State Department of Education), installment contracts (payable in subsequent fiscal years) and postdated warrants (warrants drawn in one fiscal year for payment in a subsequent fiscal year). In addition, the District is authorized to lease property from the owner under lease agreements giving the District the option to purchase the property leased. Commercial bonds and revolving loan indebtedness are payable from debt service tax revenues. Installment contracts, postdated warrants and lease-purchase obligations are payable from maintenance and operation tax revenues.

The present outstanding debt of the District is as follows:

COMMERCIAL BONDS

Date of Obligations	Maturity Date	Principal Amount Outstanding	Mills Pledged
January 30, 2019	February 1, 2048	$20,170,000	Surplus
October 24, 2019	February 1, 2035	$61,540,000	Surplus
November 5, 2020	February 1, 2035	$46,205,000	Surplus
August 24, 2021	February 1, 2048	$69,120,000	Continuation of 14.8
December 30, 2021	February 1, 2048	$21,675,000*	Continuation of 14.8
December 30, 2021†	February 1, 2048	$108,750,000*	Continuation of 14.8

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* Preliminary, subject to change.

† The District's Refunding and Construction Bonds, Taxable Series 2021A, are being issued contemporaneously to refund the District's Refunding Bonds dated August 1, 2017 and to finance certain capital improvements.

REVOLVING LOAN BONDS AND/OR CERTIFICATES OF INDEBTEDNESS

None.

POST-DATED WARRANTS-CONTRACTS

None.

INSTALLMENT CONTRACTS

None.

LEASE-PURCHASE OBLIGATIONS

None.

Parity Debt. The District has not reserved the right to issue additional bonds on a parity of security with the outstanding debt listed above.

Debt Ratio. The ratio of outstanding debt after issuance of these Bonds and the contemporaneously issued Taxable Series 2021A Bonds ($327,460,000*) to current assessed valuation ($2,971,656,587) will be 11.02%*.

Computation of Dollar Amount of Debt Service Tax Levied. The most recent county-wide reassessment of taxable property was completed in Pulaski County in 2017. The most recent county-wide reassessment for Saline County was completed in 2017, for Lonoke County in 2016 and for Faulkner County in 2016. The next county-wide reassessments are scheduled for Pulaski County in 2022, Saline County in 2022, for Lonoke County in 2021 and for Faulkner County in 2021. For purposes of Amendment 59, the year in which the reassessment is completed is known as the "Base Year". For a general discussion of the reassessment requirement and its effect on assessed value and tax rates, see **FINANCIAL INFORMATION**, Constitutional Amendment No. 59, infra.

Constitutional Amendment No. 79 provides for an annual state credit against ad valorem property tax on a homestead in an amount not less than $300. Effective with the assessment year 2007, the amount of the credit was increased to $350. The tax reduction is reflected on the tax bill sent to the property owner by the county collector. Amendment No. 79 provides that the credit shall be applied in a manner that would not impair a bondholder's interest in ad valorem debt service revenue. In addition, Amendment No. 79 provides that the "General Assembly shall, by law, provide for procedures to be followed with respect to adjusting ad valorem taxes or millage pledged for bonded indebted purposes, to assure that the tax or millage levied for bonded indebtedness purposes will, at all times, provide a level of income sufficient to meet the current requirements of all principal, interest, paying agent fees, reserves, and other requirements of the bond indenture."

* Preliminary, subject to change.

Pursuant to Act 1492 of 1999, the taxing units within the county are entitled to reimbursement of the reduction from the annual state credit. However, questions were raised concerning the constitutionality of Act 1492. On December 14, 2000, the Governor of the State called a special legislative session to head off potential lawsuits challenging Act 1492. As a result, House Bill 1002 was passed by both the House and Senate and signed by the Governor.

Under Act 1492 and House Bill 1002, the state sales tax increased from 4.625% to 5.125%. The purpose of the legislation is to raise revenues that the State sends back to school districts to replace the money lost as a result of the state credit. Therefore, for purposes of calculating projected revenues available for debt service discussed below, the District has assumed that it will receive debt service revenues equal to the debt service revenues it would have received prior to the adoption of Amendment No. 79.

The debt service tax levied for collection in 2021 for use in the 2021-2022 school year and thereafter, has been computed by multiplying the 2020 assessment ($2,971,656,587) by the number of debt service mills (14.8 mills).

For purposes of calculating revenues available for debt service, it has also been assumed that the assessed value of all property in the District will remain the same, without increase or decrease. On this basis, the total debt service tax levied in each year will be as shown under Debt Service Schedule and Coverage, below.

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Debt Service Schedule and Coverage. For purposes of the following table, it is assumed that the assumptions made in the Section hereof titled Computation of Dollar Amount of Debt Service Tax Levied are accurate and that the annual rate of tax collections in each year will be 100% (see **FINANCIAL INFORMATION**, Collection of Taxes, for the actual historical rate of collection). On this basis, the annual debt service requirements for previously issued bonds and these Bonds, the revenues available for debt service and coverage are as follows:

Fiscal Year	Total Principal and Interest of Previously Issued Bonds	Series 2021A[1]	Series 2021B[2]	Total Debt Service	Total Estimated Revenue Available for Debt Service	Coverage
2023	$11,944,661	$1,202,995	$3,462,714	$16,610,370	$43,980,517	2.65
2024	11,937,446	1,204,405	3,465,695	16,607,546	43,980,517	2.65
2025	11,940,459	1,205,805	3,463,295	16,609,559	43,980,517	2.65
2026	11,934,094	1,201,205	3,469,695	16,604,994	43,980,517	2.65
2027	11,937,484	1,200,805	3,469,495	16,607,784	43,980,517	2.65
2028	11,925,019	1,204,405	3,477,895	16,607,319	43,980,517	2.65
2029	12,086,949	1,202,330	3,473,695	16,762,974	43,980,517	2.62
2030	12,920,351	1,204,030	3,474,195	17,598,576	43,980,517	2.50
2031	12,917,616	1,204,373	3,473,798	17,595,786	43,980,517	2.50
2032	12,911,444	1,203,313	3,482,483	17,597,239	43,980,517	2.50
2033	13,436,619	1,200,805	2,960,015	17,597,439	43,980,517	2.50
2034	13,434,769	1,202,185	2,958,298	17,595,251	43,980,517	2.50
2035	13,428,404	1,202,295	2,966,088	17,596,786	43,980,517	2.50
2036	7,452,154	1,201,095	8,938,438	17,591,686	43,980,517	2.50
2037	7,459,944	1,203,545	8,930,838	17,594,326	43,980,517	2.50
2038	7,460,249	1,204,885	8,930,088	17,595,221	43,980,517	2.50
2039	7,467,849	1,205,090	8,922,538	17,595,476	43,980,517	2.50
2040	7,472,149	1,205,030	8,918,038	17,595,216	43,980,517	2.50
2041	7,476,306	1,203,810	8,914,778	17,594,894	43,980,517	2.50
2042	7,473,570	1,201,405	8,918,978	17,593,953	43,980,517	2.50
2043	7,483,569	1,202,790	8,913,858	17,600,216	43,980,517	2.50
2044	7,485,550	1,202,790	8,910,698	17,599,038	43,980,517	2.50
2045	7,487,683	1,201,375	8,909,073	17,598,130	43,980,517	2.50
2046	7,488,590	1,203,515	8,902,573	17,594,678	43,980,517	2.50
2047	7,493,000	1,204,023	8,902,070	17,599,093	43,980,517	2.50
2048	7,495,138	1,202,863	8,896,213	17,594,213	43,980,517	2.50

[1] Assuming a TIC of 3.08%
[2] Assuming a TIC of 2.57%

Pledge of State Aid. Ark. Code Ann. §6-20-1204 provides that if the Trustee does not receive the bond payment from the District at least five (5) calendar days before the principal or interest is due under the Resolution, the Arkansas Department of Education (the "Department") immediately shall cure any deficiency in payment by making payment in the full amount of the deficiency to the Trustee. If the Department makes the bond payment, and the District fails to remit the full amount to the Department, the Department will withhold from the District the next distribution of state funding.

Uniform Rate of Tax. Amendment No. 74 establishes a statewide 25-mill property tax minimum for maintenance and operation of the public schools (the "Uniform Rate of Tax"). The Uniform Rate of Tax replaces that portion of local school district ad valorem taxes available for maintenance and operation of schools.

Defaults. No debt obligations of the District have been in default as to principal or interest payments or in any other material respect at any time in the last twenty-five (25) years.

Infectious Disease Outbreak. The World Health Organization has declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus. On March 13, 2020, President Trump declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Asa Hutchinson (the "Governor") of the State of Arkansas (the "State") declared a state of emergency due to the outbreak of COVID-19, which spread to the State and to many counties, and also instituted mandatory measurers via various executive orders to contain the spread of the virus. These measures, which alter the behavior of businesses and people, have had a negative impact on regional, state and local economies and have caused significant volatility in the financial markets in the United States. The United States Congress has passed relief and stimulus legislation. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and financial markets. It is too early to predict if the legislation will have its intended affect. If market declines and/or volatility continue, the ability to sell or trade securities in the financial markets could be materially constrained.

In an attempt to slow the spread of COVID-19 in the State, the Governor has taken numerous and wide-spread actions designed to mandate and/or encourage "social distancing" to slow the spread of COVID-19. The Arkansas General Assembly created a COVID-19 Rainy Day Fund to help the State cope with the outbreak. Certain restrictions are now being modified through a phased approach. Developments with respect to COVID-19 and the State's responses to COVID-19 (including governmental mandates) may continue to occur at a rapid pace, including on a daily basis. Some mandated or encouraged business practices currently in existence or implemented in the future may cause the closure of businesses within the District, and such closures may have an adverse impact on collections of the ad valorem taxes levied by the District. The potential financial impact on the District cannot be predicted at this time, such as any potential reduction in the District's debt service revenues and the State's ability to cure any deficiency in debt service payment by the District; however, the continued spread of COVID-19 could have a material adverse effect on the District, its student enrollment and collections of the debt service taxes pledged to the Bonds. The District has received moneys through the CARES Act through the Elementary and Secondary School Emergency Relief Funds to offset additional expenses resulting from COVID-19.

It is the goal of the State to have all students physically present for the school year. However, the State has instructed all Districts to be prepared to shift to other delivery methods should the need arise. Certain guidelines guide Districts if a student or students test positive for COVID-19. The guidelines will instruct the District on what response is required.

The District's current operational and financial status will be affected by COVID-19 currently and in the future, and the District's current operational and financial status will continually change as a result.

THE RESOLUTION

Set forth below is a summary of certain provisions of the Resolution. This summary does not purport to be comprehensive and reference is made to the full text of the Resolution for a complete description of its provisions.

Bond Fund. The pledged revenues will be deposited into a Bond Fund that will be held by, or under the direction of, the District. Moneys in the Bond Fund will be used solely for the payment of principal of, interest on and Trustee's fees in connection with the Bonds, except as otherwise specifically provided in the Resolution. Any surplus of the pledged revenues over and above the amount necessary to insure the payment as due of principal of, interest on and Trustee's fees in connection with the Bonds will be released from the pledge and may be withdrawn from the Bond Fund and used for other school purposes. The Treasurer of the District will withdraw from the Bond Fund and deposit with the trustee, on or before the maturity date of any Bond, on or before each interest payment date and on or before the due date of any trustee fees, moneys in an amount equal to the amount of such Bonds or interest, or Trustee's fees, for the sole purpose of paying the same, and the Trustee shall apply such moneys for such purpose.

Deposit of Sale Proceeds. The Bonds will be delivered to the Trustee upon payment by the purchaser of the Bonds in cash of the purchase price ("total sale proceeds"). The amount sufficient to accomplish the refunding of the Bonds Being Refunded shall be applied to such purpose. The amount sufficient to pay the cost and expense of issuing the Bonds shall be applied for such purpose. The balance of the total sale proceeds will be deposited in the construction fund created by the Resolution (the "Construction Fund"). Amounts in the Construction Fund will be disbursed for costs and expenses of the Project (including interest on the Bonds during the construction period) upon filing in the official records pertaining to said Fund of a certificate of the District setting forth the information provided for in the Resolution.

Investments.

(a) The District may, from time to time, invest moneys held for the credit of the Bond Fund in Authorized Investments or in bank certificates of deposit the principal of and interest on which are fully insured by the Federal Deposit Insurance Corporation.

(b) Investments shall remain a part of the Fund from which the investment was made. All earnings and profits from investments shall be credited to and all losses charged against, the Fund from which the investment was made.

(c) The term "Authorized Investments" means direct obligations of the United States of America or obligations the principal of and interest on which are fully guaranteed by the United States of America or units of participation in a common trust fund created pursuant to the Local Government Joint Investment Trust Act (Subchapter 3 of Chapter 8, Title 19, Arkansas Code of 1987 Annotated).

Trustee. The Trustee shall only be responsible for the exercise of good faith and reasonable prudence in the execution of its trust. The Trustee is not required to take any action for the protection of Bondholders unless it has been requested to do so in writing by the holders of not

less than 10% in principal amount of the Bonds then outstanding and offered reasonable security and indemnity against the cost, expenses and liabilities to be incurred therein or thereby.

The Trustee may resign by giving notice in writing to the Secretary of the Board of Education. Such resignation shall be effective upon the appointment of a successor Trustee by the District and acceptance of appointment by the successor. If the District fails to appoint a successor Trustee within thirty (30) days of receiving notice of resignation, the Trustee may apply to a court of competent jurisdiction for appointment of a successor. The holders of a majority in principal amount of outstanding Bonds may at any time, with or without cause, remove the Trustee and appoint a successor Trustee.

Modification of Terms of Bonds. The terms of the Bonds and the Resolution will constitute a contract between the District and the registered owners of the Bonds. The owners of not less than 75% in aggregate principal amount of the Bonds then outstanding have the right, from time to time, to consent to the adoption by the Commissioner or the District of resolutions modifying any of the terms or provisions contained in the bonds or the Resolution; provided, however, there shall not be permitted (a) any extension of the maturity of the principal of or interest on any bond, or (b) a reduction in the principal amount of any bond or the rate of interest thereon, or (c) the creation of any additional pledge on the revenues pledged to the Bonds other than as authorized in the Resolution, or (d) a privilege or priority of any bond or bonds over any other bond or bonds, or (e) a reduction in the aggregate principal amount of the Bonds required for such consent.

Defeasance. When all of the Bonds shall have been paid or deemed paid, the pledge in favor of the Bonds (see **BONDS BEING OFFERED**, Security and Source of Payment, supra) shall be discharged and satisfied. A Bond shall be deemed paid when there shall have been deposited in trust with the Trustee or with another bank or trust company (which other bank or trust company must be a member of the Federal Reserve System), as escrow agent under an escrow deposit agreement requiring the escrow agent to apply the proceeds of the deposit to pay the principal of and interest on the Bond as due at maturity or upon redemption prior to maturity, moneys or Government Securities sufficient to pay when due the principal of and interest on the bond. If the principal of the Bond is to become due by redemption prior to maturity, notice of such redemption must have been duly given or provided for. "Government Securities" shall mean direct or fully guaranteed obligations of the United States of America, noncallable, maturing on or prior to the maturity or redemption date of the bond. In determining the sufficiency of a deposit there shall be considered the principal amount of such Government Securities and interest to be earned thereon until their maturity.

Defaults and Remedies. If there is any default in the payment of the principal of or interest on any Bond, or if the District defaults in the performance of any other covenant in the Resolution, the Trustee may, and upon the written request of the owners of not less than 10% in principal amount of the Bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the District under the Constitution and laws of the State of Arkansas and under the Resolution and protect and enforce the rights of the owners by instituting appropriate proceedings at law or in equity or by other action deemed necessary or desirable by the Trustee. If any default in the payment of principal or interest continues for thirty (30) days the Trustee may, and upon the request of the owners of not less than 10% in principal amount of the then outstanding

Bonds shall, declare all outstanding Bonds immediately due and payable together with accrued interest thereon.

No owner of any bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law for the protection or enforcement of any right under the Bonds or the Resolution or under the Constitution and laws of the State of Arkansas, unless such owner previously shall have given written notice to the Trustee of the default, and unless the owners of not less than 10% in principal amount of the then outstanding Bonds shall have made written request of the Trustee to take action, shall have afforded the Trustee a reasonable opportunity to take such action, and shall have offered to the Trustee reasonable security and indemnity against the cost, expenses and liabilities to be incurred and the Trustee shall have refused or neglected to comply with such request within a reasonable time. No one or more owners of the Bonds shall have any right in any manner by his or their action to affect, disturb or prejudice the security of the Resolution, or to enforce any right thereunder except in the manner provided in the Resolution. All proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Resolution and for the benefit of all owners of outstanding Bonds. Any individual rights of action are restricted by the Resolution to the rights and remedies therein provided. Nothing shall, however, affect or impair the right of any owner to enforce the payment of the principal of and interest on any bond at and after the maturity thereof.

Action may be taken by the Trustee without possession of any bond, and any such action shall be brought in the name of the Trustee and for the benefits of all the owners of bonds.

No delay or omission of the Trustee or any owner of a bond to exercise any right or power accrued upon any default shall impair any such right or power or be construed to be a waiver of any such default or acquiescence therein, and every power and remedy given to the Trustee and to the owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

The Trustee may, and upon the written request of the owners of not less than 10% in principal amount of the Bonds then outstanding shall, waive any default that shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding or before the completion of the enforcement of any other remedy. No such waiver shall extend to or affect any other existing or subsequent default or defaults or impair any rights or remedies consequent thereon.

There is no requirement that the District furnish periodic evidence as to the absence of default or as to the compliance with the terms of the Bonds, the Resolution or law.

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FINANCIAL INFORMATION

Sources and Uses of Funds. The following combined summary of Revenues, Expenditures, and Fund Balances of the District is taken from the District's 2020, 2019 and 2018 audits. For complete information concerning the District, please review the actual Audits at www.legaudit.state.ar.us.

REVENUES	**2020**	**2019**	**2018**
Property taxes	$89,294,588	$88,130,561	$92,472,930
State assistance	27,686,985	29,832,177	51,378,891
Federal assistance	0	54,621	27,647
Activity revenues	966,766	1,190,125	1,298,436
Investment income	260,222	249,167	125,485
Other revenues	2,129,401	1,714,488	1,820,313
TOTAL REVENUES	$120,337,962	$121,171,139	$147,123,702
EXPENDITURES			
Regular programs	$47,241,644	$52,361,636	$45,895,819
Special education	11,917,938	11,473,361	10,709,675
Workforce education	4,040,174	3,746,110	3,880,052
Adult education program	1,006,698	930,682	990,262
Compensatory education	2,725,274	1,995,972	1,680,874
Other instructional programs	4,095,307	3,783,325	5,980,994
Support services	54,349,961	52,349,365	54,446,487
Non-programmed costs	0	0	789
Activity expenditures	914,821	1,213,778	1,342,554
Principal retirement	0	1,268,453	0
Interest and fiscal charges	0	141,927	0
TOTAL EXPENDITURES	$126,291,817	$129,264,609	$124,927,506
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,953,855)	(8,093,470)	22,196,196
OTHER FINANCING SOURCES (USES)	(11,374)	11,212,872	(21,726,220)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(5,965,229)	3,119,402	469,976
FUND BALANCE, BEGINNING OF YEAR	$23,883,118	$20,763,716	$20,308,908
FUND BALANCE END OF YEAR	$17,917,889	$23,883,118	$20,778,884

Collection of Taxes. Tax collections of the ad valorem tax levied by the District are shown in the following table. School taxes voted at the school election are collected in the next calendar year and normally received by and used by the District during the school fiscal year beginning in such calendar year.

School Year	Tax Levied	Tax Collected	RATE OF COLLECTIONS (Net of Collection Fees)
2020-21	$116,039,029	$113,195,862	97.55%
2019-20	112,052,969	110,087,896	98.25%
2018-19	107,610,898	105,696,224	98.22%
2017-18	107,490,778	105,245,558	97.91%
2016-17	101,357,495	99,075,431	97.75%

5-year average rate of collections: 97.93%

Overlapping Ad Valorem Taxes. The ad valorem taxing entities in the State of Arkansas are municipalities, counties, school districts and community college districts. All taxable property located within the boundaries of a taxing entity is subject to taxation by that entity. Thus property within the District is also subject to county ad valorem taxes. Property located within a municipality and/or within a community college district is also subject to taxation by that entity or entities. The ad valorem tax entities whose boundaries overlap the District and their real estate ad valorem tax rates are:

Name of Overlapping Entity	Total Tax Rate (in mills)
Pulaski County	10.1
City of Little Rock	15.1
City of North Little Rock	10.0
City of Wrightsville	5.0
City of Maumelle	13.7
Town of Alexander	1.5
Faulkner County	8.3
Saline County	9.7
City of Sherwood	1.3
Lonoke County	6.4

Assessment of Property and Collection of Property Taxes.

Under Amendment No. 59 to the Arkansas Constitution, all property is subject to taxation except for the following exempt categories: (i) public property used exclusively for public purposes; (ii) churches used as such; (iii) cemeteries used exclusively as such; (iv) school buildings and apparatus; (v) libraries and grounds used exclusively for school purposes; (vi) buildings, grounds and materials used exclusively for public charity; and (vii) intangible personal property to the extent the General Assembly has exempted it from taxation, provided that it be taxed at a lower rate, or provided for its taxation on a basis other than ad valorem. Amendment No. 59 also

authorizes the General Assembly to exempt from taxation the first $20,000 of value of a homestead of a taxpayer 65 years of age or older.

Amendment No. 59 provides that, except as otherwise provided therein in connection with the transition period following a county-wide reassessment (see Constitutional Amendment Nos. 59 and 79, infra), (1) residential property used solely as the principal place of residence of the owner shall be assessed in accordance with its value as a residence, (2) land (but not improvements thereon) used primarily for agricultural, pasture, timber, residential and commercial purposes shall be assessed upon the basis of its value for such use, and (3) all other real and tangible personal property subject to taxation shall be assessed according to its value (the Arkansas Supreme Court has held that the unqualified word "value," as used in a prior, substantially identical, constitutional provision, means "current market value").

Property owned by public utilities and common carriers and "used and/or held for use in the operation of the company . . ." is assessed for tax purposes by the Tax Division of the Arkansas Public Service Commission. Ark. Code Ann. § 26-26-1605 provides that the Tax Division "shall assess the property at its true and full market or actual value" and that all utility property of a company, whether located within or without the State of Arkansas, is to be valued as a unit. Annually, the company files a report with the Tax Division. The Tax Division reviews these reports, along with other reports (such as reports to shareholders, the Federal Communications Commission, the Federal Energy Regulatory Commission and the Interstate Commerce Commission), to determine the value of the property. Valuation is currently made on the basis of a formula, as set forth in Ark. Code Ann. § 26-26-1607, with consideration given to (i) original cost less depreciation, replacement cost less depreciation or reconstruction cost less depreciation; (ii) market value of capital stock and funded debt; and (iii) capitalization of income. As provided in Ark. Code Ann. § 26-26-1611, once the value of a company's property as a unit is determined, the Tax Division removes the value allocable to out-of-state property and assigns the remainder among Arkansas taxing units on the basis of value within each jurisdiction. The Tax Division certifies the assessment to the county assessor who enters the assessment as certified on the county assessment roll. County officials have no authority to change such assessment. See **LEGAL MATTERS**, Legal Proceedings.

All other property is assessed by the elected assessor of each Arkansas county (or other official or officials designated by law). This includes both real and tangible personal property. Amendment No. 79 to the Arkansas Constitution requires each county to appraise all market value real estate normally assessed by the county assessor at its full and fair value at a minimum of once every five (5) years.

Amendment No. 79 requires the county assessor (or other official or officials designated by law), after each county-wide reappraisal, to compare the assessed value of each parcel of real property reappraised or reassessed to the prior year's assessed value. If the assessed value of the parcel increased, then the assessed value of that parcel must be adjusted as provided below.

Subject to subsection (e) below, if the parcel is not the homestead and principal place of residence ("homestead") of a taxpayer, then any increase in the assessed value in the first year after reappraisal cannot be greater than 10% (or 5% if the parcel is the taxpayer's homestead) of the assessed value for the previous year. For each year thereafter, the assessed value shall increase by an additional 10% (or 5% if the parcel is the taxpayer's homestead) of the assessed value for

the year preceding the first assessment resulting from reappraisal; however, the increase cannot exceed the assessed value determined by the reappraisal prior to adjustment under Amendment No. 79.

For property owned by public utilities and common carriers, any annual increase in the assessed value cannot exceed more than 10% of the assessed value for the previous year. The provisions of this subsection (c) do not apply to newly discovered real property, new construction or substantial improvements to real property.

If a homestead is purchased or constructed on or after January 1, 2001 by a disabled person or by a person over age 65, then that parcel will be assessed based on the lower of the assessed value as of the date of purchase (or construction) or a later assessed value. If a person is disabled or is at least 65 years of age and owns a homestead on January 1, 2001, then the homestead will be assessed based on the lower of the assessed value on January 1, 2001 or a later assessed value. When a person becomes disabled or reaches age 65 on or after January 1, 2001, that person's homestead should thereafter be assessed based on the lower of the assessed value on the person's 65th birthday, on the date the person becomes disabled or a later assessed value. This subsection (d) does not apply to substantial improvements to real property. For real property subject to subsection (e) below, the applicable date in this subsection (d), in lieu of January 1, 2001, is January 1 of the year following the completion of the adjustments to assessed value required in subsection (e).

If, however, there has been no county-wide reappraisal and resulting assessed value of property between January 1, 1986 and December 1, 2000, then real property in that county is adjusted differently. In that case, the assessor (or other official or officials designated by law) compares the assessed value of each parcel to the assessed value of the parcel for the previous year. If the assessed value of the parcel increases, then the assessed value of the parcel for the year in which the parcel is reappraised or reassessed is adjusted by adding one-third (l/3) of the increase to the assessed value for the year prior to appraisal or reassessment. An additional one-third (1/3) of the increase is added in each of the next two (2) years.

The adjustment contemplated by subsection (e) does not apply to the property of public utilities or common carriers. No adjustment will be made for newly discovered real property, new construction or substantial improvements to real property.

Property is currently assessed in an amount equal to 20% of its value. The percentage can be increased or decreased by the General Assembly.

The total of the millage levied by each taxing entity (municipalities, counties, school districts and community college districts) in which the property is located is applied against the assessed value to determine the tax owed. The assessed value of taxable property is revised each year and the total millage levied in that calendar year is applied against the assessed value for the calendar year. Assessed value for each year is determined as of January 1 of that year. Tangible personal property, including automobiles, initially acquired after January 1 and before June 1 is required to be assessed in the year of acquisition. Otherwise, only property owned by a taxpayer on January 1 is assessed for that calendar year.

The total taxes levied by all taxing authorities are collected together by the county collector of the county in which the property is located in the calendar year immediately following the year in which levied. Taxes are due and payable between the third Monday in February and October 10. Taxes not paid by October 10 are delinquent and subject to a 10% penalty. Real estate as to which taxes are delinquent for two successive years is certified to the State Land Commissioner, who offers the property for sale. The proceeds of such sale are distributed among the taxing authorities. Delinquent real property may be redeemed by the taxpayer within two years of the delinquency. Delinquent personal property taxes may be collected by public sale of the taxpayer's property.

Constitutional Amendment Affecting Personal Property Taxes. At the 1992 general election, a Constitutional amendment was approved that exempts from all personal property taxes items of household furniture and furnishings, clothing, appliances and other personal property used within the home. The effective date of the amendment was January 1, 1993.

Constitutional Amendment Nos. 59 and 79. Prior to the adoption of Amendment No. 59 to the Arkansas Constitution, the Constitution mandated that:

> "All property subject to taxation shall be taxed according to its value, that value to be ascertained in such manner as the General Assembly shall direct, making the same equal and uniform throughout the State. No one species of property from which a tax may be collected shall be taxed higher than other species of property of equal value. . . ."

In the case of *Arkansas Pub. Serv. Comm'n v. Pulaski Cty. Bd. of Equalization*, 266 Ark. 64, 582 S.W.2d 942 (1979), the Supreme Court of Arkansas held that the then current assessment process, as prescribed by certain legislation and administrative regulations, was in violation of the Constitutional mandate in that (1) it provided for the assessment of certain property on the basis of "use value" as opposed to market value, (2) it did not provide for equal and uniform assessments throughout the State and (3) it provided for assessments based on past, as opposed to current, market values. The Court ordered a statewide reassessment to bring the assessments into conformity with the constitutional requirements. It was provided that the reassessment would be completed over a five (5) year period, with 15 of the 75 counties in the State to be reassessed each year. The reassessment was accomplished in calendar years 1981 through 1985.

Legislative studies indicated that the effect of the Court-ordered reassessment would be to substantially increase real estate assessments in most or all counties of the State, with the result being, if tax rates remained the same, to substantially increase real estate taxes. The Arkansas General Assembly submitted to the electors of the State a proposed Constitutional amendment designed to prevent the substantial tax increase that would otherwise result from the reassessment. The proposed Amendment was approved at the 1980 General Election and is now Amendment No. 59 to the Arkansas Constitution.

At the 2000 general election, Constitutional Amendment No. 79 was adopted by a majority of the voters and went into effect on January 1, 2001. Among other things, Amendment No. 79 allows for an annual state credit against ad valorem property tax on a homestead in the amount of not less than $300. The credit must not be applied in a manner that would impair a bondholder's interest in ad valorem debt service revenues.

Amendment No. 59 provides that whenever a county-wide reassessment results in an increase of assessed value of 10% or more, the tax rate of each taxing unit on property located in that county is to be adjusted as provided in the Amendment. The year in which the reassessment is completed is designated the "Base Year". The assessed valuation for the Base Year is based on the reassessment. Amendment No. 79 requires that rollback adjustments under Amendment No. 59 be determined after the adjustments are made to assessed value under Amendment No. 79 See **FINANCIAL INFORMATION**, Assessment of Property and Collection of Property Taxes.

The tax rate applicable to other real property is computed by (1) deducting from the Base Year assessed value of the real estate the assessed value of newly-discovered real estate and new construction and improvements to real property to arrive at the reassessed value of previously assessed real property, (2) determining the tax rate necessary to produce from the previously assessed real property (on the basis of the Base Year assessment) the same amount of revenues produced from such property in the Base Year (on the basis of the last previous assessed value and the tax rate applicable to collections in the Base Year), and (3) either (a) fixing the tax rate determined in (2) as the tax rate for the real property, including newly-discovered real property and new construction and improvements to real estate, or (b) if the tax rate so fixed would produce less than 110% of the revenues from real estate produced in the Base Year, increasing the tax rate in an amount sufficient to produce such 110% of revenues.

The General Assembly, in Act No. 848 of 1981, implemented the procedures of Amendment No. 59. Ark. Code Ann. § 26-26-404, provides that the computation is to be made separately for each tax source or millage levy (in the case of the school districts this would require separate computations for operation and maintenance millage and debt service millage), with the new tax rate for each millage levy to be rounded up to the nearest 1/10 mill. In the case of debt service millage, the tax rate as so adjusted will continue as the continuing annual tax rate until retirement of the bonds to which pledged. The adjusted rate for operation and maintenance millage would be subject to change at each annual school election in accordance with law.

The District's boundaries extend across more than one county, and each county is responsible for the assessment and reassessment of property located within its boundaries. The four counties with property within the District have different reassessment cycles. See **DESCRIPTION OF THE SCHOOL DISTRICT,** Assessed Valuation. Because the reassessments are occurring in different years, the Amendment No. 59 rollback adjustments are subject to additional statutory requirements pursuant to Ark. Code Ann. § 26-26-408(b) that result in a weighted average millage upon completion of reassessments in each county, but may result in different effective millage rates on a county by county basis until all reassessments are completed. For example, Faulkner County (the county with the smallest percentage of assessed value) recently completed its reassessment which evidenced an increased value of greater than 10% triggering an Amendment No. 59 adjustment for Faulkner County for the 2022 tax year. However, with reassessments for the two counties with the largest percentage of assessed value (Pulaski and Saline Counties) scheduled for 2022, it is anticipated that the weighted average millage calculation will not result in any adjustment in any county for the 2023 and subsequent tax years.

Amendment No. 79 provides that the tax rate for personal property and property of public utilities and regulated carriers should be the same as that for real property. Personal property rates currently not equal to real property rates should be reduced to the level of the real property rate unless a higher rate is "necessary to provide a level of income sufficient to meet the current

requirements of all principal, interest, paying agent fees, reserves, and other requirements" of a bond issue.

Amendment No. 59 contains the following specific provision in regard to debt service millage:

> "The General Assembly shall, by law, provide for procedures to be followed with respect to adjusting ad valorem taxes or millage pledged for bonded indebtedness purposes, to assure that the adjusted or rolled-back rate of tax or millage levied for bonded indebtedness purposes will, at all times, provide a level of income sufficient to meet the current requirements of all principal, interest, Paying Agent's fees, reserves, and other requirements of the bond indenture."

Ark. Code Ann. § 26-26-402(b) provides:

> "If it is determined that the adjustment or rollback of millages as provided for herein will render income from millages pledged to secure any bonded indebtedness insufficient to meet the current requirements of all principal, interest, paying agent fees, reserves and other requirements of a bond indenture any such pledged millage shall be rolled back or adjusted only to a level that will produce at least a level of income sufficient to meet the current requirements of all principal, interest, paying agent fees, reserves, and other requirements of the bond indenture."

If the assessed value of all classes of taxable property located in a school district remain at the same level, without increase or decrease, and the total school tax rates applicable to real and personal property remain constant, then the annual revenues derived from taxable real and personal property will be the same in each year. This would be true of annual revenues available for debt service on bonds, as well as other annual revenues of the district.

Major Taxpayers. For 2020 taxes levied for collection in 2021 (based on the 2020 assessed valuation), the top ten taxpayers within the boundaries of the district are:

Name	Assessed Value	% of School District Assessed Value
CORELOGIC MTG	$18,072,028	0.608%
Loreal USA Products Inc	16,293,600	0.548
Kimberly Clark Corp.	12,371,975	0.416
3M Company	10,001,450	0.337
Links at the Rock LP	9,000,000	0.303
Madison at Chenal LLC	8,400,000	0.283
Chenal Valley Partners LLC	8,043,840	0.271
TOCU XIV LLC	7,689,350	0.259
PVI LLC	7,200,000	0.242
Broadstone ASH Arkansas LLC	7,000,000	0.236

LEGAL MATTERS

Litigation Over State Funding for Schools. In an Order issued November 9, 1994, the Honorable Annabelle C. Imber held that the existing state funding system for public education violated the equal protection provision of the Arkansas Constitution and violated Article 14, § 1 of the Arkansas Constitution by "failing to provide a general, suitable and efficient system of free public education." *Tucker v. Lake View Sch. Dist. No. 25 of Phillips Cty.*, 323 Ark. 693, 937 S.W.2d 162 (1996) (quoting *Lake View Sch. Dist. No. 25 of Phillips Cty, Arkansas v. Jim Guy Tucker*, Case No. 92-5318 (1994)). Judge Imber stayed the effect of her judgment for two years to allow the General Assembly to adopt and implement legislation consistent with her Order. The case was appealed to the Arkansas Supreme Court. The Supreme Court remanded the case to the Chancery Court to determine whether the system of public school finance was in compliance with Judge Imber's original Order and whether the amount of funding was sufficient to provide all Arkansas students with an adequate education. On May 25, 2001, the Chancery Court ruled that the system of school funding (which includes the levy of local ad valorem property taxes) was inequitable and inadequate under the Arkansas Constitution. On November 21, 2002, the Arkansas Supreme Court affirmed the Chancery Court and held the school funding system unconstitutional. *Lake View Sch. Dist. No. 25 of Phillips Cty. v. Huckabee*, 351 Ark. 31, 91 S.W.3d 472 (2002) (mandate issued Jan. 22, 2004). To allow the General Assembly and the Department of Education time to correct the constitutional disability, the Court stayed the issuance of its mandate until January 1, 2004. On January 2, 2004, the Lake View School District, the lead Class Member, filed a Motion for Writ of Prohibition, requesting that the Supreme Court prohibit the State from spending money until the State corrected the unconstitutional school system. The Class Member also requested that all funds appropriated by the State for the purpose of supporting the school system be held in escrow until the unconstitutional system was corrected. On January 22, 2004, the Supreme Court issued an opinion recalling its mandate and ruling that there had not been compliance with its November 21, 2002 opinion. *Lake View Sch. Dist. No. 25 of Phillips Cty. v. Huckabee*, 355 Ark. 617, 142 S.W.3d 643 (2004). The Court appointed two special masters charged with the responsibility of evaluating legislative actions regarding school finance. The masters issued their report on April 2, 2004. The Court, on June 18, 2004, released jurisdiction of the case. On April 14, 2005, the Rogers School District asked the Court to reopen the *Lake View* case, arguing that lawmakers "reverted back to their old ways" and had failed to follow the Court's mandate to fund public education adequately. The Rogers School District maintained that the Arkansas General Assembly had not increased foundation funding as it had promised in the extraordinary session of 2004. On April 25, 2005, four additional petitions were filed with the Court by a combined 46 districts asking the Court to reopen the *Lake View* case. On June 9, 2005, the Court once again reopened the case and reappointed the two special masters to assess whether the Governor and the General Assembly had complied with the *Lake View* ruling. On October 3, 2005, the masters issued their findings and concluded that the General Assembly had not complied with the *Lake View* ruling and had not made education the State's first priority. The Supreme Court agreed with the masters and held that the General Assembly had retreated from its prior actions to comply with the Court's directives in *Lake View* and that the public school funding system continued to be inadequate. *Lake View Sch. Dist. No. 25 of Phillips Cty. v. Huckabee*, 364 Ark. 398, 220 S.W.3d 645 (2005). The Supreme Court further held that the public schools were operating under a constitutional infirmity which must be corrected immediately. The Court stayed the issuance of its mandate until December 1, 2006 to allow the necessary time to correct the constitutional deficiencies. In April 2006, the General Assembly met in special session to address

some of the Court's concerns. The General Assembly appropriated more money to the State Department of Education for public school operation and school buildings. The General Assembly, among other things, also increased per-student funding and the minimum teacher salary schedule. On December 1, 2006, the Supreme Court ruled that it would keep jurisdiction over the case and reappointed the two special masters to evaluate whether the State met the constitutional requirements of an adequate and equitable education system. The Court delayed the case deadline for 180 days to give the State time to provide documents, the masters time to evaluate the State's actions and the Court time to rule. **On May 31, 2007, the Court concluded that the system of public school financing had attained constitutional compliance.** *Lake View Sch. Dist. No. 25 of Phillips Cty. v. Huckabee*, 370 Ark. 139, 257 S.W.3d 879 (2007).

Amendment 74. At the 1996 general election, a Constitutional Amendment was passed ("Amendment No. 74"), which establishes a statewide 25-mill property tax minimum for maintenance and operation of the public schools (the "Uniform Rate of Tax"). The Uniform Rate of Tax replaced that portion of local school district ad valorem taxes available for maintenance and operation. The Uniform Rate of Tax is to be collected in the same manner as other school property taxes, but the revenues generated from the Uniform Rate of Tax are remitted to the State Treasurer for distribution to the school districts The method for distributing the state aid back to the individual school districts, and the authorized uses of the state aid once received by the school districts are set forth in Act 1300 of 1997.

District Litigation.

Historical Background before 2013

There were three (3) school districts in Pulaski County. The Jacksonville-North Pulaski School District ("JNPSD") became fully operational on July 1, 2016 and encompasses the City of Jacksonville and portions of the northern portion of Pulaski County. The Little Rock School District ("LRSD") encompasses most of the City of Little Rock. The North Little Rock School District ("NLRSD") encompasses most of the City of North Little Rock. The District includes all of Pulaski County not located in one of the other three districts. Prior to July 1, 2016, the District included the property located within JNPSD.

On November 30, 1982, the LRSD filed suit in the United States District Court for the Eastern District of Arkansas, seeking a court-ordered consolidation of the three (3) districts as a desegregation remedy. On November 19, 1984, the District Court entered its order directing the consolidation of the three (3) districts. On appeal, the United States Court of Appeals for the Eighth Circuit reversed. The Court of Appeals held the remedy too drastic, and remanded the case to the District Court. As a result of further proceedings before the District Court and the Court of Appeals, the boundaries of the NLRSD were left intact and the boundaries of the other two districts were adjusted as of July 1, 1987, when an area in east Little Rock known as the Granite Mountain Area was transferred from the LRSD to the District and the remainder of the City of Little Rock (as of June 19, 1986) became a part of the LRSD. The District Court retained jurisdiction for additional monitoring, although the LRSD was released from federal court oversight on April 2, 2009, and the NLRSD was released on February 21, 2012.

On March 3, 1989, all of the parties to the litigation entered into a written settlement agreement and released one another. The financial provisions of this Agreement were funded

primarily by the State. While the State discharged the provisions requiring a certain series of payments to the District that began in 1989-1990, those provisions of the 1989 Settlement Agreement requiring expenditure of funds for magnet schools and majority to minority transfers remained in effect. Indeed, for the last biennium of the 1989 Settlement Agreement, the State appropriated approximately $70,000,000 annually for various payments to the three districts located in Pulaski County. The continuation of these proved to be a matter of great concern to the Arkansas Legislature which resulted, in part, in the enactment of Act 2126 of 2005.

The District Court approved 1989 Settlement Agreement included six (6) magnet schools (four elementary, one junior high and one high school), each emphasizing a special theme (math and science, arts, international studies, etc.) and designed to be especially attractive to white students and assist in the goal of obtaining a proportionate racial balance in the student population in Pulaski County. The magnet schools are located within and operated by the LRSD, but are attended by volunteer students from all three (3) districts. The District Court ordered that the State of Arkansas pay one-half of the costs related to the magnet schools and that the other half be shared by the three (3) school districts. In the case of capital costs (including debt service on bonds issued to finance capital costs), the one-half of the costs to be paid locally were allocated among the three (3) districts. The allocation varied from school to school, but the average allocation to the District was 30% of the local one-half of the capital costs (15% of the total). In the case of costs of operating and maintaining a magnet school, the local one-half was allocated based on actual enrollment by students from the three (3) districts. The District's obligation to support the magnet schools financially has now ended.

On May 19, 2011, Judge Miller abruptly ordered an end to the magnet school funding as well as the funding for magnet transportation and teacher retirement and health insurance. These sums represented a substantial portion of the $70,000,000 annual appropriation.

In the same order, Judge Miller gave the parties thirty (30) days to brief the issue of why he should not end the majority to minority funding and the transportation for those students.

The three (3) districts unsuccessfully sought a stay from Judge Miller's order. The matter was then appealed by the LRSD to the United States Court of Appeals for the Eighth Circuit on May 23, 2011, which stayed the effect of Judge Miller's order.

Thereafter, the issue was briefed, oral argument was held on September 19, 2011, and the Court of Appeals issued its decision on December 28, 2011. As part of its opinion, the Court of Appeals vacated Judge Miller's order and directed that the issue be decided by the District Court after the State of Arkansas filed a motion seeking to end this stream of payments.

As part of the same appeals process, the District appealed Judge Miller's denial of unitary status in the areas of: (1) student achievement, (2) advanced placement, gifted and talented, and honors programs, (3) discipline, (4) school facilities, (5) scholarships, (6) special education, (7) staff, (8) student achievement, and (9) monitoring. In the same order issued by the Court of Appeals on December 28, 2011, the Court denied the District's request that Judge Miller's ruling be reversed. The net effect of this denial was that for the foreseeable future, the District would remain under federal court supervision in these areas.

On November 6, 2012, the District filed a new motion seeking partial unitary status in the areas of student achievement, advanced placement, gifted and talented and honors programs, special education, and staffing. The district proposed that the court schedule individual hearings for these individual areas during calendar year 2013.

On January 25, 2012, the Joshua Intervenors filed a motion with the Court of Appeals seeking attorneys' fees from the District of at least $70,000 and perhaps as much as $300,000. The submission by the Joshua Intervenors contained claims for attorneys' fees and costs against the State as well and a joint claim against both the District and the State. Altogether, the Joshua Intervenors sought recovery of approximately $375,000 against the State and District together.

The District responded to the claim on February 21, 2012, arguing that any sums awarded to the Joshua Intervenors should be capped at just under $60,000. On March 26, 2012, the Court of Appeals ruled awarding Joshua Intervenors $149,417.50 which the District has paid. Thus, all claims for attorney's fees at the appellate court level have been resolved.

Thereafter, the Joshua Intervenors filed its claim for attorney's fees in the district court.

The District responded, and Judge Price Marshall, who succeeded Judge Brian Miller in the case, ruled on May 21, 2012 that the Joshua Intervenors' claims regarding unitary hearings came too late, but that he would entertain a claim by the Joshua Intervenors for attorney's fees dating from an unspecified period in the past up until the unitary hearing for "monitoring" activities. In the same Order, Judge Marshall also indicated that the Joshua Intervenors would have a second chance to convince the district court that it should entertain a petition for a late petition for attorney's fees for proceedings had in the district court.

On October 26, 2012, the Joshua Intervenors and the District filed a joint motion seeking court approval for a negotiated settlement between the District and the Joshua Intervenors to settle all attorney's fees issues for $875,000.00. The settlement would be inclusive of all matters from the beginning of time until June 30, 2012. The Settlement was approved.

Several matters in connection with this litigation remain unsettled. The District Court retains jurisdiction in an ongoing and active role. The Court is expected to continue to issue orders from time to time regarding compliance with the desegregation plan of the Pulaski County Special School District. The NLRSD was released from federal court supervision by Final Order dated February 21, 2012, and the LRSD was released from federal court supervision on April 2, 2009.

Act 2126 of 2005

In response to the continuing federal litigation in which the District is a party, the Arkansas General Assembly adopted Act 2126 of 2005 (Ark. Code Ann. § 19-5-305) ("Act 2126") pursuant to which William Gordon Associates of Saluda, North Carolina was selected to conduct a feasibility study for the Arkansas Department of Education (the "Report"). The purpose of the Report was to evaluate and determine the most feasible school district structure to best meet the educational needs of the students of Pulaski County, Arkansas and to provide recommendations how the ongoing school desegregation litigation in Pulaski County might be ended.

The Report was completed and delivered on or about June 30, 2006. Among the findings set forth in the Report was the recognition that under existing decrees in the desegregation case, the suggested school reorganizations contained in Act 2126 were not legally feasible. The Report also noted other factors which suggested that reorganization was not feasible at that time. However, as a result of the extensive study and gathering of information relevant to the desegregation suit, the Report offered a number of recommendations including the following:

- Each of the three (3) existing school districts (Little Rock, North Little Rock and Pulaski County Special School District) must agree to seek full unitary status.

- Retention of the "reconfigured" Pulaski County Special School District.

- Creation of a Jacksonville School District from a portion of the existing Pulaski County Special School District.

- A five (5) year phase out of special desegregation funding for the three (3) existing school districts and the new Jacksonville School District.

The Report further recommended adoption of enabling legislation by the Arkansas General Assembly as a necessary first step toward accomplishment of the Report's recommendations. With respect to the reconfiguring of the District and the creation of a new Jacksonville School District, the Report identified a number of areas to address in the proposed legislation including the following:

- The boundaries of the new Jacksonville District would have to be defined.

- There would have to be a disposition of facilities, equipment, instructional materials, buses and other property between the two (2) districts.

- Transition to the election of new school board members in each district; selection of superintendents, employment of staff, teachers and support personnel and adoption of salary schedules.

- Settlement and apportionment of outstanding debt obligations of the District.

- Any other necessary measures which must be in place prior to operational status of the Jacksonville School District.

The Report concluded that a Jacksonville School District should be created, that the ongoing school desegregation litigation must be ended, that local control of the existing school districts be restored to state and local control and that the District be assured of continuing existence following the end of the federal litigation.

The Jacksonville Detachment. The Arkansas General Assembly subsequently adopted Act 395 of 2007 portions of which were specifically renewed in the 2009 session of the General Assembly. Among other matters, Act 395 authorized the creation of a new school district within Pulaski County. The Act specifically provided that the new district could be created from territory

currently part of an existing school district in Pulaski County. It was widely known and assumed that this provision was adopted to facilitate the creation of a new Jacksonville School District.

At its regular Board meeting held on September 9, 2008, the District Board of Education unanimously passed a resolution expressing its willingness to pursue the creation of a new Jacksonville School District. Specifically, the Resolution empowered the District's administrators, staff and lawyer to pursue creation of a new district with the boundaries to be negotiated in the future and subject to approval by the District's Board including the identification of the schools to be detached dependent upon the final boundary configuration.

During 2009 the District agreed to a boundary plan and configuration but voted to suspend further negotiations until the District received unitary status.

After passage of this Resolution, on January 22, 2009, the Mayor of Jacksonville appointed the Jacksonville Education Foundation, Inc. as the entity to pursue negotiations with the District.

On July 8, 2013, the Arkansas State Board of Education was presented with a Petition to detach the area surrounding the city of Jacksonville, as well as territory north of Jacksonville generally referred to as the Bayou Meto area for detachment from the District. The State Board found that as required by Ark. Code Ann. § 6-13-1504, the Attorney General of the State of Arkansas had opined by letters dated August 26, 2013 and February 27, 2014, that creation of the new school district would not hamper or delay desegregation efforts.

On March 20, 2014, the State Board ordered an election regarding the detachment. The election was held on September 16, 2014, and 95% of the votes cast were for detachment. Based upon these findings, in a meeting held on November 13, 2014, the State Board conducted a hearing, found that the requirements for detachment specified in Ark. Code Ann. § 6-13-1505 had been met and thereby ordered the creation of the JNPSD and appointed an initial Board of Education to serve until the next regular election in September of 2015. Pursuant to Ark. Code Ann. § 6-13-1505, a two year transitional period was put in place to plan for the final detachment of the new district.

The balance of the Order addressed such issues as the selection of and employment of a superintendent, a plan for the zoning and election of school board members, a determination of the millage necessary to operate the new district, a plan to distribute and divide real and personal property, assets, liabilities (including debt) between the District and JNPSD and other related matters.

The Order further provided that in the event the District and JNPSD were unable to agree upon any such issues, they would be determined by the State Board either itself or by appointment of a mediator.

On July 29, 2015, the District and JNPSD reached a further Agreement concerning the particulars of the detachment. It was presented to and approved by the State Board of Education on August 13, 2015.

The District and JNPSD presented the Agreement as approved by the State Board of Education to Judge Marshall on August 20, 2015. After a great deal of discussion and questioning

by the Court, the Joshua Intervenors were granted permission to brief their opposition to and concerns with the Agreement with that briefing due no later than August 31, 2015. The District and the JNPSD were given until September 4, 2015 to respond to any brief filed by the Joshua Intervenors. In any event, the ruling would not have affected the ultimate detachment of JNPSD. The Joshua Intervenors' opposition was limited to details of JNPSD's obligations under the desegregation plan and did not question the detachment itself.

By Order dated October 14, 2015 Judge Marshall approved the "desegregation-related aspects of the detachment plan".

On March 16, 2016 the Court held a status conference on staffing issues related to the JNPSD detachment.

On January 14, 2016 Judge Marshall approved the JNPSD school facilities plan. In this Order the Court not only approved the Jacksonville Facilities Plan but noted that in the last several years the PCSSD, in the eyes of the Court, was making good progress to becoming completely unitary. As respects the Jacksonville Masters Facilities Plan, the Court ruled that it keeps faith with Plan 2000 and is likely to promote eliminating the vestiges of past discrimination. The Master Facilities Plan's approval was a necessary requirement to permit the detachment of JNPSD.

Jacksonville Millage Election

On Tuesday, February 9, 2016, electors within the JNPSD approved a 7.6 mill property tax increase. JNPSD is using proceeds from the property tax increase to help fund an $80 million school facilities construction project in conjunction with the receipt of state partnership funding.

The Agreement specifically provided that on July 1, 2016, JNPSD would purchase the real property assets of the District embraced within the boundaries of the new JNPSD for $10,809,050, a price which was presented to the State Board for approval. Approval was obtained, and the purchase was completed. This amount was calculated, in part, to comply with federal tax restrictions that apply to the sale and disposition of bond financed property. As part of the Agreement, JNPSD waived any claim for payment of or interest in any real property located outside the geographic boundaries of JNPSD. The District likewise agreed to waive any claim for payment for any real property located within the geographic boundaries of JNPSD with certain exceptions.

The Agreement addressed the budget for JNPSD for the 2016-2017 school year including the debt service millage necessary to issue bonds to finance the purchase of the detached assets. The millage was approved by voters at the September 15, 2015 annual election and permitted the issuance of bonds by JNPSD to finance the purchase of the detached assets on July 1, 2016.

The Agreement provided that as soon as the detachment amount payments were made, the District would transfer title and ownership of the detached assets to JNPSD and that such transfers shall be consistent with all applicable rules and regulations of State law and the Internal Revenue Code. The detached assets were purchased by and title and ownership was transferred to JNPSD on July 1, 2016.

The Agreement also accounted for iPads and Related Accessories purchased by the District for $1,545,729. The District paid JNPSD $750,000 as JNPSD's share of these sums expended. The Agreement also provided for the allocation of specialized personal property, excluding school buses devoted to special education students, and provided a formula for division of those assets.

The Agreement provided for division of all other school buses based on a per student basis with provisions addressing age and wear and tear.

To the extent that the personal property divided and allocated in the Agreement was encumbered, the District and JNPSD agreed that any encumbrance would follow the property.

The Agreement continued with provisions for JNPSD to assume responsibility for 2017-19 state Academic Facilities Partnership funding for school facilities; a method for joint planning and approval for all instructional programs for the 2016-17 fiscal year and agreement regarding the District budget for 2015-16 which was prepared and approved by the Commissioner of Education in September 2015.

The Agreement also addressed certain other payments including an advanced payment from the District to JNPSD made on July 1, 2016, in the amount of $4,500,000. On July 1, 2016, 23.5% of unrestricted fund balances were distributed from the District to JNPSD less the $4,500,000 payment described above. Provisions for the distribution of fund balances from restricted revenue sources and building fund balances were agreed upon. As regards the sums being received by the District under the new Settlement Agreement with the state, during the 2016-17 school year, the District paid to JNPSD the amount of $5,409,170 and for 2017-18, the same payment shall be made by the District to JNPSD. (See further discussion at The Settlement with the State, hereinafter.)

The District contributed $10,000,000 over three (3) years to fund the Donaldson Scholars Academy Payments, a part of its Plan 2000 strategy to reduce the achievement gap between majority and minority students. The final payment due from the District to the Donaldson Scholars Program was $3,333,333. The Agreement provided that JNPSD shall be responsible for $666,667 of that last payment for the 2016-17 school years. These payments are now completed.

Although the Homer Adkins-Pre-K Center became part of the territory of the new JNPSD, the District continued administering the Pre-K program(s) on a combined basis for the District and JNPSD in the same manner as they were being administered prior to detachment. This administration has now ended, and the District is no longer participating in the Homer Adkins program.

The Agreement also provided that the District would transfer 15% of the balance, as of June 30, 2016, of the IT Millage Fund. The Agreement also addressed staffing. The Agreement recites that the Commissioner of Education has adopted a proposal by the District for personnel policy amendments generally known as the "Twin Seniority Center Policies." These policies permitted the District to limit movement of licensed and unlicensed employees during the 2015-16 school year between post-detachment District facilities and JNPSD facilities. This involved non-renewal of the District contracts for those employees at the JNPSD facilities. The Agreement also addressed staffing issues that have been approved by the Commissioner of Education,

including a plan which committed JNPSD to comply with the desegregation obligations of Plan 2000.

As of September 15, 2020, the PCSSD and Jacksonville Districts are operating completely separately from one another. Jacksonville has become completely autonomous, neither district is financially dependent upon the other.

The Settlement with the State. The LRSD filed new claims against the state of Arkansas in early May of 2010. The LRSD used the county wide desegregation case described elsewhere in this Statement as the procedural vehicle for making these claims. Little Rock did not make any claims against the District. Rather, it claimed that the state of Arkansas had violated the 1989 settlement agreement, described herein elsewhere, and various other federal and state laws by approving open enrollment charter schools. Little Rock claimed these harmed its enrollment base and negatively affected the state aid it received and also claimed that the state had failed to provide adequate state funding and had further failed to identify and implement programs to remediate achievement disparity between African American students and other students in Pulaski County. The LRSD had submitted a motion for summary judgment and brief in support, and the State of Arkansas responded to the Little Rock motion on March 12, 2012. The Court heard oral argument on March 29, 2012. The Court indicated that it would decide after oral argument whether or which parts of the Little Rock claim would proceed to trial. Thereafter, global settlement negotiations resumed.

During 2012, serious settlement negotiations among the then three (3) Pulaski County school districts and the State of Arkansas concluded successfully. A proposed Settlement Agreement was drafted and presented to Federal District Judge D.P. Marshall, Jr. on November 19, 2013. As a result of entry of this Order, all litigation that had been resumed by the LRSD against the state was stayed while the Court considered the proposed comprehensive Settlement Agreement. At a subsequent conference held on November 22, 2013, Judge Marshall gave preliminary approval to the Settlement Agreement. The same day, he entered an Order and set a date for a fairness hearing since this settlement proposed to settle a class action case.

After extensive advertising and notice calculated to inform the Class of the proposed settlement, approximately seven written objections were filed with the Court and those making the objections were accorded an opportunity to speak at the fairness hearing. The fairness hearing was held on January 13, 2014, and after hearing statements from objectors and statements by counsel for all parties involved, the Court ruled from the bench that the Settlement Agreement was fair, reasonable and adequate and that an Order to that effect would be entered. On January 31, 2014, the Court entered an Order approving the Agreement and directing the preparation of a Consent Judgment. The Consent Judgment was entered on August 21, 2014, there were no appeals and the Settlement Agreement became final.

Essential Terms of the Settlement Agreement. The parties to the new Settlement Agreement (the "New Settlement Agreement") are the LRSD, the District, the Joshua Intervenors, the Knight Intervenors and the State of Arkansas. The New Settlement Agreement provided, and these terms were effectuated with the entry of the Consent Order, that the State, LRSD and the NLRSD would be dismissed with prejudice from the litigation. Pursuant to the final approval, the State was obligated to and did make all desegregation payments scheduled for the 2013-2014 school year as required under the 1989 Settlement Agreement. By the New Settlement Agreement,

the obligation to make any further such payments ceased on June 30, 2014. Thereafter, the State, pursuant to the New Settlement Agreement, made the following payments for 2014-2015:

$37,347,429 to the LRSD
$7,642,338 to the NLRSD
$20,804,500 to the District

During the 2015-2016 and 2016-17 school years, the State made the identical payments to the three (3) school districts.

Year 4 is the final year for payments under the New Settlement Agreement. The New Settlement Agreement as approved provides that the payments made in the fourth year shall be used only for academic facilities construction projects. The payments scheduled for the 2017-2018 school year are as follows:

$37,347,429 to the LRSD
$7,642,338 to the NLRSD
$20,804,500 to the District

The Year 4 payments as well as the other payments shall not be considered in determining the State share of financial participation in local academic facilities projects eligible for State financial participation, the so-called "partnership share" paid by the State to certain qualifying school districts for qualifying academic facilities construction projects.

The New Settlement Agreement also provides rules and a timeline for ending the majority to minority student transfer program and the end of all State payments for these programs. The details and formulas to be used for the discontinuation of the majority to minority student transfer program are set out and detailed in the New Settlement Agreement.

In addition, the New Settlement Agreement specifies the end of the State's role in funding the magnet school program and sets out a mechanism for the transitioning of former magnet school students into the regular student counts of all three (3) school districts.

The New Settlement Agreement further provides that the three (3) districts shall each receive $250,000 as reimbursement of legal fees.

The New Settlement Agreement outlines the termination of the State's obligations to pay any additional settlement or desegregation monies to the districts. Basically stated, all financial obligations that the State assumed as part of the 1989 Settlement Agreement were extinguished, and any and all claims pending against the State were released.

The New Settlement Agreement authorized the state to immediately authorize the creation of a Jacksonville/North Pulaski area school district. (See further discussion at The Jacksonville Detachment, herein.) However, the New Settlement Agreement obligates the State to oppose the creation of any other school districts from the District's territory until the District is declared fully unitary and released from federal court supervision.

The New Settlement Agreement outlines and provides for the grandfathering of certain magnet and majority to minority student transfer program students but further provides for the eventual and total phase out of those interdistrict transfers. It further outlines transportation responsibilities which will terminate at the end of five (5) years from the date of the New Settlement Agreement.

Finally, the New Settlement Agreement makes it clear that the 1989 Settlement Agreement and all obligations of any party thereunder are extinguished. It also specifies that the Court will maintain jurisdiction over the Joshua Intervenors and the District as provided in a separate agreement calculated to continue the Court's jurisdiction overseeing the District and its implementation of Plan 2000 until the District attains unitary status.

The Unitary Status of the District. In the Consent Judgment filed August 21, 2014, the Court retained jurisdiction over the District until unitary status is attained in all remaining areas. It also retained jurisdiction over the JNPSD. It further retained jurisdiction to adjudicate the State's agreement to oppose the creation of any other school district from the District's territory until the District is declared fully unitary and released from Court supervision.

In the same Consent Judgment, and pursuant to stipulations between the Joshua Intervenors and the District, the Court released the District from Court jurisdiction regarding certain portions of Plan 2000 including Student Assignments; Talented and Gifted, Advanced Placement and Honor's Program; and Scholarships. In an Order dated December 22, 2014, the Court took up several other issues relating to unitary status and any Jacksonville/North Pulaski area school districts. It first approved the partial plan for detachment of the JNPSD noting that the framework was consistent with the District's desegregation obligations and that as contemplated by the New Settlement Agreement, JNPSD would assume all of the District's desegregation obligations in the establishment and operation of the new district.

In the same Order, the Court approved the Joint Motion of the Joshua Intervenors and the District regarding Section K of Plan 2000. Section K deals with Special Education, and in this Order the Court declared the District unitary as to special education.

On May 9, 2017, the District entered into a stipulation with the Joshua Intervenors wherein the parties agreed that the District was unitary as regards all staffing provisions contained in Plan 2000. By Order dated June 14, 2017, the District Court approved the stipulation and entered its Order providing that the District was indeed unitary in all aspects of staffing as provided by Plan 2000 and that the District was dismissed from further court supervisions regarding any staffing issues.

Several provisions of Plan 2000 remain under Court jurisdiction including facilities, discipline and monitoring.

On August 9, 2018, the presiding District Court Judge toured Maumelle High School, Mills High School and Robinson Middle School. Mills High School and Robinson Middle School are new schools whose construction was nearly complete at the time of the judicial tours. Maumelle High School was constructed in approximately 2011.

The purpose of the tours was to help the District Court assess whether or not Mills and Robinson were substantially equal to Maumelle High School and whether or not Mills and Robinson were substantially equal one to the other.

At the conclusion of the hearing held on September 24, 2018, Judge Marshall noted that it was in his preliminary opinion that Maumelle High School was superior to both Mills and Robinson and that in many respects, Robinson was superior to the new Mills High School.

In response to observations made by counsel for PCSSD, Judge Marshall confirmed that his observations were preliminary and subject to being changed. He then ordered a schedule whereby the PCSSD and Joshua would submit quarterly status reports concerning Mills and Robinson to the Court with the first report being due December 1, 2018. The Court specifically observed that one of the purposes of these status reports would be to disabuse him of any preliminary observations that he had made concerning such things as whether or not the flooring at Robinson was superior to the flooring at Mills and whether or not acoustics were actually equivalent in the band and choir rooms of the two schools.

The Court further ordered PCSSD to submit period reports to keep the Court appraised of changes to facilities. PCSSD continued construction of Sylvan Hills High School and kept the Court informed of progress on that construction as well as progress on other facility improvements.

The Court indicated that it would hold off on making any determination on the remaining areas of facilities, student achievement, and discipline until after the trial held in July of 2020.

The hearings described above were in fact held during July of 2020. The issues of whether or not the PCSSD is Unitary in regards to facilities, discipline, student achievement, and monitoring were fully litigated. Following the July 2020 hearings, the Court took a tour of Mills High School to observe changes made, and also toured the Sylvan Hills High School campuses to observe ongoing construction efforts.

On May 6, 2021, Judge Marshall entered an opinion finding that PCSSD is now unitary in the areas of discipline, student achievement, and monitoring. On facilities, Judge Marshall found that the previously identified inequity between Mills High School and Robinson Middle School needed further attention before the District can be declared fully unitary. He ordered that by August 1, 2021, PCSSD submit to the Court a proposal of what it will take to "square up" the inequity in order to make PCSSD fully unitary in facilities. This order was not appealed, and the time for doing so has passed.

PCSSD is currently in the process of developing a facilities proposal as ordered. Additionally, Intervenors have shared documentation with PCSSD reflecting that they claim $600,263.97 in fees and costs for work performed on this case. It is possible that a settlement may be reached on this claim, but if not, the Intervenors will petition the Court.

The 2015 Boundary Study. During the Spring of 2015, a special committee of the State Board of Education was appointed to study future potential boundary configurations of the District that might be appropriate after the Jacksonville detachment was completed. The study initially recommended the creation of new districts embracing Sherwood and the McAlmont area, the Maumelle area as a separate school district, and a new district south of the Arkansas River

including portions of the District and all of the LRSD. The study recommended that the boundaries of the NLRSD be expanded to include territory currently embraced within the North Little Rock city limits.

However, that study, while it was reviewed and given preliminary approval by the State Board of Education, has been placed on hold in recognition of that provision of the New Settlement Agreement which prohibits the creation of any new school districts from territory currently part of the District until the District attains complete unitary status.

On July 13, 2017, in a matter pending before the United States District Court in the Eastern District of Arkansas in which certain parents and students within the LRSD (the "Doe Plaintiffs") brought suit against LRSD, a joint motion for continuance was filed that impacts the District. Specifically, the parties to the motion represented that all parties to the pending LRSD litigation as well as the District Litigation were "open to immediate and intensive discussions to resolve all remaining unitary status issues, with the goal of doing so within sixty (60) days." Further, the parties represented that when the District is declared unitary, the various parties were "open to discussions concerning boundary changes among the Pulaski County School Districts which would likely have a substantial impact on LRSD." In granting the motion, the Court advised that the parties "must sprint in their discussions" and rescheduled the trial in *Doe Plaintiffs v. LRSD* for September 11, 2017.

This separate lawsuit, to which neither the District nor JNPSD were parties, was eventually settled on or about September 8, 2017 with no involvement from the District. A judgment was entered by Judge Marshall dismissing the case on September 11, 2017. No trial was held and there have been no further discussions concerning boundary changes among the school districts located in Pulaski County. For the foreseeable future, and at least until the District attains unitary status, these issues appear to be moot.

Any settlement by the District of the remaining unitary status issues that involve boundary modifications will require compliance with Arkansas statutes and approval by the Court. Presumably boundary modifications would be achieved through detachment, consolidation, annexation, or some combination of the three. Before detachment, consolidation, annexation or any combination of the three could occur, there are several threshold statutory requirements and approvals with which to comply at both the local and state level. In addition, various Arkansas statutes relating to detachment, consolidation and annexation require (i) that existing debt of the school districts be allocated in a manner that is deemed proper by the State Board of Education, (ii) that allocation of indebtedness shall be structured in a manner that does not cause the original indebtedness to be in default and does not violate any tax covenants, and (iii) that property of a school district be sold at fair market value.

As noted above with respect to the Jacksonville detachment and by way of example, after approval of the detachment by the electors within the proposed JNPSD, the governing board of the District and the State Board of Education, the property that became part of the JNPSD was appraised by a third-party appraiser. This appraisal was the basis for determining an amount to be paid to the District by JNPSD. The Agreement provided that as soon as the detachment amount payments were made, the District would transfer title and ownership of the detached assets to JNPSD and that such transfers shall be consistent with all applicable rules and regulations of State

law and the Internal Revenue Code. The District applied the moneys received from JNPSD to retire outstanding bonds that were eligible to be optionally redeemed.

Other Legal Proceedings. No other litigation is pending, or to the best knowledge of the District threatened, questioning the existence of the District, its boundaries, the assessed value of taxable property located within the District, any taxes levied by the District, the title of any member of the Board of Education to his or her office or questioning the authority of the District to issue the Bonds or any proceedings relating thereto.

Litigation is pending against the District in various proceedings that arose in the ordinary course of the District's operations. In the opinion of the District, none of the pending lawsuits, if concluded adversely, would have a material adverse effect on the District's financial status or on its ability to carry on its operations.

Legal Opinion. Issuance of the Bonds is subject to the unqualified approving opinion of Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., Bond Counsel, to the effect that the Bonds have been lawfully issued under the Constitution and laws of the State of Arkansas and constitute valid, binding and enforceable obligations of the District.

Tax Matters. In the opinion of Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., Bond Counsel, under existing law, the interest on the Bonds is exempt from Arkansas income tax and from property taxes.

Also, in the opinion of Bond Counsel, interest on the Bonds under existing law (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in clause (a) above is subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. These requirements generally relate to arbitrage and the use of the proceeds of the Bonds and the Project. Failure to comply with certain of such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

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

Prospective purchasers of the Bonds should be further aware that Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the

Bonds or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Bonds.

Prospective purchasers of the Bonds should also be aware that Ark. Code Ann. §26-51-431(b) states that Section 265(a) of the Internal Revenue Code is adopted for the purpose of computing Arkansas individual income tax liability. Subsection (c) provides that in computing Arkansas corporation income tax liability, no deduction shall be allowed for interest "on indebtedness incurred or continued to purchase or carry obligations the interest on which is wholly exempt from the taxes imposed by Arkansas law." On December 8, 1993, the Arkansas Department of Finance and Administration Revenue Division issued Revenue Policy Statement 1993-2, which provides in part:

> Financial institutions may continue to deduct interest on indebtedness incurred or continued to purchase or carry obligations which generate tax-exempt income to the same extent that the interest was deductible prior to the adoption of Section 17 of Act 785 of 1993 (Ark. Code Ann. §26-51-431(b) and (c)).

Current or future legislative proposals, if enacted into law, may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent holders of the Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of legislative proposals or clarification of the Code or court decisions may affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

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

Non-Litigation Certificate. Upon delivery of the Bonds the District will furnish a certificate to the effect that no litigation not described in the Official Statement is then pending that would affect the validity of or security for the Bonds.

Official Statement Certificate. Upon delivery of the Bonds, the District will furnish a certificate to the effect that the Official Statement does not contain any untrue statement of a material fact or omits to state a material fact required to be stated therein to make the statements therein, in the light of the circumstances under which they were made, not misleading.

CONTINUING DISCLOSURE AGREEMENT

In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission, as the same may be amended from time to time, the District will execute and deliver a Continuing Disclosure Certificate for the benefit of the Beneficial Owners of the Bonds, describing the District's continuing disclosure obligations with respect to the Bonds, and pursuant to which the District agrees to provide:

(i) not later than ninety (90) days after the end of the District's fiscal year, commencing with the fiscal year ending June 30, 2022, to the Municipal Securities Rulemaking Board ("MSRB"), its LEA Financial Report and certain annual financial information and operating data as follows: the information contained under **DESCRIPTION OF THE SCHOOL DISTRICT**, Assessed Valuation, **DEBT STRUCTURE**, Outstanding Indebtedness, **DEBT STRUCTURE**, Debt Service Schedule and Coverage, **FINANCIAL INFORMATION**, Sources and Uses of Funds, and **FINANCIAL INFORMATION**, Collection of Taxes. The annual financial statements shall be prepared using accounting practices described by Ark. Code Ann. § 10-4-313, as it may be amended from time to time, or any successor statute, and shall be audited by the Legislative Joint Auditing Committee, Division of Legislative Audit of the State of Arkansas, or by an independent certified public accountant.

(ii) within ninety (90) days after the audit has been completed and received by the District, to the MSRB, a copy of the District's audit.

(iii) to the MSRB, notice of the occurrence of any of the following material events with respect to the Bonds, in a timely manner not in excess of ten (10) business days after the occurrence of such event or otherwise in a manner consistent with the Rule:

(a) principal and interest payment delinquencies;

(b) non-payment related defaults, if material;

(c) unscheduled draws on debt service reserves reflecting financial difficulties;

(d) unscheduled draws on credit enhancements reflecting financial difficulties;

(e) substitution of credit or liquidity providers, or their failure to perform;

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

(g) modification to rights of security holders, if material;

(h) bond calls, if material;

(i) defeasances and tender offers;

(j) release, substitution, or sale of property securing repayment of the securities, if material;

(k) rating changes;

(l) bankruptcy, insolvency, receivership or similar event of the obligated person;

(m) the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than

in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material;

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

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

"Financial Obligation" shall mean a

(A) debt obligation;

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

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

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

(iv) to the MSRB, notice of any failure of the District to provide the annual financial information or operating data required by the Rule and the Continuing Disclosure Certificate on or before the date specified in a manner consistent with the Rule.

The District may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if, in the judgment of the District, such other event is material with respect to the Bonds.

The foregoing information data and notices can be obtained from Dr. Charles McNulty, Superintendent, 925 E. Dixon Road, Little Rock, Arkansas 72206; (501) 234-2011.

The District reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the District, provided that the District agrees that any such modification will be done in a manner consistent with the Rule. The District reserves the right to terminate its obligation to provide annual financial information and notices of material events, as set forth above, if and when the District no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the Beneficial Owners of the Bonds.

In the event of a failure of the District to comply with any provision of the Continuing Disclosure Certificate, any owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under the Continuing Disclosure Certificate. Noncompliance with the Continuing Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under the Continuing Disclosure Certificate in the event of any failure of the District to comply with the Continuing Disclosure Certificate shall be an action to compel performance.

The Rule requires that an issuer disclose in its official statement any instances in the previous five (5) years in which such issuer or obligated party failed to comply, in all material respects, with any previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule (the "Undertakings"). As part of its Undertakings, the District agreed to provide to MSRB its annual financial information and operating data and annual audited financial statements on EMMA after the end of each of its fiscal years.

CONTINUING DISCLOSURE PAST COMPLIANCE

While the District has not made any determination as to materiality, the following charts reflect the District's compliance and non-compliance with previous undertakings under the Rule for the past five (5) years.

Annual Financial Information and Operating Data
("Annual Report")

Pursuant to previous Continuing Disclosure undertakings by the District, the District has agreed to provide to the MSRB its Annual Report within ninety (90) days after the end of each fiscal year (the "Submittal Deadline").

Fiscal Year Ending June 30	Submittal Deadline	Date Filed[1]	Status of Compliance
2017	09/28/2017	09/20/2017	Compliant
2018	09/28/2018	09/28/2018	Compliant
2019	09/28/2019	09/26/2019	Compliant
2020	09/28/2020	09/24/2020	Compliant
2021	09/28/2021	09/27/2021	Compliant

[1] Actual date Annual Report was filed on MSRB's EMMA portal.

Annual Financial Statements
("AFS")

Pursuant to previous Continuing Disclosure undertakings by the District, the District has agreed to provide to the MSRB its AFS within ninety (90) days after the audit has been completed and received by the District.

Fiscal Year Ending June 30	Date Audit Released by Legislative Audit	Date Filed[(1)]	Status of Compliance
2016	03/27/2017	04/04/2017	Compliant
2017	03/28/2018	04/05/2018	Compliant
2018	03/25/2019	04/12/2019	Compliant
2019	04/28/2020	05/06/2020	Compliant
2020	03/15/2021	05/10/2021	Compliant

(1) Actual date AFS was filed on MSRB's EMMA portal.

Listed Events

Within ten (10) business days after the occurrence of a Material Event set forth in previous Continuing Disclosure undertakings (the "Material Event"), the District has agreed to provide a notice of such Material Event to the MSRB.

Material Event	Bonds Affected	Date of Material Event	Date Filed[(1)]	Status of Compliance
Bond Call	4/1/12 Refunding	08/31/2017	08/01/2017	Compliant
Trustee Name Change	8/1/17 Refunding 3/15/16 Refunding 9/1/15 Refunding 11/1/12 Refunding	07/16/2018	07/19/2018	Compliant
Notice of Defeasance	9/1/15 Refunding	02/01/2021	10/25/2019	Compliant
Redemption Notice	9/1/15 Refunding	02/01/2021	12/31/2020	Compliant
Notice of Full Mandatory Redemption	10/15/15 Refunding	02/01/2021	12/22/2020	Compliant
Notice of Defeasance	10/15/15 Refunding	02/01/2021	11/09/2020	Compliant
Notice of Defeasance	8/23/17 Refunding	02/01/2022	08/27/2021	Compliant

(1) Actual date Notice was filed on MSRB's EMMA portal.

The District has taken steps to ensure that the Annual Reports, AFS and Listed Events are timely filed as required by its continuing disclosure undertakings.

MISCELLANEOUS

Bond Rating. Moody's Investors Service, Inc. ("Moody's"), has assigned an "A2" underlying rating and an "Aa2" enhanced rating to the Bonds. Certain information was supplied to the rating agency to be considered in evaluating the Bonds. Any rating issued will reflect only

the views of the rating agency, and any explanation of the significance of such rating on the Bonds should be obtained from the rating agency. There is no assurance that the ratings obtained for the Bonds will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agency for the Bonds if, in its judgment, circumstances so warrant. Neither the Underwriter nor the District undertake any responsibility to oppose any revision or withdrawal of the rating. Any such downward revision or withdrawal of the rating obtained may have an adverse effect on the market price of the Bonds. The assignment of the enhanced rating reflects the additional bond security provided by A.C.A. § 6-20-1204.

Underwriting. The Underwriter has purchased the Bonds from the District at public sale upon competitive bids at a price of $_____ plus accrued interest from the date of the Bonds to the date of delivery to the Underwriter.

Interest of Certain Persons. The District has employed Stephens Inc., as Municipal Advisor, to assist the District in the sale and issuance of the Bonds. The District has employed Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., as Bond Counsel. Neither the Municipal Advisor nor Bond Counsel will receive any fee for its services unless and until the Bonds are sold and delivered.

Stephens Inc., in its capacity as Municipal Advisor, has relied on the opinion of Bond Counsel and, other than yield and average weighted maturity calculations, has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal or state income tax status of the Bonds or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies. The information set forth herein has been obtained from the District and other sources believed to be reliable but has not been independently verified by the Municipal Advisor.

The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

The Board of Education of the District has authorized the preparation and distribution of this Official Statement.

PULASKI COUNTY SPECIAL SCHOOL
DISTRICT OF PULASKI COUNTY, ARKANSAS

By: /s/ Jack Truemper
Jack Truemper
STEPHENS INC.
MUNICIPAL ADVISOR

EXHIBIT A

OFFICIAL BID FORM

To: Pulaski County Special District of Pulaski County, Arkansas

Re: $108,750,000* Pulaski County Special School District of Pulaski County, Arkansas Refunding and Construction Bonds, Tax Exempt Series 2021B, dated December 30, 2021

This bid is made by the undersigned on its own behalf and as representative of the additional bidders, if any, named in the attached Schedule 1.

Reference is made to your Official Notice of Sale and Preliminary Official Statement (collectively the "Notice"), pertaining to the referenced Bonds, which are made a part hereof.

We hereby offer to pay you $_____ (may not be less than $106,645,687.50), for Bonds bearing the following rate of interest per annum and maturing or payable through sinking fund redemption on February 1 in each of the following years and aggregate principal amounts:

SERIAL BONDS AND MANDATORY SINKING FUND REDEMPTIONS

Year Due (February 1)	Required Principal Payment (Complete each line, indicating either a serial maturity or a mandatory sinking fund redemption, not a combination of both.)	Interest Rate (Complete only for years in which serial bonds mature.)	Reoffering Price or Yield
2023	$540,000.00		
2024	810,000.00		
2025	840,000.00		
2026	880,000.00		
2027	915,000.00		
2028	960,000.00		
2029	975,000.00		
2030	995,000.00		
2031	1,015,000.00		
2032	1,045,000.00		
2033	545,000.00		
2034	555,000.00		
2035	575,000.00		
2036	6,560,000.00		
2037	6,700,000.00		
2038	6,850,000.00		
2039	7,000,000.00		
2040	7,160,000.00		
2041	7,325,000.00		
2042	7,505,000.00		
2043	7,680,000.00		
2044	7,865,000.00		
2045	8,060,000.00		
2046	8,255,000.00		
2047	8,465,000.00		
2048	8,675,000.00		

* Preliminary; subject to change.

TERM BONDS

(Complete Only if Applicable)

$_____Term Bonds maturing on _____ 1, _____ at_____% per annum to yield

$_____Term Bonds maturing on _____ 1, _____ at_____% per annum to yield

$_____Term Bonds maturing on _____ 1, _____ at_____% per annum to yield

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale (including, but not limited to, the requirements for the determination of the issue price of the Bonds) and is not subject to any conditions, except as permitted by the Notice of Sale. This bid shall not be revocable. By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal bonds. Furthermore, by submitting this bid we confirm that we are an Underwriter as defined in Treasury Regulation Section 1.148-1(f)(3) for purposes of establishing an issue price for the Bonds.

If notified that we are the Successful Bidder, we agree to provide the District with the $2,175,000.00 Deposit, or the Fed Reference Number for the Deposit, prior to 2:00 p.m., Central Time, on the Sale Date.

Respectfully submitted,

_____

For itself and as representative of the additional bidders, if any, named in Schedule 1 hereto

By: _____

Authorized Representative

COMPUTATION

We have computed, in the manner set forth in the Official Notice of Sale in the section entitled ***Award of the Bonds***, the true interest cost of the Bonds to the District under the foregoing proposal. For your information only, and not as a part of the foregoing proposal, we advise you that such rate, so calculated, from the dated date to the final maturity date, is:

Par Amount of Bonds _____

Less Discount/Plus Premium _____

Net Purchase Price _____

TIC% (to Four Decimals) _____

ACCEPTANCE

The foregoing bid is accepted this 9th day of December, 2021. We deem the Official Notice of Sale and Preliminary Official Statement final within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934 as of its date, except for omissions of no more than the following information: the offering prices, interest rates, the trustee and other terms or provisions required to be specified in the bids.

PULASKI COUNTY SPECIAL SCHOOL
DISTRICT OF PULASKI COUNTY, ARKANSAS

By: _____

ATTEST:

By: _____

SCHEDULE 1

Official Bid Form

LIST OF ADDITIONAL BIDDERS

EXHIBIT B

CERTIFICATE OF TRUSTEE ACCEPTING APPOINTMENT

Re: Pulaski County Special School District of Pulaski County, Arkansas Refunding and Construction Bonds, Tax Exempt Series 2021B, dated December 30, 2021

Ladies and Gentlemen:

We hereby accept appointment as trustee, registrar, paying agent and authenticating agent in connection with this bond issue and agree to carry out our duties in accordance with the bond resolution and this Certificate.

Provided that we have received written notice from the Municipal Advisor at least seven (7) days prior to closing of the date, time and place of closing and provided that we have received from the purchaser by 10:30 a.m. on the day of closing the purchase price in federal reserve funds, we will be responsible for delivering the Bonds to the purchaser and for the same-day wire transfer of federal reserve funds to the District Treasurer in the amount specified by the District in the Delivery Instructions. If we fail to make the same-day wire transfer in the amount specified, we agree to pay the District as liquidated damages a sum equal to 125% of the daily interest on the amount withheld at the rates quoted to the District Treasurer by his/her depository bank for each calendar day's delay in making the transfer. However, we will not pay to the District the liquidated damages if the federal wire is down or if an event occurs beyond our controls, as trustee, and such event prevents us, as trustee, from making the same day wire transfer.

A transfer completed after 2:00 p.m., Little Rock, time, will be deemed made on the next business day.

Dated: _____, 2021.

BANK OZK

By: _____

Name: _____

Title: _____