

**REQUEST FOR PROPOSALS FROM
TRUSTEES
FOR
ARKANSAS DEVELOPMENT FINANCE
AUTHORITY'S
ECONOMIC DEVELOPMENT REVENUE BONDS
PROGRAM**



SPECIAL NOTE: YOUR IMMEDIATE ATTENTION IS CALLED TO SECTION I.C. YOU NEED TO SEND TO US AN E-MAIL ADDRESS FOR TRANSMISSION OF NOTICES OF INQUIRIES.

October 24, 2002

**Arkansas Development Finance Authority
100 Main Street, Suite 200
Little Rock, AR 72201
(501) 682-5900**

SECTION I: INSTRUCTIONS TO PROPOSER/ GENERAL INFORMATION

A. BOND ISSUE INFORMATION. The Arkansas Development Finance Authority (“ADFA” or the “Authority”) is requesting proposals from banking institutions to serve as trustee for the ADFA Economic Development Revenue Bond Program. The appointment of the Trustee will be for a period of two years ending December 31, 2004.

ADFA will continue to pool individual loans and intends to issue one series of bonds for marketing purposes, which will fund multiple loans as opposed to issuing multiple series of bonds. While only having one series of bonds and one indenture for small issue tax exemption, investment, arbitrage and rebate purposes, each individual loan may need to be tracked as if they were each a separate series of bonds. The Bonds will be secured by a mortgage lien on and security interest in projects being financed with Bond proceeds, which will flow directly to ADFA instead of the trustee.

The Bonds are to be issued only as fully registered bonds. The ownership of the Bonds will be registered in the name of Cede & Co., as nominee for the Depository Trust Company, New York, New York (“DTC”). Interest and principal shall be paid to DTC, or its nominee, when due, and then shall be paid by DTC to the DTC participants and thereafter to the beneficial owners.

The payment of principal and interest on the Bonds are guaranteed by the Authority pursuant to Act 505 of the Acts of Arkansas of 1985, as amended.

Although the maturity schedule has not yet been finalized, your proposal should assume level debt service and annual principal and semi-annual interest payments. The term of each loan shall vary from ten to twenty years.

B. SUBMISSION OF PROPOSALS. Written proposals responding to the questions and requests for information in the manner specified in this Request For Proposal (“RFP”) should be submitted to the following:

ppatton@adfa.state.ar.us

To be considered, one (1) copy of the proposal should be delivered to ADFA not later than November 21, 2002, 12:00 p.m., via email. All proposals shall be time and date stamped upon receipt. Late proposals will not be accepted. ADFA reserves the right to reject any or all proposals.

C. ADDITIONAL INFORMATION. It is the responsibility of the proposer to inquire about and clarify any aspect of the RFP. Questions should be directed to Gene Eagle (geagle@adfa.state.ar.us), Vice President for Development Finance, at (501) 682-5905. Substantive

questions and answers will be documented in letterform and will be sent by electronic mail to all the proposers who provide us with an e-mail address. IN ORDER TO BE ON THE DISTRIBUTION LIST FOR INTERNET TRANSMISSION OF ALL RESPONSES TO INQUIRIES, YOU MUST IMMEDIATELY ADVISE PATRICK PATTON OF ADFA, THE INTERNET E-MAIL ADDRESS TO WHICH YOU WANT ALL SUCH TRANSMISSIONS SENT.

D. PROPERTY OF ADFA. Any information or materials submitted as a response to this RFP shall become the property of ADFA and will not be returned. All submitted materials will be available for public review.

E. RESPONSE TO REQUEST FOR PROPOSAL. Firms wishing to respond to this RFP may contact any of the ADFA staff persons identified herein. NO CONTACT WITH ADFA BOARD MEMBERS IS ALLOWED AND ANY SUCH CONTACT WILL BE GROUNDS FOR IMMEDIATE REJECTION OF A FIRM'S PROPOSAL.

F. SELECTION TIMETABLE.

October 24, 2002	Request for Proposal Issued
November 21, 2002	Proposals due by 12:00 p.m.
November 27, 2002	Proposals reviewed & staff's recommendation prepared
December 19, 2002	Board Professional Selection Committee Action (ADFA resolution appointing team).

G. SELECTION PROCESS. ADFA's Staff Professional Selection Committee will review the submitted proposals. Proposals will be evaluated based on the responses to specifics outlined in the Proposal Format section of this RFP and based upon the selection criteria. Proposals that omit any of these items may be rejected as non-responsive. The ADFA Board Professional Selection Committee will make its decision on a recommendation for selection, which will be reported to the Board of Directors of the Authority at its December 19, 2002, regular meeting. The final selection will be made by a vote of Board members.

ADFA may at any time prior to the selection of a firm reject any and all proposals and cancel this RFP, without liability therefore, upon finding that there is good cause for rejecting all proposals and that it would be in its interest to cancel the solicitation. Further, regardless of the number and quality of proposals submitted, ADFA shall under no circumstances be responsible for any proposer costs and expenses incurred in submitting a response to this RFP. Each proposer who submits a response does so solely at the proposer's cost, risk and expenses. ADFA accepts no responsibility for the return of successful or unsuccessful proposals. This RFP in no way obligates ADFA to select a firm.

H. SELECTION CRITERIA. The proposals will be reviewed by the Staff Professional Selection Committee composed of selected members of ADFA staff. The committee generally will

use the following criteria to rank all acceptable proposals and to develop recommendations to be presented to the ADFA Board Professional Selection Committee; however, ADFA reserves the right to evaluate the ranking of proposals based on factors beyond the listed criteria.

<i>FACTOR</i>	<i>POINT RANGE</i>
1. Firm's prior experience as trustee for:	
a. ADFA bond issues.	0-5
b. Other revenue bond issues.	0-10
2. Ability to handle daily receipts and payments.	0-10
3. Timeliness and clarity of transaction reporting.	0-10
4. Qualifications of staff to be assigned. (Position in firm and years and type of experience will be considered.)	0-15
5. Responsiveness of written proposals to the purpose and scope of services.	0-5
	<i>Technical points</i>
	0-55
6. Reasonableness of proposed fee.	0-45
	<i>Maximum Points</i>
	0-100

SECTION II: SCOPE OF SERVICES AND REQUIREMENTS

The trust indenture for this series of bonds, when adopted by the ADFA Board of Directors and accepted by the trustee, shall be deemed to be and shall constitute a contract between ADFA and the trustee. The indentures will require the trustee to perform services normally associated with being trustee for a revenue bond program, including, but not limited to:

1. Authenticate and deliver the Bonds authorized by the trust indenture.
2. Maintain registry books of ADFA showing the person in whose name the Bonds are registered, if applicable.
3. Hold and maintain trust funds established pursuant to the trust indentures.
4. Apply or deposit all Bond proceeds, pledged funds and pledged revenues pursuant to the trust indentures.
5. Invest or reinvest moneys held in accounts pursuant to the trust indentures or as directed by an authorized officer of ADFA.

6. Maintain accurate records of all trust fund transactions.
7. Advise ADFA in writing, on or before the 5th business day of each calendar month, of the details of all investments held for the credit of each fund and account in its custody under the provisions of the trust indentures as of the end of the preceding month.
8. Select bonds to be redeemed in such manner as prescribed in the trust indenture.
9. Give notice, in the name of ADFA, of redemption of Bonds at the time and in the manner required by the trust indentures.
10. Send copy of all Bond Redemptions occurring prior to maturity to the ADFA Financial Manager.
11. Serve as Disclosure Dissemination Agent for ADFA - report all annual financial disclosure and material events to the National Repositories on behalf of ADFA. ADFA should be notified and copied on all correspondence relating to disclosure to the NRMSIRS on ADFA bond issues.
12. Bill and collect the ADFA annual servicing fee.

SECTION III: STATEMENT OF QUALIFICATIONS

An updated statement of qualifications should be maintained on file at ADFA for all firms submitting proposals as trustee. If a firm for which ADFA does not have a statement of qualifications on file is proposed, ADFA will advise the proposing party. Ultimately, it is the responsibility of each firm to submit their own statement of qualifications to ADFA in order to be eligible to participate in bond issues as trustee.

SECTION IV: PROPOSAL FORMAT

A. TRANSMITTAL LETTER. A one page transmittal letter prepared on the proposer's business stationery should accompany the proposal.

B. PROPOSAL. The proposal should be labeled "Proposal to serve as Trustee for ADFA's Economic Development Revenue Bonds Program." The submission must contain sufficient information to enable the ADFA Staff and Board Professional Selection Committees to evaluate the proposal. It should be prepared in a clear and concise manner and should address each of the following subsections:

1. **Experience.** Give a brief summary of your firm's prior experience as trustee for:
 - a) ADFA Bond issues.
 - b) Other revenue bond issues.
2. **Staffing and Qualifications.** Give a brief summary of the qualifications and experience of the trust officer and staff who will be assigned to this account.

3. **Daily Processing and Reporting.** Please give a brief description of your computer systems and programs utilized in the Trust Division and their capabilities. Comment on your ability to handle daily receipts, daily payments and the timeliness and clarity of transaction reporting.
4. **Scope of Services.** Elaborate on the services you propose to perform as trustee for the proposed financing. In what way do you expect the scope of services to differ from those listed in Section II?
5. **Financial Strength.** Please comment on your company's financial condition and any issues that might impact your ability to carry out this assignment.
6. **Trustee Fee & Reimbursable Expenses.** Complete the attached Proposed Trustee Fee Schedule, and, if necessary, use a narrative description to present the basic assumptions on which your firm's fee proposal is predicated and any factors that would change the proposed fee. List all anticipated expenses to be incurred by your firm for which you expect reimbursement. For each expense item, give an estimated per unit cost and a total cost for the item.

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
Economic Development Revenue Bonds

Proposed Trustee Fee Schedule

Acceptance Fee and Registration Fee. \$ _____

Annual Administration Fee:

() Fixed annual fee \$ _____

() Other basis (Explain) _____

Fee payable on first anniversary debt service payment date:

Additional Fees or Charges (Brief description and estimated \$ amount):

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

Presented on behalf of: _____

By: _____

Title: _____

Phone: _____

TRUSTEES

TO RECEIVE RFP'S

Contact/Firm	Email Address
Ms. Rita R. Gronwald, Corporate Trust Officer Simmons First Trust Company	rgronwald@arkansas.net gdean@arkansas.net
Ms. Debi DeHan Mr. Jerry Harrison Regions Bank, Trust Division	ddehan@regionsbank.com jharrison@regionsbank.com
Ms. Dyan Kirkpatrick, VP Corporate Trust Manager Bank of the Ozarks, Inc.	dyankirk@bankozarks.com
Ms. Pam Colbert, CTFA BancorpSouth Bank	Pam.Colbert@bxs.com
Ms. Belinda Brown, Vice President BNY Trust Company of Missouri	bbrown@bankofny.com jschalk@bankofny.com
Ms. Sherri Hewett Vice President Wells Fargo	Sherri.I.hewett@wellsfargo.com Cindy.Gonzales@wellsfargo.com
Mr. Richard Lindley U.S. Trust Company of Dallas	rlindley@ustrust.com jstohlmann@ustrust.com
Mr. Ty Carlos Bank One Trust Company, N.A.	Ty_e_carlos@bankone.com
Mr. Michael McBryde, Senior Vice President, Trust Officer Metropolitan National Bank	trust@metbank.com