

REQUEST FOR PROPOSALS FOR ISSUER'S COUNSEL

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.

February 7, 2006



**Arkansas Development Finance Authority
423 Main Street, Suite 500
Little Rock, AR 72201
(501) 682-5900**

SECTION I: INSTRUCTIONS TO PROPOSERS/ GENERAL INFORMATION

A. PURPOSE. The Arkansas Development Finance Authority (“ADFA”) is requesting proposals from law firms to serve as issuer’s counsel on certain transactions where the need for issuer’s counsel is required. From the list of respondents to this Request for Proposal (RFP), ADFA expects to select a group of firms for a period of approximately two (2) years, subject to successful negotiation of fees with the concerned firm(s).

ADFA intends to engage the services of counsel to: (1) serve as Issuer’s bond counsel on certain bond and finance-related transactions; (2) review or prepare certain loan documentation for ADFA’s various programs; (3) advise and represent ADFA in any other legal matters as ADFA deems necessary and (4) prepare and review proposed legislation that relates to ADFA. A separate RFP for special assets counsel will be issued in early 2006.

The firm(s) selected to be issuer’s counsel will be expected to represent the issuer related to loan programs, legal advice and general legal assistance as well as any activity authorized by ADFA’s enabling legislation.

ADFA makes no representation or warranty of any nature that any firm selected pursuant to this RFP will participate in any minimum or maximum number of projects, or in projects that involve any minimum or maximum dollar amounts.

Any counsel selected pursuant to this RFP shall serve at the pleasure of ADFA, and the professional services of any firm selected may be terminated, at the sole discretion of ADFA, upon delivery of written notice of such termination to the selected firm.

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:

rfp@adfa.state.ar.us

To be considered, one (1) copy of the proposal should be delivered to ADFA not later than February 28, 2006 by 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 Layne Anderson (landerson@adfa.state.ar.us), Vice President and General Counsel at (501) 682-5464 or Patrick Patton (ppatton@adfa.state.ar.us), Vice President for Internal Audit at (501) 682-5902. Substantive questions and answers will be documented in letter form and will be sent by electronic mail to those 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. Law firms wishing to respond to this RFP can interact and contact the Chair of the Professional Selection Committee, Patrick Patton. **NO CONTACT WITH ADFA BOARD MEMBERS IS ALLOWED AND ANY SUCH CONTACT WILL BE GROUNDS FOR IMMEDIATE REJECTION OF A FIRM'S PROPOSAL.**

F. PROPOSAL TIMETABLE.

February 7, 2006	Request for Proposal Issued
February 28, 2006	Proposals Due by 12:00 p.m. (via email)
TBA	Oral Presentations (if necessary)
March 16, 2006	Board Action (Appoint/ratify appointment of issuer's counsel, authorizes the President of ADFA to negotiate fees)
TBD	Submission to Legislative Committee for contract review (if required)

G. SELECTION PROCESS. The ADFA staff Professional Selection Committee will review the submitted proposals. Proposals will be evaluated based on responses to specifics outlined in the Proposal Format section of this RFP and based upon the selection criteria. Proposals which omit any of these items may be rejected as non-responsive. From this review, a select group of firms could be chosen for interviews. All proposing firms will be advised of the firms selected. After interviewing the selected firms, the Board of Directors Professional Selection Committee will make its decision on a recommendation for selection, which will be reported to the Board of Directors of the Authority. The final selection will be made by a vote of Board members.

ADFA may at any time prior to the selection of issuer's bond counsel reject any and all proposals and cancel this RFP, without liability therefor, upon finding by 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 expense. ADFA accepts no responsibility for the return of successful or unsuccessful proposals. This RFP in no way obligates ADFA to select a firm.

Any firm selected will be required to complete a disclosure form in compliance with Governor's Executive Order 98-04.

H. SELECTION CRITERIA. The Staff Professional Selection Committee composed of selected members of ADFA will review the proposals. The committee generally will use the following criteria to evaluate all acceptable proposals and to develop recommendations to be presented to the ADFA Board Professional Selection Committee; however, the Committee reserves the right to evaluate proposals based upon factors beyond the listed criteria.

Criteria

1. Firm's recent experience as issuer's counsel for debt financing projects
2. Prior experience with municipal bond issues, low income housing tax credits and bond anticipation notes
3. Prior experience with loan documentation, secured transactions, collections and foreclosures
4. Response to Arkansas presence issue including relevance of presence to this transaction
5. Qualifications of staff to be assigned, i.e., team members demonstrated ability, years and type of experience

I. FEE DETERMINATION. Selection of counsel will not be based on a competitive bid. ADFA will attempt to negotiate with the selected firm(s) to establish a fair and reasonable fee. If an agreement cannot be reached with the selected firm(s), negotiations may be attempted with other firms that responded to the initial RFP. If negotiations are not successful with the firms, ADFA reserves the solicit responses to another RFP for Issuer's Counsel.

SECTION II: STATEMENT OF QUALIFICATIONS

An updated statement of qualifications should be maintained on file at ADFA for all firms submitting proposals as issuer's counsel.

SECTION III: PROPOSAL FORMAT

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

B. PROPOSAL. The proposal should be labeled "Proposal to serve as Issuer's Counsel" The proposal must contain sufficient information to enable the ADFA Staff Professional Selection Committee to evaluate the proposal. It should be prepared in a clear and precise manner and should address all appropriate subsections.

1. **Counsel Team and Personnel.** Describe the manner in which you would organize your firm's resources to serve as counsel for the proposed legal services. In doing so, please address the following questions or issues:
 1. Identify the individual who will manage this engagement on a day-to-day basis. Define this individual's position within the firm and indicate the degree to which he or she will be able to commit the firm's resources to ADFA. What is this person's availability for this engagement and what other commitments does he or she have?
 2. Identify other professionals from your firm who will be assigned to work on this project, their roles and responsibilities and relevant aspects of their background. How will these individuals work with the other members of the team?
2. **Arkansas Presence.** Please explain your firm's presence within Arkansas and describe how that presence is relevant to the proposed engagement.
3. **Potential Conflicts.** List any relationship which might lead to a potential conflict in performing any services for ADFA. Please list specifically any conflicts resulting from material adverse matters, as distinguished from the conduct of business as usual. Indicate what steps would be taken to eliminate any such conflict.
4. **Rationale for Appointment and Proposal Summary.** This section of the proposal should be used by each proposer to present the case for its appointment to the position sought. It is not necessary for you to recite comprehensively your firm's qualifications and experience, which should be on file with ADFA in your current Statement of Qualifications, but it would be useful for you to describe how your qualifications and experience is relevant to the proposed transaction. In particular, you may want to select a transaction(s) in which you served as issuer's counsel or provided legal services to a bond issuer or governmental entity.
5. **Malpractice Insurance.** Acknowledge that if selected as issuer's counsel, your firm will provide to ADFA proof of malpractice insurance covering, among other things, securities-related claims. Please list any pending claims or disputes relating to prior opinions as bond counsel.
6. **Equal Opportunity Statement.** Please submit your Equal Opportunity Policy to ADFA in accordance with Arkansas Act 2157 of 2005. This act requires any firm wishing to respond to an RFP or submit a proposal or statement of qualifications to provide ADFA with your Equal Opportunity Policy.

7. **Acceptance.** Submission of proposals, in response to this Request for Proposal, constitutes acceptance of all conditions, requirements and limitations described in this document.

**ISSUER'S COUNSEL
TO RECEIVE RFP'S**

CONTACT/FIRM/EMAIL	CONTACT/FIRM/EMAIL
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CONTACT/FIRM/EMAIL	CONTACT/FIRM/EMAIL
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