ARKANSAS DEVELOPMENT FINANCE AUTHORITY
RESOLUTION REGARDING
THIRD AMENDED
RULES AND REGULATIONS, IMPLEMENTING THE LAW
ON THE ALLOCATION OF THE STATE VOLUME CAP FOR
PRIVATE ACTIVITY BONDS PURSUANT TO
ACT 1044 OF 2001

WHEREAS, Act 1044 of 2001 of the Arkansas General Assembly, as amended, (the "Act") designates the Arkansas Development Finance Authority (the “Authority”) as the body charged with administration of the State Ceiling for the State of Arkansas (the “State”), applicable to Affected Bonds (capitalized terms herein not otherwise defined, having the same meaning ascribed to them in the Act); and

WHEREAS, the Act requires the Authority to promulgate rules and regulations implementing certain provisions of the Act; and

WHEREAS, the Act requires that such rules and regulations be promulgated pursuant to the Arkansas Administrative Procedures Act, Arkansas Code Annotated Section 25-15-201 et seq. (the “APA”); and

WHEREAS, the Authority finds that the requirements for promulgation of regulations under the APA having been fulfilled, the regulations required by the Act are contained hereinafter and are appropriate for accomplishing the purposes of the Act;

NOW, THEREFORE, BE IT RESOLVED, that the following regulations implementing Title 15, Chapter 5, subchapter 6 of the Arkansas Code of 1987 Annotated, as amended by the Act, are hereby adopted and shall be in full force and effect from and after the date set forth in Section 5 of this resolution:
# THIRD AMENDED RULES AND REGULATIONS REGARDING ALLOCATION OF THE STATE VOLUME CAP FOR PRIVATE ACTIVITY BONDS

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C-1. CERTIFICATE OF ALLOCATION OF VOLUME CAP
SECTION 1. **STATUTORY STATE CEILING ALLOCATIONS FOR VOLUME CAP.**

1.1 **Prior to September 1 of Each Year.** Pursuant to Ark. Code Ann. § 15-5-603, until September 1 of each year, "statutory allocations" from the aggregate state ceiling for volume cap are to the following issuers in the percentages indicated:

(a) Sixty percent (60%) to the Authority, *Ark. Code Ann § 15-5-603(a)(1)*, distributed as follows:
   (i) Ten percent (10%) for multifamily residential housing;
   (ii) Seventeen percent (17%) for single family residential housing;
   (iii) Thirty-three percent (33%) for industrial development;

(b) The above distribution of the Authority's statutory allocation may be amended by resolution of the Authority's Board of Directors;

(c) Ten percent (10%) to the Arkansas Student Loan Authority, *Ark. Code Ann. § 15-5-603(a)(3)*; and

(d) Thirty percent (30%) to all state or local statutorily authorized issuers, *Ark. Code Ann. § 15-5-603(c)*, the "General Category" allocation.

1.2 **September 1 to December 31 of Each Year.** Pursuant to Ark. Code Ann. § 15-5-603(c), any amount of the statutory allocation to the Authority or to the Arkansas Student Loan Authority, not accepted as a reservation of volume cap by the President of the Authority (the "President") prior to September 1 of each year, shall be considered a part of the General Category allocation and be subject to reservation by any authorized issuer.

1.3 **Reservation of Volume Cap.** Reservation of volume cap by any issuer authorized to issue tax-exempt private activity bonds shall be in accordance with the procedures detailed in Sections 3, 6, or 10, *infra*, as applicable.

SECTION 2. **VOLUME CAP ALLOCATION COMMITTEE.**

2.1 **Composition.** A Volume Cap Allocation Committee, comprised of the following members or their equivalent successors, as appropriate, is hereby established:

(a) Executive Director of the Arkansas Economic Development Commission;

(b) Director of the Arkansas Department of Finance and Administration; and

(c) President of the Arkansas Development Finance Authority.

2.2 **Powers and Duties.**

(a) The Volume Cap Allocation Committee may meet in person or by other means of communication in performing any duties authorized under these regulations.
The Volume Cap Allocation Committee has the authority to perform those duties prescribed to it in these Third Amended Rules and Regulations Regarding Allocation of the State Volume Cap for Private Activity Bonds ("Regulations").

SECTION 3. ISSUER'S APPLICATION FOR RESERVATION OF VOLUME CAP ("Application").

3.1 Form of Application. The Application shall be substantially in the form attached to these regulations as Appendix A-1.

3.2 Manner of Filing Application. All Applications must be delivered to the Authority and shall be addressed to:

Arkansas Development Finance Authority
Volume Cap Reservations
P.O. Box 8023
Little Rock, Arkansas 72203-8023

3.3 Acknowledgment of Receipt of Application ("Acknowledgment"). Within ten (10) days of the filing of an Application, the President shall send an Acknowledgment to bond counsel that signed the Application. Such Acknowledgment shall advise bond counsel:

(a) The Filing Date, which will be the date the Application was received;
(b) The Priority Number, if assigned; which will be sequentially numbered from the last Priority Number assigned for the calendar year; and
(c) That the Application is:
   (i) Accepted as a reservation of volume cap;
   (ii) Pending acceptance/rejection as a reservation of volume cap pursuant to subsection 4.2 or subsection 4.3, infra.;
   (iii) Denied as a reservation due to a lack of volume cap; or
   (iv) Not assigned a Priority Number because it fails to meet the requirements of subsection 3.4, infra.

3.4 Requirements for Assignment of a Priority Number. Assignment of a Priority Number requires the following:

(a) Applications can be filed no earlier than the first business day of the calendar year in which received;
(b) Applications can be filed no earlier than sixty (60) days prior to the expected issuance date of the bonds;
(c) Applications must be complete. To be complete, an Application must:
   (i) State the name of the issuer;
   (ii) State the principal amount of bonds to be issued, including taxable bonds;
   (iii) State the amount of volume cap allocation sought;
   (iv) State the purpose for the volume cap, including a description of any project to be funded with bond proceeds;
   (v) State the principal users of the volume cap (if different than the issuer);
(vi) State the date of adoption of the bond authorizing resolution or other official action;
(vii) Include a copy of the bond authorizing resolution or other official action which meets the requirements for an "official intent" set forth in 26 C.F.R § 1.150-2(e);
(viii) State the Arkansas statutory authority for the issuance of the bonds;
(ix) State the name, address, and telephone number of bond counsel; and
(x) Be signed and dated by bond counsel.
(d) For multifamily residential bond Applications, compliance with paragraphs (a) through (c) of this subsection 3.4 and a complete "Multi-Family Housing Application" as required by the Authority's "Guidelines for Allocating Multi-Family Tax Exempt Private Activity Volume Cap" effective at the time of the Filing Date.

SECTION 4. RESERVATION OF VOLUME CAP.

4.1 Applications requesting reservation of volume cap from the statutory allocations of the Authority or the Arkansas Student Loan Authority. Excluding multi-family residential bond Applications, acceptance of an Application as a reservation of volume cap from the statutory allocations of the Authority or the Arkansas Student Loan Authority will be based upon the earliest assigned Priority Number.

4.2 Multifamily residential bond Applications requesting reservation of volume cap from the Authority's statutory allocation.

(a) The Authority's Board of Directors will determine whether to accept an Application as a reservation of volume cap based upon:
(i) The Priority Number;
(ii) The need for multi-family residential housing in the particular area of the state in which the development is to be located;
(iii) The characteristics of the proposed development, particularly the affordability characteristics of the proposed development;
(iv) The feasibility of closing the bond issue within the Reservation Period, as defined in Section 5.1(a)(i), infra.; and
(v) Any other factor determined necessary for consideration by the Authority's Board of Directors.

(b) The Board of Directors will direct the President to advise bond counsel in writing:
(i) That the Application has/has not been accepted as a reservation of volume cap; and
(ii) If accepted, the date of the acceptance and the amount of volume cap reserved.
4.3 **Applications requesting reservation of volume cap from the General Category allocation.**

(a) The Volume Cap Allocation Committee shall have the authority to:
   
   (i) Determine whether to accept an Application as a reservation of volume cap;
   
   (ii) Reduce the amount of volume cap requested for reservation in an Application;
   
   (iii) Defer an Application for a period of time; or
   
   (iv) Deny an Application.

(b) The Volume Cap Allocation Committee will make its determination based upon:

   (i) The Priority Number;
   
   (ii) The feasibility of closing the bond issue within the Reservation Period;
   
   (iii) The benefits to the State from the project or activity to be financed, including but not limited to, the creation of jobs, the increased availability of capital for housing, the increased availability of educational opportunities, the economic impact of a project, and the impact of the project or activity on the health, safety and welfare of the State;
   
   (iv) The area of the State to be most benefited from the issuance of the bonds, including but not limited to, whether the issuance of the bonds will tend to alleviate conditions in an economically distressed area of the State;
   
   (v) Whether a project is likely be moved to another state if not timely financed;
   
   (vi) Whether the financing of the project could be delayed until the succeeding calendar year without adverse impact on the project;
   
   (vii) The policy objectives of the State;
   
   (viii) Whether the Issuer has previously received a reservation of volume cap where tax-exempt private activity bonds have not been issued by delivery and payment;
   
   (ix) For multifamily residential bond applications, determination made by the Authority's Board of Directors in accordance with the Authority's "Guidelines for allocating Multi-Family Tax Exempt Private Activity Volume Cap"; and
   
   (x) Such other factors as are deemed appropriate by the Volume Cap Allocation Committee.

(c) The Volume Cap Allocation Committee will direct the President to notify the Issuer in writing that:

   (i) Its Application has/has not been accepted as a reservation of volume cap;
   
   (ii) If accepted, the date of the acceptance and the amount of volume cap reserved for the Issuer; or
   
   (iii) Its Application has been deferred for a period of time.

(d) If the Application is rejected as a reservation of volume cap, the Issuer has the right to appear before the Volume Cap Allocation committee in accordance with Section 8, *infra.*
5.1 Reservation Period.
(a) Tax-exempt private activity bonds utilizing a reservation of volume cap must be issued by delivery and payment no later than:
   (i) Sixty (60) days following the date the President acknowledges acceptance of the Application as a reservation of volume cap, (the "Reservation Period"), unless extended as set forth in subsection 5.2, infra., or,
   (ii) December 31st of the calendar year, if such date occurs prior to the expiration of the Reservation Period, as extended.
(b) Unless a request to carryforward volume cap has been filed pursuant to subsection 6.1(b), infra., failure to issue bonds by delivery and payment prior to the expiration of the Reservation Period, as extended, or December 31st of the calendar year, whichever occurs first, will cause the reservation of volume cap to be null and void.

5.2 Extension of Reservation Period. The Reservation Period may be extended by the President for up to an additional sixty (60) days not to extend beyond December 31st of the calendar year. Extension periods may be granted in three (3) increments as follows:
(a) The "first extension period" of fifteen (15) days shall be automatically granted by the President upon receipt of a written explanatory statement in sufficient detail from the borrower. The borrower shall not be required to pay an extension fee for the first extension period.
(b) The "second extension period" of fifteen (15) days shall be granted if the President determines that granting a second extension to the Reservation Period is warranted based on the following:
   (i) An explanatory statement, acceptable to the President, detailing why the bonds will not be delivered and paid for by the end of the first extension period;
   (ii) A certification by the borrower that it reasonably expects the bonds to be issued within the second extension period; and
   (iii) Payment to the Authority of a non-refundable issuance extension fee in the amount of $5,000.00.
(c) The "third extension period" of up to thirty (30) days shall be granted if the President determines that granting a third extension to the Reservation Period is warranted based on the following:
   (i) An explanatory statement, acceptable to the President, detailing the extraordinary, unforeseen circumstances warranting such an extension. The circumstances must be of no fault of the borrower and could not have been anticipated at the time the first or second extension periods were requested;
   (ii) A certification by the borrower that it reasonably expects the bonds to be issued within the third extension period; and
   (iii) Payment to the Authority of a non-refundable issuance extension fee in the amount of $10,000.00.
SECTION 6. CARRYFORWARD OF VOLUME CAP.

6.1 Issuer's Application to Carryforward Volume Cap ("Carryforward Application"). The Volume Cap Allocation Committee will consider:

(a) An Issuer's Carryforward Application to carryforward volume cap that will not have been reserved from the General Category allocation as of December 31st of the calendar year; or

(b) An Issuer's Carryforward Application to carryforward a reservation of volume cap when bonds will not have been issued by delivery and payment prior to December 31st of the calendar year pursuant to that reservation.

(c) When the purpose is multi-family residential housing, an Issuer can only apply to carryforward volume cap that was previously reserved pursuant to subsection 4.2 or 4.3, supra., as to which no bonds will have been issued for delivery and payment prior to December 31st of the calendar year of the reservation.

6.2 Form and Time for Filing Carryforward Application.

(a) Form of application. The carryforward request shall be substantially in the form attached to these regulations as Appendix A-2.

(b) Additional Supporting Documentation. The Issuer may file additional documentation in support of its Carryforward Application.

(c) Time for filing Carryforward Application. The Carryforward Application, with supporting documentation, must be filed with the President at the address provided in subsection 3.2, supra., no later than the last business day of the calendar year, as recognized by the Secretary of State for the State of Arkansas.

6.3 Matters Considered for Determining Carryforward.

(a) In addition to the Carryforward Application and supporting documentation filed by the Issuer, the Volume Cap Allocation Committee may review any documentation previously filed with the President, including, but not limited to, an Issuer's Application and the Multi-Family Housing Application, when considering a Carryforward Application.

(b) The Volume Cap Allocation Committee may request any information from the Issuer it considers necessary for a carryforward determination.

(c) The Volume Cap Allocation Committee will not consider any Carryforward Application prior to the first business day of the calendar year following the calendar year in which the Carryover Application was filed.

6.4 Basis for Determination of Carryforward. The Volume Cap Allocation Committee will base a determination of carryforward upon:

(a) The benefits to the State from the project or activity to be financed, including but not limited to, the creation of jobs, the increased
availability of capital for housing, the increased availability of educational opportunities, the economic impact of a project, and the impact of the project or activity on the health, safety and welfare of the State;
(b) The area of the State to be most benefited from the issuance of the bonds, including but not limited to, whether the issuance of the bonds will tend to alleviate conditions in an economically distressed area of the State;
(c) Whether a project is likely be moved to another state if not timely financed;
(d) Whether the financing of the project could be delayed until the succeeding calendar year without adverse impact on the project;
(e) The policy objectives of the State; and
(f) Such other factors as are deemed appropriate by the Volume Cap Allocation Committee.

6.5 Notice to the Issuer of Determination. No later than 4:30 p.m., Central Standard Time, of the first business day in February of the calendar year following the calendar year in which the Carryforward Application was filed, the President shall provide telephonic, electronic and written notification to the Issuer of the determination by the Volume Cap Allocation Committee with regard to the carryforward requested.

6.6 Effect of Denial to Carryforward a Reservation of Volume Cap.
(a) If the Volume Cap Allocation Committee does not approve a Carryforward Application filed pursuant to subsections 6.1(b) or 6.1(c), supra., the reservation of volume cap will be deemed to have expired as of the end of the calendar year, and the volume cap related to such an expired reservation may be carried forward pursuant to subsection 6.1(a), supra.
(b) The Issuer has the right to appear before the Volume Cap Allocation committee in accordance with Section 8, infra.

6.7 Duty of Issuer to File Carryforward Election Statement.
(a) To be effective to carryforward volume cap when the Volume Cap Allocation Committee has granted an application for carryforward, the Issuer must make a valid carryforward election statement, utilizing IRS Form 8328, under the provisions of the federal law.
(b) The carryforward election statement must set forth the information required and must be filed at the place, in the manner, and by the date required for timely filing of a carryforward election statement under federal tax law as set forth in any federal statute, or in any regulation or published notice or ruling of the Internal Revenue Service.
(c) A copy of the carryforward election statement must be filed with the President, at the address provided in subsection 3.2, supra., at the same time it is filed with the Internal Revenue Service.

Section 7. DUTY OF ISSUER TO FILE NOTICE OF ISSUANCE OF PRIVATE ACTIVITY BONDS.
7.1 **Notice of Issuance of Tax-Exempt Private Activity Bonds.** A Notice of Issuance of Tax-Exempt Private Activity Bonds, in substantially the form attached to these regulations as Appendix B-1, shall be filed by the Issuer with the Authority immediately following any issuance of bonds utilizing volume cap.

7.2 **IRS Form 8038.** The Issuer must file a copy of IRS Form 8038 and any required attachments which correspond to the Notice of Issuance of Tax-Exempt Private Activity Bonds with the Authority.

7.3 **Certificate of Allocation of Volume Cap.** Failure to timely file the Notice of Issuance of Tax-Exempt Private Activity Bonds shall not affect a previous reservation or carryforward of volume cap. However, the President will not issue a "Certificate of Allocation of Volume Cap," in substantially the form attached to these regulations as Appendix C-1, as required by 26 U.S.C. § 149(e)(2)(F), until receipt of the Notice of Issuance of Tax-Exempt Private Activity Bonds and the corresponding IRS Form 8038 with any attachments.

**SECTION 8. RIGHT TO APPEAR BEFORE THE VOLUME CAP ALLOCATION COMMITTEE.**

8.1 **Issuer's Right to Appear.** The Issuer has the right to appear before the Volume Cap Allocation Committee when it has been denied a reservation of volume cap from the General Category allocation or a carryforward of volume cap from the General Category allocation.

8.2 **Procedure.**

(a) **Time for Requesting Appearance.** The Issuer must file a request to appear before the Volume Cap Allocation Committee within seven (7) days of its receipt of the President's notification that its Application was rejected as a reservation of volume cap from the General Category or its Carryforward Application was not approved as a carryforward of volume cap from the General Category allocation.

(b) **Form of Request.** The request for an appearance must be a written statement from bond counsel which must be delivered to the Authority and addressed to:

Volume Cap Allocation Committee – Personal Appearance
Arkansas Development Finance Authority
P.O. Box 8023
Little Rock, Arkansas 72203-8023

(c) **Date of Appearance.** The Volume Cap Allocation Committee will notify the Issuer of the time and date for the appearance.
(d) **Purpose for the Appearance.** The Issuer will be allowed to present the merits of its Application or Carryforward Application, as applicable, and any supporting documentation submitted with its Application or Carryforward Application, as applicable. No additional supporting documentation will be accepted for consideration unless requested by the Volume Cap Allocation Committee.

(e) **Determination following Appearance.** The Volume Cap Allocation Committee will have the right to affirm, modify or reverse its previous rejection of the application. The President will notify the Issuer of the determination of the Volume Cap Allocation Committee.

**SECTION 9. DECLARATION OF VOLUME CAP SHORTAGE.**

9.1 **Volume Cap Shortage.** A volume cap shortage exists when the aggregate amount of volume cap requested for reservation from the General Category allocation equals or exceeds the volume cap available for reservation within the General Category allocation. For this subsection only, volume cap, requested by an Application that is pending a reservation determination by the Volume Cap Allocation Committee pursuant to subsection 4.3, *supra.*, is considered not available for reservation.

9.2 **Duties of the President.**

(a) The President shall continuously monitor new Application filings together with those Applications pending acceptance/rejection of a reservation of volume cap to determine whether a volume cap shortage exists within the General Category allocation. If the determination of a shortage is made, the President shall issue a Declaration of Volume Cap Shortage.

(b) The President shall notify the Volume Cap Allocation Committee that he has issued a Declaration of Volume Cap Shortage.

(c) The President shall cause the Declaration of Volume Cap Shortage to be published in a newspaper with state-wide circulation and on the Authority's internet website.

**SECTION 10. FORWARD COMMITMENTS.**

10.1 **By the President.** Upon receipt of an Issuer's letter containing the information listed by subsection 3.4(c) and subsection 3.4(d), *supra.*, as applicable, the President shall have the authority to commit volume cap for reservation from the Authority's statutory allocation, *see subsection 1.1(a), infra.*, for the next succeeding calendar year to a particular bond issue or bond issues. Any such forward commitment shall take precedence over other Applications and shall reserve volume cap, upon the filing of an Application and issuance of tax-exempt private activity bonds in accordance with these regulations, in such succeeding calendar year.
10.2 **By the Volume Cap Allocation Committee.** Upon receipt of an Issuer's letter containing the information listed by subsection 3.4(c) and subsection 3.4(d), *supra.*, as applicable, the Volume Cap Allocation Committee shall have the authority to commit volume cap for reservation from the General Category allocation, *see* subsection 1.1(a), *infra.*, for the next succeeding calendar year to a particular bond issue or bond issues. Any such forward commitment shall take precedence over other Applications and shall reserve volume cap, upon the filing of an Application and issuance of tax-exempt private activity bonds in accordance with these regulations, in such succeeding calendar year.

**SECTION 11. MISCELLANEOUS.**

11.1 **Amendment of Regulations.** These Regulations may be amended from time to time by Resolution of the Authority's Board of Directors in accordance with the requirements of the APA.

11.2 **Count of Days.** Unless otherwise specifically provided herein, when a number of days is provided herein for action to be taken, it shall be counted as calendar days.

ADOPTED, this _________ day of November, 2007.

ARKANSAS DEVELOPMENT FINANCE AUTHORITY

By: __________________________________________

Chair

ATTEST:

____________________________________

President
# APPENDIX A-1
## APPLICATION FOR RESERVATION OF VOLUME CAP

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<td>Amount of Volume Cap Requested:</td>
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<td>Date Bond Resolution Adopted:</td>
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<tr>
<td>Name of Principal User:</td>
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<tr>
<td>Arkansas Statutory Authorization for and Type of Bond:</td>
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<tr>
<td>Purpose of Bonds; including a description of project (i.e., proposed job creation, location and type of project, etc.)</td>
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<tr>
<td>Bond Counsel Name, Address and Telephone Number:</td>
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</table>

By: 

Bond Counsel

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**ACKNOWLEDGMENT**

The above Application for Reservation of Volume Cap was received by Arkansas Development Finance Authority on _________________, 200__, ____________ o’clock ____m.

- [ ] Priority Number _____________ is assigned. The Application is accepted as a reservation of volume cap in the amount of $___________________________.

- [ ] Priority Number _____________ is assigned. However, acceptance of the Application as a reservation of volume cap is pending:

- [ ] Determination by the Authority’s Board of Directors pursuant to subsection 4.2 of the Third Amended Rules and Regulations Implementing the Law on the Allocation of the State Volume Cap.

Determination by the Volume Cap Allocation Committee pursuant to subsection 4.3 of the Third Amended Rules and Regulations Implementing the Law on the Allocation of the State Volume Cap for Private Activity Bonds pursuant to Act 1044 of 2001.

Priority Number _____________ is assigned. However there is no volume cap available for reservation.

A Priority Number is not assigned. The Application for Reservation of Volume Cap fails to meet the requirements of subsection(s) 3.4 ____________________________.

Arkansas Development Finance Authority

(S E A L) Date Acknowledged:
# APPLICATION TO CARRYFORWARD VOLUME CAP

<table>
<thead>
<tr>
<th>Name of Issuer:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of Volume Cap requested to be Carryforward:</td>
<td></td>
</tr>
<tr>
<td>Name of Principal User:</td>
<td></td>
</tr>
<tr>
<td>Arkansas Statutory Authorization for and Type of Bond</td>
<td></td>
</tr>
<tr>
<td>Carryforward purpose: (26 USC § 146(f))</td>
<td></td>
</tr>
<tr>
<td>Description of project (i.e., proposed job creation, location and type of project, etc.)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>If Applicable:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Date of filing Appendix A-1</td>
<td>a)</td>
</tr>
<tr>
<td>b) Date of Reservation of Volume Cap</td>
<td>b)</td>
</tr>
<tr>
<td>c) No. of Reservation Period Extensions</td>
<td>c)</td>
</tr>
</tbody>
</table>

| Bond Counsel name, mailing address, e-mail address, and telephone number: |  |

By:  
Bond Counsel

## RECEIPT OF APPLICATION TO CARRYFORWARD VOLUME CAP

The above Application to Carryforward Volume Cap is received by the Arkansas Development Finance Authority this ______ day of _____________________, 200__, ____________ o’clock ____.m.

(S E A L)  
Arkansas Development Finance Authority

## NOTICE OF CARRYFORWARD DETERMINATION

- Volume Cap in the amount of $ ______________________________ is allocated from the 200___ state ceiling to be carried forward by  
  
  (Name of Issuer)  
  set forth in the above application.
carryforward (Name of Issuer) is granted permission to volume cap in the amount of $____________________________, previously accepted as a reservation of volume cap on ________________________________, for the purpose set forth in the above application.

The above Application to Carryforward Volume Cap is denied.

__________________________
Arkansas Development Finance Authority

(S E A L) Date: ________________________________

APPENDIX B-1
NOTICE OF ISSUANCE OF TAX-EXEMPT PRIVATE ACTIVITY BONDS

<table>
<thead>
<tr>
<th>Priority Number(s):</th>
<th></th>
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<table>
<thead>
<tr>
<th>Date(s) Application(s) Filed:</th>
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<tr>
<th>Date of Issuance:</th>
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<thead>
<tr>
<th>Name of Issue:</th>
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<thead>
<tr>
<th>Par Amount of Bonds Issued:</th>
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<table>
<thead>
<tr>
<th>Volume Cap Utilized:</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Delineate by:</td>
<td>--</td>
</tr>
<tr>
<td>- Current Year and volume cap amount:</td>
<td></td>
</tr>
<tr>
<td>- Carryforward allocation by year and amount:</td>
<td></td>
</tr>
<tr>
<td>- Carryforward allocation by year and amount:</td>
<td></td>
</tr>
</tbody>
</table>
IRS Form 8038, with required attachments, is attached.  Yes [ ]  No [ ]

Issuer

By:

_______________________________________________
(Bond Counsel's Signature)

_______________________________________________
(Printed Name of Bond Counsel)

Address:

Telephone Number:
The following information is provided pursuant to the requirements of Section 149(e)(2)(F) of the Internal Revenue Code and IRS Form 8038:

1. Name of Issuer:

2. Issuer's Employer Identification Number:

3. Issuer's Address:

4. Date of Issue:

5. Name of Issue:

6. CUSIP Number:

I, Mac Dodson, President of the Arkansas Development Finance Authority, pursuant to authority established by Arkansas Code Ann § 15-5-601 et. seq., hereby certify that the above named Issue meets the requirements of Section 146 of the Internal Revenue Code.

________________________________________
President
Arkansas Development Finance Authority

Date: ________________________________