

BID NO. 10-2965

DUE: FEBRUARY 12, 2010 @ 10:00 A.M.

BID FOR TERMS ON A PROMISSORY NOTE
CITY OF NORTH LITTLE ROCK, ARKANSAS

The City of North Little Rock is accepting bids from financial institutions regarding terms on a promissory note and you are most cordially encouraged to submit a bid.

The City of North Little Rock is accepting bids for short-term financing of up to \$7,000,000 for equipment and other capital expenditures. The promissory note is being issued under Amendment No. 78 to the Arkansas Constitution. The note shall be repaid principal and interest annually for a period of five (5) years. Payments on the note in each fiscal year shall be charged against and payable from the general revenues of the City for such fiscal year. The City will not grant a lien on or security interest in the property to secure the promissory note. The note shall be prepayable at any time at the option of the City without penalty.

The City is seeking bids for a 5-year note with a fixed interest rate. It is anticipated the funds will need to be available within 15 days of award of the bid.

Please indicate your bid on the attached form and return it by 10:00 a.m., February 12, 2010 to:

Bob Sisson, Finance Director
c/o Department of Commerce and Government Affairs
City Administration
120 Main, North Little Rock, Arkansas 72214

Bids may be faxed to 501-975-8885. Faxed bids must be received by 10:00 a.m, February 12, 2010.

Interested bidders may request a copy of the audited financial statements of the City for 2008 and the City's 2010 Budget Ordinance by contacting the undersigned at 501-975-8800.

Upon delivery of the promissory note, there will be delivered, at the expense of the City, an opinion of the Hilburn Law Firm, in substantially the form attached hereto.

Thank you for your interest in the City of North Little Rock.

Bob Sisson
Finance Director

BID NO. 10-2965

BID FOR LOAN TERMS ON A PROMISSORY NOTE
CITY OF NORTH LITTLE ROCK, ARKANSAS
DUE 10:00 A.M., FRIDAY, FEBRUARY 12, 2010

Interest rate on 5-year promissory note: _____%

I, _____, am authorized to submit
this bid on behalf of _____,

located at _____.

By _____

Title _____

(Notary language)

City of North Little Rock, Arkansas
P.O. Box 5757
North Little Rock, AR 72119

Re: \$7,000,000 City of North Little Rock, Arkansas
General Revenues Note, Series 2005

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of North Little Rock, Arkansas (the "Issuer") in connection with the issuance by the Issuer of its \$7,000,000 General Revenues Note, Series 2500, dated _____ (the "Note"). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Note has been duly authorized and executed by the Issuer, and is a valid and binding limited tax general obligation of the Issuer.
2. Interest on the Note is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Note in order that interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Note to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Note.
3. The interest on the Note is exempt from State of Arkansas income taxes and the Note is not subject to property taxes in the State of Arkansas.

The rights of the holder of the Note and the enforceability of the Note may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy, or completeness of any disclosure documents relating to the Note. Further, we express no opinion regarding tax consequences arising with respect to the Note other than as expressly set forth herein.

This opinion is give as the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

Hilburn Law Firm