

**AGENDA**  
**OSCEOLA CITY COUNCIL REGULAR MEETING**  
**June 19, 2023 - 5:00 pm**  
**303 W. HALE AVENUE - COUNCIL CHAMBERS**

1. PUBLIC HEARING City Water and Sewer Bond – Mitchell Williams Attorney at Law
2. PRAYER-
3. MEETING CALLED TO ORDER & ROLL CALL by City Clerk Jessica Griffin
4. ACTION: MINUTES: May 15<sup>th</sup> Monthly City Council Meeting
5. REPORTS:
  - a. Chamber of Commerce
  - b. SHIFT, Museum, Main Street, and District Court Report
  - c. Financial Report - Melissa Harrison
  - d. All City Dept Reports – See reports in packet
6. BUISNESS
  - a. Hybar Easement Release Resolution or Ordinance – Michele Allgood (Mitchell Williams)
  - b. Water & Sewer Bond Ordinance – Mitchell Williams/Crews
  - c. Mission Outreach Funding Increase Request – Organization Representative
  - d. Police Dept Taser Contract Resolution - Chief Foster
  - e. 140/61 Walgreens Intersection Upgrade Resolution – Cody Shreve
7. ANNOUNCEMENTS:
8. ADJOURN

CITY OF OSCEOLA CITY COUNCIL MEETING

OSCEOLA, ARKANSAS

REGULAR MEETING

May 15, 2023

The Osceola City Council met in Regular Session at the Council Chambers, located at 303 West Hale Avenue, Osceola, Arkansas. The meeting took place on May 15, 2023 at 5:00pm.

Officers present: Joe Harris, Mayor

David Burnett, City Attorney

Council Members Present: Linda Watson, Sandra Brand, Joe Guy, Tyler Dunegan, Donnie Pugh, and Gary Cooper

Others Present: Krystal Elder

Meeting was called to order by Mayor Harris. Jessica Griffin called roll and all Council members were present.

Public hearing held from 5:04pm-5:08pm.

Jane Stanford and Mayor Harris presented service awards for City employees.

Mayor Harris recognized James Baker on his retirement from the City of Osceola.

Motion was made by Joe Guy and seconded by Tyler Dunegan to approve April minutes. All Council members were in favor, except Gary Cooper who voted no.

Megan Owens came forward with the Chamber of Commerce report.

Request from A&P committee for cost of the billboard. Motion was made by Tyler Dunegan and seconded by Gary Cooper. All Council members were in favor, except Sandra Brand who voted no.

SHIFT and the Museum gave their report.

Krystal Elder came forward with the financial report. (Details attached)

MONTHLY REPORTS ARE AS FOLLOWS:

April 2023	Year to Date			Annual	Elapsed
	Budget	Actual	Var (+) (-)	Budget	33%
<b>Revenue:</b>					
01 - Osceola Light & Power	5,660,617	5,342,783	(317,834)	16,981,850	31%
02 - City General Fund	3,032,621	1,917,157	(1,115,464)	9,097,863	21%
03 - Street Fund	231,680	289,749	58,069	695,040	42%
04 - Sanitation Fund	319,350	250,895	(68,455)	958,050	26%
<b>Total Funds</b>	<b>9,244,268</b>	<b>7,800,584</b>	<b>(1,443,684)</b>	<b>27,732,803</b>	<b>28%</b>
<b>Operating Expense:</b>					
01 - Osceola Light & Power	4,871,954	5,304,847	(432,893)	14,615,862	36%
02 - City General Fund	3,576,342	2,761,480	814,862	10,729,026	26%
03 - Street Fund	368,883	411,684	(42,800)	1,106,650	37%
04 - Sanitation Fund	367,667	361,022	6,644	1,103,000	33%
<b>Total Funds</b>	<b>9,184,846</b>	<b>8,839,032</b>	<b>345,814</b>	<b>27,554,538</b>	<b>32%</b>
<b>Impact to Surplus:</b>					
01 - Osceola Light & Power	788,663	37,936	(750,726)	2,365,988	2%
02 - City General Fund	(543,721)	(844,322)	(300,601)	(1,631,163)	52%
03 - Street Fund	(137,203)	(121,935)	15,268	(411,610)	30%
04 - Sanitation Fund	(48,317)	(110,128)	(61,811)	(144,950)	76%
<b>Total Funds</b>	<b>59,422</b>	<b>(1,038,449)</b>	<b>(1,097,870)</b>	<b>178,265</b>	

Jane Stanford asked the Council to review updates/changes to the Personnel handbook.

A resolution was introduced and reads as follows:

**RESOLUTION NO. 2022-26**

**A RESOLUTION BY THE CITY OF OSCEOLA, ARKANSAS TO  
ENGAGE BOND COUNSEL AND UNDERWRITER IN CONNECTION  
WITH THE POTENTIAL ISSUANCE OF UTILITY REVENUE  
REFUNDING AND/OR CONSTRUCTION BONDS AND ISSUING AND  
PRESCRIBING OTHER MATTERS PERTAINING THERETO.**

**WHEREAS**, the City of Osceola, Arkansas (the “City”) has outstanding its (i) Electric, Water and Sewer Revenue Bonds, dated May 22, 2018, (ii) Electric, Water and Sewer Revenue Bonds, dated December 20, 2007 and modified on October 5, 2016, and (iii) Surplus Utility System Revenue Bond, Series 2022, issued on September 23, 2022; and

**WHEREAS**, the City has identified various water, wastewater and electric facilities repairs, upgrades, and improvements that are necessary to service the City’s existing utility customers and to assure service capacity for additional utility customers; and

**WHEREAS**, the City intends to engage bond counsel and an underwriter to assist the City in evaluating and assessing all financing options available to the City with respect to its outstanding bonds and necessary water, wastewater and electric facilities repairs, upgrades, and improvements.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF OSCEOLA, ARKANSAS:**

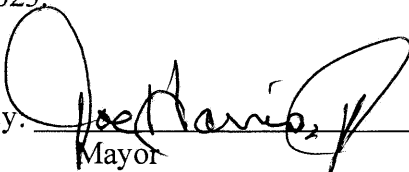
**SECTION 1.** The City hereby expresses its intent to retain Crews & Associates, Inc., Little Rock, Arkansas, as Underwriter for potential refunding and/or construction bonds (“Underwriter”).

**SECTION 2.** The City hereby expresses its intent to retain Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., Little Rock, Arkansas, as Bond Counsel for potential refunding and/or construction bonds ("Bond Counsel").


**SECTION 3.** In the event that bonds are not issued, no fee will be due to either Bond Counsel or the Underwriter. If bonds are issued, the Mayor will negotiate the terms and conditions of the engagement and will approve all fees paid to Underwriter and Bond Counsel.

**SECTION 4.** This resolution shall be effective upon its passage.

Adopted and approved May 15, 2023.

By:   
Mayor

ATTEST:

By:   
City Clerk

(SEAL)

Motion was made by Tyler Dunegan and seconded by Joe Guy to approve. All Council members were in favor.

Resolution was passed on the 15<sup>th</sup> day of May, 2023 and given number 2023-26.

Jessica Griffin introduced an ordinance. Motion was made by Tyler Dunegan and seconded by Gary Cooper to read ordinance by title only. All Council were in favor:

**ORDINANCE NO. 2023-09**

**(Remuriate PILOT Project)**

**AN ORDINANCE TO AUTHORIZE THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS UNDER THE MUNICIPALITIES AND COUNTIES INDUSTRIAL DEVELOPMENT REVENUE BOND LAW FOR THE PURPOSE OF SECURING AND DEVELOPING INDUSTRY; TO AUTHORIZE THE SALE OF THE BONDS AND THE APPROVAL OF A BOND PURCHASE AGREEMENT AND PAYMENT IN LIEU OF TAXES AGREEMENT IN CONNECTION THEREWITH; TO AUTHORIZE THE EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE BONDS; TO AUTHORIZE AND PRESCRIBE CERTAIN MATTERS PERTAINING TO THE PROJECT, THE ACQUISITION, CONSTRUCTION, AND EQUIPPING THEREOF, AND THE FINANCING THEREOF; TO AUTHORIZE THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT RELATING TO THE PROJECT; TO DECLARE AND EMERGENCY; AND FOR OTHER PURPOSES.**

**WHEREAS**, the City of Osceola, Arkansas (the “City”) is authorized under the provisions of Amendment 65 to the Arkansas Constitution and the Municipalities and Counties Industrial Development Revenue Bond Law, Ark. Code Ann. §§ 14-164-201 *et seq.* and Ark. Code Ann. §§ 14-164-701 *et seq.*, each as amended from time to time (collectively, the “Act”), to own, acquire, construct, equip, and lease facilities to secure and develop industry and to assist in the financing thereof by the issuance of bonds payable from the revenues derived from such facilities; and

**WHEREAS**, Remurite Arkansas, LLC (the “Company”) has evidenced its interest in acquiring, constructing, and equipping a facility useful in securing and developing industry near the City if permanent financing can be provided through the issuance of bonds under the authority of the Act; and

**WHEREAS**, the City has agreed to cooperate with the Company in the acquisition, construction, and equipping of a facility near the City and to finance the acquisition of leasehold rights, the acquisition and construction of buildings, infrastructure and improvements and the acquisition and installation of equipment related to spent pickle liquor reclamation and iron oxide production located on approximately 11 acres being part of the SE 1/4 of the NE 1/4 and the NE 1/4 of the SE 1/4 of Section 31, Township 12 North, Range 11 East of the Osceola District of Mississippi County and being generally located at the northeast corner of former State Highway 119 and County Road 623 relating to the operations of the Company (the “Project”); and

**WHEREAS**, to provide permanent financing of the Project costs, necessary costs and expenditures incidental thereto, and the cost of the issuance of bonds, the City will issue its taxable industrial development revenue bonds under the provisions of the Act designated “City of Osceola, Arkansas Taxable Industrial Development Revenue Bonds (Remurite Project), Series 2023,” in one or more series as each are specifically designated, in the aggregate principal amount of not to exceed \$150,000,000.00 (collectively, the “Bonds”); and

**WHEREAS**, the Bonds will be issued pursuant to the provisions of a Trust Indenture (the “Trust Indenture”) to be entered into between the City and a trustee (the “Trustee”) to be selected upon the mutual agreement of the City and the Company; and

**WHEREAS**, the City and the Company intend to enter into a Lease Agreement (the “Lease Agreement”) relating to the Project including personal property, real property, infrastructure and

improvements, which contemplates that the Project will be leased to the Company, with an option to purchase for a nominal price, and the rental payments therefor together with other moneys available shall be sufficient to pay debt service on the Bonds and all related costs; and

**WHEREAS**, to induce the City to proceed with the issuance of the Bonds for the purpose indicated, which will inure to the benefit of the Company, the City and the Company will enter into a Payment in Lieu of Taxes Agreement (the “PILOT Agreement”) in substantially the form presented at this meeting which provides 65% ad valorem tax abatement for a period of 20 years; and

**WHEREAS**, the City and the Company caused a form of a notice of public hearing to be published on April 30, 2023 in the *Arkansas Democrat-Gazette* and on May 4, 2023 in *The Osceola Times*; and

**WHEREAS**, an open public hearing on the question of the issuance of the Bonds was held before the City Council on May 15, 2023 and having heard all persons desiring to be heard in the matter, the City has taken under advisement the comments and statements of such persons, and declared the public hearing duly closed; and

**WHEREAS**, the City proposes to sell the Bonds to an affiliate of the Company (the “Purchaser”) pursuant to a Bond Purchase Agreement by and between the City and the Purchaser; and

**WHEREAS**, the Company may obtain independent loans from one or more lenders secured by liens and encumbrances on, or security interests in or rights to, the title to all or part of the Project granted pursuant to various agreements, instruments and documents; and

**WHEREAS**, the City acknowledges and consents to all liens and encumbrances on, security interests in and rights to, the title to the Project granted by the Company, and

acknowledges that the Company's interests in the Project will be transferred to the City subject to such liens, encumbrances, security interests and rights, if any, and such acknowledgement and consent may be evidenced through the execution of a Recognition of Prior Interests, Nondisturbance and Attornment Agreement between the City, the Company, and the lenders of the Company (or such lenders' agents) benefitting from such lien, encumbrance, security interest or right (the "RNA Agreement"); and

**WHEREAS**, copies of the herein described Bond Purchase Agreement, Trust Indenture, Lease Agreement, RNA Agreement, and PILOT Agreement have been presented to and are before this meeting and a copy of each are on file with the City Clerk and available for inspection by any interested person; and

**WHEREAS**, the City believes the completion of the Project will provide additional employment opportunities and will provide other benefits to and be in the best interest of the City and its residents.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF OSCEOLA, ARKANSAS:**

**Section 1.** There be, and there is hereby, authorized and directed the following:

(a) The Bonds shall be issued in one or more series in an aggregate principal amount of not to exceed \$150,000,000.00, and the Bonds shall be sold to the Purchaser for a price of par plus the costs of issuance upon the terms and conditions set forth in the Bond Purchase Agreement.

(b) The execution and delivery of the PILOT Agreement by the Mayor and City Clerk on behalf of the City, in substantially the form submitted to this meeting, with such changes as shall be approved by such persons executing the document, their execution to constitute conclusive

evidence of such approval, is hereby authorized and directed. An executed copy of the PILOT Agreement shall be filed in the City Clerk's office.

(c) The acquisition, construction, and equipping of the Project, and, in connection therewith, to the extent convenient or necessary, the execution of any necessary architectural, engineering, or construction contracts or the acceptance of an assignment of any such contracts previously executed by the Company for the construction and equipping of the Project on behalf of the City is hereby authorized and directed.

**Section 2.** The issuance of the Bonds in the total principal amount of not to exceed \$150,000,000.00 in one or more series is hereby authorized. The Bonds shall be issued in the forms and denominations, shall be dated, shall be numbered, shall mature, shall bear interest (at a rate or rates) and shall be subject to redemption prior to maturity, all upon the terms and conditions to be set forth in the Trust Indenture.

That to further prescribe the terms and conditions upon which the Bonds are to be executed, authenticated, issued, accepted, held and secured, the Mayor is hereby authorized and directed (when requested to do so by the Company) to execute and acknowledge the Trust Indenture, and the City Clerk is hereby authorized and directed to execute and acknowledge the Trust Indenture and to affix the seal of the City thereto, and the Mayor and City Clerk are hereby authorized and directed to cause the Trust Indenture to be accepted, executed and acknowledged by the Trustee. The Trust Indenture is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Trustee and the Company in order to complete the Trust Indenture in substantially the form submitted to this meeting, with such changes as shall be approved by such persons executing the document, their execution to constitute conclusive evidence of such approval.

**Section 3.** There be, and there is hereby, authorized and directed the execution and delivery of a Lease Agreement, and the Mayor and City Clerk are hereby authorized to execute, acknowledge, and deliver the Lease Agreement for and on behalf of the City. The Lease Agreement is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Company in order to complete the Lease Agreement in substantially the form submitted to this meeting, with such changes as shall be approved by such persons executing the document, their execution to constitute conclusive evidence of such approval.

**Section 4.** There be, and there is hereby, authorized and directed the execution and delivery of the Bond Purchase Agreement, and the Mayor and City Clerk are hereby authorized to execute, acknowledge, and deliver the Bond Purchase Agreement for and on behalf of the City. The Bond Purchase Agreement is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Purchaser in order to complete the Bond Purchase Agreement in substantially the form submitted to this meeting, with such changes as shall be approved by such persons executing the document, their execution to constitute conclusive evidence of such approval.

**Section 5.** There be, and there is hereby, authorized and directed the execution and delivery of the RNA Agreement if the Company determines that such agreement is required by its lenders. The Mayor and City Clerk are hereby authorized to execute, acknowledge, and deliver the RNA Agreement for and on behalf of the City. The RNA Agreement is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Company and lenders of the Company (or such lenders' agents) in order to complete the RNA Agreement in substantially the form submitted to this meeting, with such changes as shall be

approved by such persons executing the document, their execution to constitute conclusive evidence of such approval.

**Section 6.** The Mayor and City Clerk, for and on behalf of the City, are hereby authorized and directed to do any and all things necessary to effect (i) the execution of the Lease Agreement, (ii) the performance of the City's obligations under the Lease Agreement, (iii) the execution and delivery of the Trust Indenture, (iv) the performance of all obligations of the City under and pursuant to the Trust Indenture, (v) the execution and delivery of the Bonds, (vi) the execution and delivery of the PILOT Agreement, (vii) the performance of the City's obligations under the PILOT Agreement, (viii) the execution and delivery of the Bond Purchase Agreement, (ix) the performance of the City's obligations under the Bond Purchase Agreement, (x) the execution and delivery of the RNA Agreement, (xi) the performance of the City's obligations under the RNA Agreement, and (xii) the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance. The Mayor and the City Clerk are further authorized and directed, for and on behalf of the City, in connection with the issuance of the Bonds and in connection with on-going rights and obligations that arise after issuance and prior to maturity of the Bonds, to execute all papers, documents, certificates, and other instruments that may be required for the carrying out of such authority or to evidence the exercise thereof, including, but not limited to, the execution of a Home Office Payment Agreement, a Memorandum of Lease, Delivery Instructions, and/or other closing certificates.

**Section 7.** The Project involves the acquisition, constructing, and equipping of a complex industrial project, requiring highly specialized work and specialized types of machinery and equipment. In compliance with Ark. Code. Ann. § 14-164-204, it has been and is hereby determined by the City Council that competitive bidding be, and the same is hereby, waived as to

this Project. This action is taken by the City Council pursuant to applicable laws of the State of Arkansas, including particularly the Act.

**Section 8.** The City hereby confirms and consents to the Company's request with respect to the Bonds for Mitchell, Williams, Selig, Gates & Woodyard, PLLC to serve as Bond Counsel.

**Section 9.** All actions heretofore taken by the City, the Company, and the Purchaser in connection with the issuance, offer and sale of the Bonds and the development and completion of the Project are hereby in all respects ratified and approved.

**Section 10. *Severability.*** In the event any title, section, paragraph, item, sentence, clause, phrase, or word of this ordinance is declared or adjudged to be invalid or unconstitutional, such declaration or adjudication shall not affect the remaining portions of this ordinance, which shall remain in full force and effect as if the portion so declared or adjudged invalid or unconstitutional was not originally a part of this ordinance.

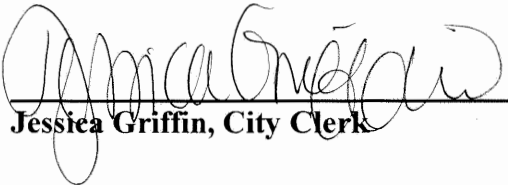
**Section 11. *Repealer.*** All ordinances or resolutions of the City in conflict herewith are hereby repealed to the extent of such conflict.

**Section 12.** There is hereby found and declared to be an immediate need for the securing and developing of substantial industrial operations in order to provide additional employment, alleviate unemployment, and otherwise benefit the public health, safety, and welfare of the City and the inhabitants thereof, and the issuance of the Bonds authorized hereby and the taking of the other action authorized herein are immediately necessary in connection with the securing and developing of substantial industrial operations and deriving the public benefits referred to above. It is therefore, declared that an emergency exists and this Ordinance, being necessary for the

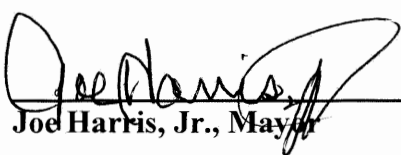
immediate preservation of the public health, safety, and welfare, shall be in force and take effect immediately upon and after its passage.

**PASSED: May 15, 2023**

**ATTEST:**

  
\_\_\_\_\_  
Jessica Griffin, City Clerk

**APPROVED:**

  
\_\_\_\_\_  
Joe Harris, Jr., Mayor

[S E A L]

*Preliminary Draft  
For Discussion Purposes Only  
Subject to Review and Approval of Parties Hereto*

**PAYMENT IN LIEU OF TAXES AGREEMENT**

**Between**

**CITY OF OSCEOLA, ARKANSAS**

**and**

**REMURIATE ARKANSAS LLC**

**Dated as of \_\_\_\_\_, 20\_\_**

**This Instrument Prepared By:**

MITCHELL | WILLIAMS

425 WEST CAPITOL AVENUE, SUITE 1800  
LITTLE ROCK, ARKANSAS 72201  
(501) 688-8800  
[www.mitchellwilliamsllaw.com](http://www.mitchellwilliamsllaw.com)

## PAYMENT IN LIEU OF TAXES AGREEMENT

City of Osceola, Arkansas  
303 West Hale Avenue  
Osceola, Arkansas 72370

Dated: \_\_\_\_\_, 20\_\_

Attention: Mayor

**Re: Not to exceed \$150,000,000 City of Osceola, Arkansas Taxable  
Industrial Development Revenue Bonds (Remuriate Project), Series  
20\_\_ (the "Bonds")**

Ladies and Gentlemen:

The City of Osceola, Arkansas (the "City") proposes to issue the Bonds identified above in one or more series under the provisions of the Municipalities and Counties Industrial Development Revenue Bond Law, Ark. Code Ann. §§ 14-164-201 *et seq.* and Ark. Code Ann. §§ 14-164-701 *et seq.* (collectively, the "Act") for the purpose of financing a substantial industrial project consisting of the acquisition of leasehold interests, the acquisition and construction of buildings, infrastructure and improvements and the acquisition and installation of equipment related to spent pickle liquor reclamation and iron oxide production located on approximately 11 acres being part of the SE 1/4 of the NE 1/4 and the NE 1/4 of the SE 1/4 of Section 31, Township 12 North, Range 11 East of the Osceola District of Mississippi County and being generally located at the northeast corner of former State Highway 119 and County Road 623 (the "Project") related to the operations of Remuriate Arkansas, LLC (the "Company"). The Project will be leased by the City to the Company pursuant to a Lease Agreement (the "Lease Agreement") for a period of 20 years for rentals sufficient to pay debt service on the Bonds. The Company will use the Project as facilities for spent pickle liquor reclamation and iron oxide production. The Project, as defined herein, is the "Leased Premises" as defined in the Lease Agreement.

Article IV of the Lease Agreement provides that the Company is obligated to pay all taxes and assessments levied and assessed on the Project during the term of the Lease Agreement. The Company is informed and understands that, notwithstanding the provision of Article IV of the Lease Agreement, under Article 16, Section 5 of the Constitution of the State of Arkansas, as interpreted by the Arkansas Supreme Court in *Wayland v. Snapp*, 232 Ark. 57, 334 S.W. 2d 633 (1960), and *Pulaski County v. Jacuzzi Bros. Div.*, 332 Ark. 91, 964 S.W.2d 788 (1998), and Ark. Code Ann. §§ 14-164-701 *et seq.*, the Project will be exempt from ad valorem taxes because it is owned by the City and used for a public purpose within the meaning of the applicable Constitutional and statutory provisions affording the exemption.

Thus, the Company understands that it, as Lessee of the Project owned by the City, will, in fact, pay no ad valorem taxes on the Project under the provisions of Article IV of the Lease Agreement. The taxing authorities (defined below) have indicated a reluctance to lose all tax revenues which would otherwise be received by it if the property involved was privately owned.

Therefore, to induce the City to proceed with the issuance of the Bonds for the purpose indicated, which will inure to the benefit of the Company, and for other valuable consideration,

the receipt and sufficiency of which is hereby acknowledged, the Company agrees with the City pursuant to this Payment in Lieu of Taxes Agreement (the "Agreement") as follows:

1. In lieu of ad valorem property taxes, the Company will pay to the City an annual sum equal to 35% of the amount which would be payable as ad valorem taxes that would have to be paid on the Project to, as applicable, the State of Arkansas, Mississippi County, the City, the Osceola School District, and/or other political subdivisions of the State of Arkansas (the "taxing authorities") if the Project were not exempt from ad valorem taxes under the provisions of Article 16, Section 5 of the Constitution of the State of Arkansas, as interpreted by the Supreme Court of the State of Arkansas in *Wayland v. Snapp, supra*, and *Pulaski County v. Jacuzzi Bros. Div., supra*, and Ark. Code Ann. §§ 14-164-701 *et seq.* Payments are due not later than October 15 each year commencing after completion of construction. Payments not paid when due shall bear interest at 10% per annum until paid.

The payment is based on the land, buildings, improvements and equipment comprising the Leased Premises, excluding licensed vehicles. Any expansion or improvement of the Project will become subject to this Agreement using the same formula for the term of the Bonds.

2. The payments to be made pursuant to paragraph 1 are intended to be in lieu of all ad valorem taxes that would have to be paid on the Project to the taxing authorities if the Project were not exempt from ad valorem taxes under the provisions of Article 16, Section 5 of the Constitution of the State of Arkansas, as interpreted by the Supreme Court of the State of Arkansas in *Wayland v. Snapp, supra*, and *Pulaski County v. Jacuzzi Bros. Div., supra*, and Ark. Code Ann. §§ 14-164-701 *et seq.*, but are not intended to be in lieu of (i) any licenses, occupation or privilege tax, or fee imposed upon the Company for or with respect to its right to carry on its business in the State of Arkansas, (ii) any special benefit or local improvement tax or assessment, or (iii) fees or charges for utility services rendered, such as for water or sewer services.

3. The City agrees to distribute each payment under paragraph 1 among the taxing authorities in the proportion that the millage collected bears to the total millage collected by all during the year of distribution, unless all such taxing authorities, including without limitation the school districts, shall otherwise agree and document the alternate basis upon which the payments shall be distributed.

4. The City and the Company agree to cooperate in sustaining the enforceability of this Agreement. However, if by reason of a change in the Constitution of the State of Arkansas, a change by the Supreme Court of the State of Arkansas in its interpretation of the Constitution, a change by the General Assembly of the State of Arkansas, or otherwise, the Company is required to pay any tax for which the payments specified in paragraph 1 are intended to be in lieu, the Company may deduct the aggregate of any such payments made by it from any amount herein agreed to be paid under paragraph 1. Furthermore, inasmuch as the payments in paragraph 1 herein agreed to be made are intended to be in lieu of taxes, it is agreed that said payments shall not as to any year be in an amount greater than would otherwise be payable for such year in ad valorem taxes, in the aggregate, on account of its ownership of the Project.

5. Representatives of the Company will confer at least annually with the Mississippi County Assessor and determine the assessed valuation of the real and personal properties comprising the Project. The determination shall be made by mutual agreement if possible, and if not, shall be made by the Mississippi County Assessor as though the Project were privately owned. Because the valuation of such property is a key factor in calculating payments due, the City agrees to cooperate with the Company in any reasonable challenge to the valuation assigned to such property by the Mississippi County Assessor to the fullest extent permitted by Arkansas law.

It is recognized by the City and the Company that the payments described in paragraph 1 hereof are to be calculated on the basis of annual amounts that would otherwise be payable as ad valorem taxes under Arkansas law on the Leased Premises if such property were on the tax rolls. The amount to be paid each year shall be determined by applying the millage that would be applicable to the Project for that year if the Project were privately owned. The Company shall be entitled to any refund occasioned by overpayment or a reduction in millage which requires a refund by the taxing authorities.

6. This Agreement shall terminate and be of no further force and effect from and after the date that the Lease Agreement shall terminate for any purpose other than a default on the part of the Company, including, but not limited to, the transfer of ownership of the Leased Premises to the Company. If such termination shall be at a point constituting a portion of a year, the Company shall pay for the year in which termination occurred that portion of the specified annual payment that the number of days in such year that the Project was exempt prior to the termination bears to 365 days (366 days in a leap year).

7. This Agreement shall be binding upon the successors and assigns of the Company, but no assignment shall be effective to relieve the Company of any of its obligations hereunder unless expressly authorized and approved in writing by the City.

8. This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed an original.

9. This Agreement shall be governed by, and interpreted in accordance with, the laws of the state of Arkansas.

[Signature Page Follows]

When executed, this Agreement shall constitute a valid and binding contract between the Company and the City.

Very truly yours,

**REMURIATE ARKANSAS, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

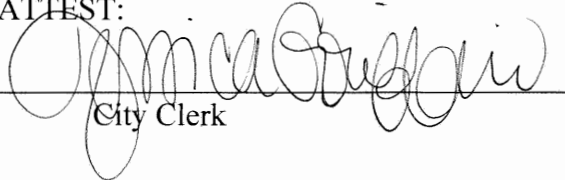
ACCEPTED:

**CITY OF OSCEOLA, ARKANSAS**

By: \_\_\_\_\_

Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk

[S E A L]

*Preliminary Draft  
For Discussion Purposes Only  
Subject to Review and Approval of Parties Hereto*

**CITY OF OSCEOLA, ARKANSAS**

Issuer

and

**[AFFILIATE OF COMPANY]**

Purchaser

---

**BOND PURCHASE AGREEMENT**

---

Dated \_\_\_\_\_, 20\_\_

Not to Exceed

\$150,000,000

City of Osceola, Arkansas

Taxable Industrial Development Revenue Bonds

(Remuriate Project)

Series 20\_\_

**BOND PURCHASE AGREEMENT**

Not to Exceed  
\$150,000,000  
City of Osceola, Arkansas  
Taxable Industrial Development Revenue Bonds  
(Remuriate Project)  
Series 20\_\_

\_\_\_\_\_, 20\_\_

[Affiliate of Company]

\_\_\_\_\_

Attention: \_\_\_\_\_

Ladies and Gentlemen:

The City of Osceola, Arkansas (the “Issuer”), a city of the first class and a political subdivision organized and existing under the laws of the State of Arkansas, hereby agrees with you as follows:

**SECTION 1.  
PURCHASE AND SALE OF BONDS**

**1.1. Issuance of Bonds.** The Issuer has authorized the issuance of its Taxable Industrial Development Revenue Bonds (Remuriate Project), Series 20\_\_ in a principal amount of not to exceed One Hundred Fifty Million and No/100 Dollars (\$150,000,000) (the “Bonds”), pursuant to and in accordance with Amendment 65 to the Constitution of the State of Arkansas (“Amendment 65”), Act No. 9 of the First Extraordinary Session of the Sixty-Second General Assembly of the State of Arkansas for the year 1960, codified as Ark. Code Ann. Sections 14-164-201 *et seq.* as amended (“Act 9”), and Ordinance 2023-\_\_ of the Issuer, adopted and approved on the 15th day of May, 2023 (the “Ordinance”), such Bonds to be dated, to bear interest and to be payable as set forth in, and to be issued pursuant to the terms of a Trust Indenture (the “Indenture”) dated as of \_\_\_\_\_, 20\_\_, by and between the Issuer and [TBD], as trustee (the “Trustee”). Each series of Bonds shall be issued as a single typewritten drawdown bond with the aggregate stated principal amount of not to exceed \$150,000,000; provided, however, that the principal amount due thereon shall be only such amount as has been drawn by the Company (as defined below) as reflected on the Schedule of Draws and Redemptions attached to each Bond. The Bonds shall bear interest on the principal amount drawn by Remuriate Arkansas, LLC (the “Company”), at the rate

of \_\_\_\_\_%<sup>1</sup> per annum, payable annually on \_\_\_\_\_, commencing on \_\_\_\_\_, 20\_\_\_\_. The Bonds will mature on \_\_\_\_\_, 20\_\_\_\_<sup>2</sup>. The proceeds from the sale of the Bonds shall be applied to acquire, construct and equip certain industrial facilities (the "Project") within the corporate boundaries of the Issuer (or to reimburse the Company for said costs). The Issuer shall lease the Project to the Company, pursuant to the terms of a Lease Agreement between the Issuer and Remuriate Arkansas, LLC dated as of \_\_\_\_\_, 20\_\_\_\_ (collectively, the "Lease Agreements"). The Bonds will be secured by (i) the assignment by the Issuer to the Trustee for the benefit of the owner(s) of the bonds of the rights of the Issuer under the Lease Agreement, and (ii) such other funds and accounts as are described in the Indenture.

**1.2. Closing.** The Issuer hereby agrees to sell the Bonds to [Affiliate of Company] and, subject to the terms and conditions herein set forth, you hereby agree to purchase from the Issuer, from time to time, all or any portion of the Bonds at 100% of the principal amount drawn by the Company pursuant to a Draw Certificate as provided in the Indenture. The closing of the purchase of the Bonds shall be at 10:00 A.M. local time, on \_\_\_\_\_, 20\_\_\_\_ (the "Closing Date"), at the offices of Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., 425 West Capitol Avenue, Suite 1800, Little Rock, Arkansas 72201, or at such other time and place as shall be subsequently agreed upon by the parties. At the closing and upon each subsequent draw, the Company will deliver a duly executed Draw Certificate to the Trustee on behalf of the Issuer, you will deliver to the Trustee, in immediately available funds, the principal amount specified in the Draw Certificate, and the Trustee will deliver to the Company, or its order, in immediately available funds, the principal amount specified in the Draw Certificate.

Notwithstanding any provision of this Bond Purchase Agreement (the "Agreement") to the contrary, the Issuer, the Purchaser, the Company, and the Trustee may enter into or accept the terms of a home office payment agreement for the making of all payments due under this Agreement and other documents contemplated by this Agreement upon such conditions as shall be satisfactory to the parties thereto contemporaneous with the issuance of the Bonds (the "Home Office Payment Agreement").

## **SECTION 2. WARRANTIES, REPRESENTATIONS AND AGREEMENTS OF THE ISSUER**

The Issuer warrants, represents and agrees to and for your benefit and the benefit of the Company that:

**2.1. Organization and Authority.** The Issuer is a city of the first class and a duly organized and validly existing political subdivision of the State of Arkansas and has all requisite power and authority under Amendment 65 and Act 9 to issue, sell and deliver the Bonds as provided herein and to consummate all other transactions involving the Issuer contemplated by this Agreement, the Lease Agreements, the Indenture, the Home Office Payment Agreement, and one or more

---

<sup>1</sup> Rate of interest to be based on the Applicable Federal Rate for Long-Term Debt compounding on an annual basis published by the Internal Revenue Service for the month in which closing occurs.

<sup>2</sup> The Bonds will have a term of 20 years that mirrors the term of the Lease Agreements and the PILOT Agreements.

Payment in Lieu of Taxes Agreements to be dated as of the date of its delivery by and between the Issuer and the Company (collectively, the “PILOT Agreements”).

**2.2. Pending Litigation.** There is no action, suit, proceeding or investigation pending or threatened against or affecting the Issuer, or, to the best knowledge of the Issuer, any basis therefor, wherein an unfavorable decision or finding would adversely affect the transactions contemplated by this Agreement, or which in any way would adversely affect the validity or enforceability of the Bonds, this Agreement, the Lease Agreements, the Indenture, the Home Office Payment Agreement, or the PILOT Agreements.

**2.3. Sale and Other Transactions are Legal and Authorized.** The sale of the Bonds, the execution, delivery and due performance of this Agreement, the Lease Agreements, the Indenture, the Home Office Payment Agreement, and the PILOT Agreements, and all transactions contemplated by this Agreement and those agreements are within the purposes, powers and authority of the Issuer, and have been done in full compliance with the provisions of the Ordinance, Amendment 65 and Act 9, as applicable, and all other applicable laws of the State of Arkansas. When delivered to you in accordance with this Agreement, the Bonds being purchased by you hereunder will be duly authorized, executed, issued and delivered and will constitute the legal, valid and binding obligation of the Issuer payable solely from the revenues and other funds pledged in the Indenture therefor, and the owner of the Bonds and its assigns will be entitled to the benefits of this Agreement, the Home Office Payment Agreement, the Indenture, and the Lease Agreements.

**2.4. Governmental Consents.** All consents, approvals, authorizations and orders of, or filings, registrations or qualifications with, any governmental or regulatory authorities which are required to be obtained by the Issuer for the consummation of the transactions contemplated by this Agreement have been duly and validly obtained or performed and are in full force and effect.

**2.5. Use of Proceeds for Public Purposes.** The Issuer has determined that the Project and the use of the proceeds from the sale of the Bonds therefor will accomplish the public purposes set forth in Act 9 and that under Article 16, Section 5 of the Constitution of the State of Arkansas (as currently interpreted by the Arkansas Supreme Court), the Project will be exempt from ad valorem taxes because it is owned by the Issuer.

### **SECTION 3. CONDITIONS OF CLOSING**

Your obligation to purchase and pay for the Bonds to be delivered to you on the Closing Date and on the dates of any subsequent draws thereunder shall be subject to the following conditions precedent:

**3.1. Opinion of Counsel.** Your receipt from Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., bond counsel, of an approving opinion satisfactory to you.

**3.2. Warranties and Representations True as of the Closing Date.** You shall not have received notice from the Issuer that any of the warranties and representations of the Issuer contained in Section 2 hereof shall be untrue in any material respect as of the Closing Date or as of the date of any subsequent draw; there shall exist no “event of default” (as defined in the Lease

Agreement and Indenture) on such date; and you shall have received a certificate of Issuer to such effect upon your request.

**3.3. Execution and Delivery of Documents.** The Lease Agreements, the Indenture, the Home Office Payment Agreement, and the PILOT Agreements shall each have been duly executed and delivered by the respective parties thereto, and each shall be in full force and effect on the Closing Date and on the date of each subsequent draw under the Bonds.

**3.4. Filings.** All recordations and filings appropriate or required by law in order fully to perfect, preserve and protect the assignment of the Lease Agreements and the lien of the Indenture and the security interests created by the Lease Agreements and the Indenture and the rights of the Trustee thereunder shall have been performed.

**3.5. Proceedings Satisfactory.** All corporate and other proceedings taken or to be taken in connection with the transactions relating hereto and all documents incident thereto shall be satisfactory in substance and form to you and your counsel, and you and your counsel shall have received such counterpart originals or certified or other copies of such documents as you or they may reasonably request.

**3.6. No Litigation.** No litigation or proceeding shall be threatened or pending in any court or other official body (i) to restrain or enjoin the issuance or delivery of the Bonds, (ii) which in any way questions or affects the validity of the Bonds, any provisions thereof, any provisions of the Ordinance, this Agreement, the Lease Agreements, the Indenture, the PILOT Agreements, the Home Office Payment Agreement or any proceedings taken with respect to the foregoing, or (iii) which questions the Issuer's creation, organization or existence or the titles to office of any of its officers, or its powers to acquire, finance and lease the Project.

#### **SECTION 4. SPECIAL COVENANTS**

**4.1. Delivery Expenses.** Payment of all costs of issuance in connection with the preparation, execution, printing and delivery of the Bonds to the place of closing and all fees and expenses of Bond Counsel, Issuer's counsel and your counsel shall be paid, or caused to be paid, from the proceeds of the Bonds or otherwise at the election of the Company.

**4.2. Special Obligations.** Notwithstanding anything herein to the contrary, all covenants and agreements contained in this Agreement on behalf of the Issuer shall be subject to the provisions of this Section 4.2. The Bonds shall be special limited obligations of the Issuer as provided in Act 9, the principal of and interest on which are payable solely from revenues or other receipts, funds, monies and property pledged or mortgaged therefor under the Indenture, and any amounts payable by the Issuer under this Agreement, the Lease Agreements or the Indenture are payable solely therefrom. Neither the State of Arkansas nor any political subdivision thereof shall in any event be liable for the payment of the principal of or interest on the Bonds.

## **SECTION 5. MISCELLANEOUS**

**5.1. Expenses.** The Company shall pay and indemnify the Issuer for the amount of all expenses reasonably incurred in connection with the issuance of the Bonds and not otherwise paid from Bond proceeds.

**5.2. Notices.** All communications provided for hereunder shall be sent by fax or by first class or certified mail and, if to you, addressed to you in the manner in which this letter is addressed; if to the Issuer, at 303 West Hale Avenue, Osceola, Arkansas 72370, Attention: Mayor; with a copy to City Attorney, 303 West Hale Avenue, Osceola, Arkansas 72370; and if to the Company, to \_\_\_\_\_ Attention: \_\_\_\_\_ or to such other address with respect to any party as such party shall notify the others in writing.

**5.3. Survival of Representations and Warranties.** All representations and warranties contained herein or made in writing by the Issuer in connection herewith shall survive the execution and delivery of this Agreement and the Bonds.

**5.4. Successors and Assigns.** All covenants and agreements in this Agreement contained by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not. The provisions of this Agreement are intended to be for the benefit of the owner from time to time of the Bonds, and shall be enforceable by any such owner, whether or not an express assignment to such owner of rights under this Agreement has been made by you or your successors or assigns. You may not assign any portion of your rights and obligations hereunder without the written consent of the Issuer and the Company, which consent shall not be unreasonably withheld or delayed.

**5.5. Responsibility of Individuals.** All covenants, stipulations, promises, agreements and obligations of the Issuer contained in this Agreement shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Issuer and not of any director, officer, employee or agent of the Issuer in his or her individual capacity.

**5.6. Satisfaction Requirement.** If any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Agreement required to be satisfactory to you, the determination of such satisfaction shall be made by you in your sole and exclusive judgment exercised in good faith.

**5.7. Representation of Purchaser.** You specifically understand and agree that, prior to the sale of the Bonds to you, you will be required to execute and deliver a letter in substantially the form attached hereto as Exhibit A. You further understand and acknowledge that your obligation under Section 1.2 hereof to purchase from time to time an amount of the Bonds up to the entire authorized principal amount will survive and be unaffected by any transfer or purported transfer by you of any interest in the Bonds.

**5.8. Governing Law.** This Agreement is being delivered and is intended to be performed in the State of Arkansas, and shall be construed and enforced in accordance with the laws of such State.

**5.9. Modifications.** This Agreement may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

**5.10. Descriptive Headings.** The descriptive headings of the several Sections of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

**5.11. Counterparts.** This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

*[Signature Pages Follow]*

*Preliminary Draft  
For Discussion Purposes Only  
Subject to Review and Approval of Parties Hereto*

If you are in agreement with the foregoing, please sign the form of acceptance on the enclosed counterpart of this document and return the same to the undersigned, whereupon this shall become a binding agreement between you and the undersigned.

Very truly yours,

**CITY OF OSCEOLA, ARKANSAS**

By: \_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_  
City Clerk

ACCEPTED:

**[AFFILIATE OF COMPANY]**, as Bondholder  
A \_\_\_\_\_ [limited liability company/corporation]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

APPROVED:

**REMURIAE ARKANSAS, LLC**  
An Arkansas limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## EXHIBIT A

### FORM OF INVESTOR LETTER

[Prepared on Letterhead of Bond Purchaser]

\_\_\_\_\_, 20\_\_

Mitchell, Williams, Selig,  
Gates & Woodyard, P.L.L.C.  
425 W. Capitol Avenue, Suite 1800  
Little Rock, AR 72201-3525

[TBD]  
Attention: Corporate Trust Department  
\_\_\_\_\_  
\_\_\_\_\_

City of Osceola, Arkansas  
Attention: Mayor  
303 West Hale Avenue  
Osceola, Arkansas 72370

Remuriate Arkansas, LLC  
Attention: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Not to Exceed  
\$150,000,000  
City of Osceola, Arkansas  
Taxable Industrial Development Revenue Bonds  
(Remuriate Project)  
Series 20\_\_

Ladies and Gentlemen:

In connection with the purchase by us of the above-described bonds (the "Bonds"), we hereby certify as follows:

1. We understand that we will not receive from the City of Osceola, Arkansas (the "Issuer"), Remuriate Arkansas, LLC (the "Company"), [TBD] (the "Trustee"), their governing bodies, their members or any of their officers, employees or agents or Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C. ("Bond Counsel") any information with respect to the use of the proceeds of the Bonds and the Project, as defined in the Trust Indenture dated as of \_\_\_\_\_, 20\_\_ (the "Indenture"), the Bonds themselves, the provisions for payment thereof, the security therefor or the sufficiency of such provisions for payment thereof and security therefor, except (a) in the documentation executed in connection with the issuance of the Bonds, copies of which have been provided to us and reviewed by us prior to our purchase of the Bonds (the "Bond Documents"), and (b) as has been specifically requested by us from the Company and which has been provided to us and reviewed by us prior to our purchase of the Bonds (the "Additional Information").

2. Neither the Issuer, the Company, the Trustee, their governing bodies, their members nor any of their officers, employees or agents nor Bond Counsel will have any responsibility to us for the accuracy or completeness of information obtained by us from any source regarding the Project, the Issuer, the Company or its assets, business, circumstances, financial condition and properties, or regarding the Bonds, the provisions for payment thereof, or the sufficiency of any security therefor, including, without limitation, any information specifically provided by any of such parties contained in the Bond Documents. We acknowledge that, as between us and all of such parties: (a) we have assumed responsibility for obtaining such information and making such review as we have deemed necessary or desirable in connection with our decision to purchase the Bonds, and (b) the Bond Documents and the Additional Information constitute all the information and, with the investigation made by us (including specifically our investigation of the Company and the Project) prior to our purchase of the Bonds, review that we have deemed necessary or desirable in connection with our decision to purchase the Bonds.

3. We have been offered copies of or full access to all documents relating to the issuance of the Bonds and all records, reports, financial statements and other information concerning the Issuer, the Company and the Project and pertinent to the source of payment for the Bonds which we, as a reasonable investor, have requested and to which we, as a reasonable investor, would attach significance in making investment decisions. We have been afforded the opportunity to ask such questions of representatives of the Company as we have deemed necessary in making our investment decisions; and we have based our decision to invest in the Bonds solely on our own investigation, including, without limitation, our review of such documents, records, reports, financial statements and other information concerning the Company and the Project and discussions with representatives of the Company.

4. We are either (a) a bank, registered investment company, insurance company or other "accredited investor" as defined in Rule 501 of Regulation D of the United States Securities and Exchange Commission, or (b) described in paragraph 5. If described in this paragraph 4, we are duly and validly organized under the laws of our jurisdiction of incorporation or organization, and we can bear the economic risk of the purchase of the Bonds and have such knowledge and experience in business and financial matters, including the analysis of a participation in the purchase of similar investments, as to be capable of evaluating the merits and risks of an investment in the Bonds on the basis of the information and review described in paragraph 2. If I am a natural person described in this paragraph 4: (i) I have a net worth, or joint net worth with my spouse, of at least \$1,000,000, or (ii) I had an individual income in excess of \$200,000 in each of the two most recent years or joint income with my spouse in excess of \$300,000 in each of those years and have a reasonable expectation of reaching the same income level in the current year.

5. If not described in paragraph 4, we are a registered investment advisor purchasing the Bonds for inclusion in the portfolio of a registered investment company advised by us and over whose transactions we have discretionary power. If described in this paragraph 5, we have such knowledge and experience in business and financial matters, including the analysis of a participation in the purchase of similar investments, as to be capable of evaluating the merits and risks of an investment in the Bonds on the basis of the

information and review described in paragraph 2, and the investment company for which we are purchasing the Bonds is duly and validly organized under the laws of its jurisdiction of incorporation or organization and can bear the economic risk of the purchase of the Bonds.

6. The Bonds have been purchased for our own account for investment and not with a view to the distribution, transfer or resale thereof, provided that the disposition of the Bonds shall at all times be within our sole control.

7. We are duly and legally authorized to purchase or invest in obligations such as the Bonds.

8. Except as otherwise set forth in the representations and warranties of the Issuer contained in the Bond Purchase Agreement relating to the Bonds, we have not and will not rely on any action taken by the Issuer of the Bonds, including, but not limited to, issuance of the Bonds, as evidence that the Bonds or the Project financed with the proceeds of the Bonds comply with the provisions of any legislation.

9. We have satisfied ourselves that the Bonds are a lawful investment for this organization under all applicable laws.

10. We have carefully read the Bond Documents and the Additional Information in their entirety and understand the risks described therein and understand and acknowledge that there may exist other risks with respect to the Bonds that are not described therein.

11. We acknowledged that no credit rating has been sought or obtained with respect to the Bonds, and we acknowledged that the Bonds are a speculative investment and that there is a high degree of risk in such investment.

12. We acknowledge that we have read the form of approving opinion of Bond Counsel regarding the Bonds.

**[AFFILIATE OF COMPANY]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Instrument was prepared by,  
and after recording, return to:**

MICHELE SIMMONS ALLGOOD  
MITCHELL, WILLIAMS, SELIG,  
GATES & WOODYARD, P.L.L.C.  
425 W. CAPITOL AVENUE, SUITE 1800  
LITTLE ROCK, ARKANSAS 72201

**RECOGNITION OF PRIOR INTERESTS, NONDISTURBANCE  
AND ATTORNMENT AGREEMENT**

THIS RECOGNITION OF PRIOR INTERESTS, NONDISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, among **REMURIATE ARKANSAS, LLC**, an Arkansas limited liability company ("Company"), the **CITY OF OSCEOLA, ARKANSAS**, a city of the first class and a political subdivision of the State of Arkansas (the "City"), **REMURIATE ARKANSAS HOLDINGS, LLC**, an Arkansas limited liability company ("Bondholder"), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, as the Administrative Agent ("Lender").

**RECITALS**

A. The City has issued industrial revenue bonds (the "Bonds") for the purpose of financing the costs of the acquisition, construction, and equipping of an industrial facility near the corporate boundaries of the Issuer, including, but not limited to, the acquisition of leasehold rights, the acquisition and construction of buildings, infrastructure and improvements and the acquisition and installation of equipment for the [manufacture, refinement or processing of steel located on approximately 11 acres within Sections 31, Township 12 North, Range 11 East of the Osceola District of Mississippi County and located [south and west] of the steel mill operated by Big River Steel LLC with an address of 2027 East State Highway 198, Osceola, Arkansas (the "Project").

B. In connection with the issuance of the Bonds, the Company has transferred or will transfer to the City title to certain real property, leasehold improvements, personal property and fixtures, including all machinery and equipment acquired or constructed in furtherance of the Project described on **Exhibit A**, attached hereto and incorporated by reference (with such real property, leasehold improvements, personal property and fixtures, collectively called the "Leased Premises" herein), and the City has entered into a Lease Agreement with the Company dated as of \_\_\_\_\_, 20\_\_ (the "Lease Agreement") pursuant to which City demised to the

Company a interest in the Leased Premises subject to the Pre-Transfer Liens (as defined in Recital C, below). Contemporaneous with the execution and delivery of the Lease Agreement, the City and the Company executed an Option Agreement (the "Option Agreement") dated as of \_\_\_\_\_, 20\_\_ permitting the Company to purchase the Leased Premises at any time.

C. The Company has obtained a loan from the Lender (the "Loan") secured by liens on, security interests in, or assignments of the Company's right, title, and interest in and to the Leased Premises pursuant to the following instruments:

1. Leasehold Mortgage, Assignment of Rents, Security Agreement and Fixture Filing, dated as of \_\_\_\_\_, 2022, by the Borrower in favor of the Lender, filed for record on \_\_\_\_\_, 20\_\_ in the office of the Circuit Clerk for Mississippi County, Arkansas in **Book** \_\_\_\_\_, **Page** \_\_\_\_\_;

2. [Title of Document], dated \_\_\_\_\_, 20\_\_, granted by the Company in favor of \_\_\_\_\_, filed for record \_\_\_\_\_, 20\_\_ in the office of the Circuit Clerk for Mississippi County, Arkansas in **Book** \_\_\_\_\_, **Page** \_\_\_\_\_;

3. [Title of Document], dated \_\_\_\_\_, 20\_\_, granted by the Company in favor of \_\_\_\_\_; and

4. [Title of Document], dated \_\_\_\_\_, 20\_\_, granted by the Company in favor of \_\_\_\_\_.

Items 1 through [4] above are collectively referred to as "Pre-Transfer Liens" or, as appropriate, the "Security Documents."

D. By this Agreement, the parties desire to establish and acknowledge certain rights, obligations, protections and priorities with regard to their respective interests in the Leased Premises.

## AGREEMENT

In consideration of the premises and other good and valuable consideration, receipt of which is hereby acknowledged, and the mutual benefits to accrue to the parties hereto, the parties hereto agree as follows:

**1. Recognition of Prior Liens and Interests.** The Company and City hereby acknowledge and consent to all liens and encumbrances on, security interests in and rights to, the title to the Leased Premises created by or pursuant to the Security Documents, and acknowledge that the Company's and City's interest in the title to the Leased Premises has been, or will be, transferred to the Company and City, as applicable, subject to the Pre-Transfer Liens and subordinate to the Lender's interest created under the Pre-Transfer Liens.

The City hereby acknowledges the Company's execution and delivery of the Security Documents and consents to the performance of the respective parties' rights and obligations thereunder, including, without limitation, the rights of Lender to access the Leased Premises in accordance with the Security Documents and the rights of Lender as attorney-in-fact on behalf of

the Company to cause the exercise of the Purchase Option (as defined in the Lease Agreement and evidenced by the Option Agreement) during the existence of an Event of Default (as defined in the Security Documents), and agrees that the execution, delivery and recording of, and performance under, the Security Documents does not and will not constitute a default under the Lease Agreement.

In the event that Lender attempts to obtain title to the Leased Premises by foreclosure, replevin, sale, transaction or other action or proceeding for the enforcement of the Pre-Transfer Liens, the Company and City shall, upon receipt of written notice thereof, cooperate with Lender in executing a deed, deed in lieu of foreclosure, bill of sale and/or such other conveyance instrument or consent to such foreclosure, replevin, sale, transaction or other action or proceeding as Lender may reasonably request and that will assist or effectuate the transfer of title to the Leased Premises to Lender.

**2. Notice and Opportunity to Cure; Nondisturbance.** If any default or breach under the Lease Agreement occurs (a "Company Default"), then the City shall promptly provide Lender a notice describing in reasonable details such Company Default and the potential remedies to be pursued in connection therewith (a "Default Notice"). The City shall accept Lender's cure of any Company Default at any time until the later of (i) 30 days after provision of the Default Notice (or if the Lender reasonably cannot cure the Company Default within such 30-day period, then the period to cure shall be extended to the period reasonably required to effect the cure), or (ii) the expiration of any applicable cure period provided under the Lease Agreement. At any time after the occurrence of a Company Default and before expiration of the applicable cure period set forth herein or in the Lease Agreement, (a) the City shall not terminate the Lease Agreement, accelerate rent, or otherwise interfere with Company's or the Lender's possession or quiet enjoyment as long as the Lender otherwise complies with its obligations under this Agreement and (b) the Lender may enter or use the Leased Premises to seek to cure a Company Default. Notwithstanding the foregoing, Lender has no obligation to cure a Company Default.

**3. Recognition, Non-Disturbance and Attornment.** If any transfer of the Leased Premises by foreclosure, replevin, sale, transaction or other action or proceeding for the enforcement of a Security Document or deed or assignment in lieu thereof (a "Transfer") occurs, upon receipt of written notice setting forth in reasonable detail the terms of the Transfer, the Company and City shall recognize the transferee(s), including Lender ("Successor"), as the tenant or lessee under the Lease Agreement upon the same terms, provisions and conditions as are set forth in the Lease Agreement. If the City shall have received written notice from Successor that Successor has succeeded to the interest of the Company under the Lease Agreement or otherwise has the right to use or occupy the Leased Premises or to require the Company or City to perform its obligations under the Lease Agreement, the City shall perform all of the obligations of lessor pursuant to the Lease Agreement for the benefit of Successor and shall not disturb the possession of Successor so long as no the Company Default exists beyond any applicable notice and cure period. Successor shall attorn to the City and recognize all of the rights of the City under the Lease Agreement, and the Lease Agreement shall continue in full force as a direct lease between City and Successor, and the respective executory rights and obligations of City and Successor, to the extent of the then-remaining balance of the term of the Lease Agreement, shall be and are the same as set forth therein. This recognition, non-

disturbance and attornment shall be effective and self-operative, without the execution of any further instrument on the part of any of the parties hereto, immediately upon Successor succeeding to the Company rights under the Lease Agreement.

**4. Amendments to Lease Agreement.** Without the prior written consent of the Lender, which consent shall not be unreasonably withheld or delayed, neither the Company nor City shall (a) enter into any agreement amending, modifying or terminating the Lease Agreement or (b) request a waiver by the Company of City's rights or remedies or by City of the Company's rights and remedies under the Lease Agreement.

**5. Limitation on Lender's Performance and Liability.** The Company and City acknowledge that (a) Lender shall not have any duty, liability or obligation whatsoever under the Lease Agreement unless and until Lender, as Successor, succeeds to the Company's rights under the Lease Agreement or obtains possession of the Leased Premises under the terms of the Security Documents and (b) Successor shall have no duty, liability or obligation whatsoever under the Lease Agreement unless such duty, liability or obligation accrues during the period after Successor succeeds to the Company's rights under the Lease Agreement or obtains possession of the Leased Premises under the terms of the Security Documents.

**6. City Bankruptcy.** Upon the filing by or against the City of a petition pursuant to applicable provisions of the United States Code relating to bankruptcy as now constituted or hereafter amended or under any other applicable Federal or State Bankruptcy law or other similar law (hereinafter referred to as the Bankruptcy Code), and the subsequent rejection of the Lease Agreement by City, the Company shall not, without the prior written consent of the Lender (i) elect to treat the Lease Agreement as terminated pursuant to Section 365(h)(i) of the Bankruptcy Code, or (ii) pursuant to Section 365(h)(2) of the Bankruptcy Code, offset against the rents reserved under the Lease Agreement the amount of any damages caused by the City's rejection of the Lease Agreement. The Company shall promptly, and so as to be received prior to all hearing dates, return dates or other deadlines, send to Lender copies of all notices, summonses, pleadings, applications and other documents received by the Company in connection with such petition or proceeding by the City.

**7. Notices under Lease Agreement.** Pursuant to the terms hereof, the Company and City, as applicable, shall give Lender, concurrently with giving any material notice to the Company and City, as applicable, a copy of any such notice given to the Company and City, in the manner set forth below. No such notice given to the Company by City or to City by the Company which is not concurrently given to the Lender shall be valid or effective for any purpose with respect to the Lender to which the Company or City, as applicable, fails to give such notice.

**8. Miscellaneous.**

(a) **Notices.** All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (i) when delivered by hand (with written confirmation of receipt); (ii) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (iii) on the date sent by facsimile or e-mail (with .pdf copy attached and confirmation of transmission) if sent

during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (iv) on the fifth day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the addresses set forth on **Exhibit B**, or such other address for a party as specified in a notice given in accordance with this Section.

(b) **Interpretation.** For purposes of this Agreement, (i) the words “include,” “includes” and “including” are deemed to be followed by the words “without limitation”; (ii) the word “or” is not exclusive; and (iii) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (i) to sections, schedules and exhibits mean the sections of, and schedules and exhibits attached to, this Agreement; (ii) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (iii) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

(c) **Entire Agreement.** This Agreement and the Lease Agreement contain all of the terms and conditions of the parties’ agreement regarding the subject matter set forth herein. If there is any conflict between the provisions of this Agreement and those of the Lease Agreement, the provisions of this Agreement shall prevail.

(d) **Amendments and Modifications; Release.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors in interest. Upon full payment of the Loan, the Lender shall promptly execute and deliver to the Company upon request a release of this instrument in recordable form, if this Agreement has been recorded.

(e) **Waiver.** No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

(f) **Governing Law.** This Agreement shall be governed by the law of the State of Arkansas, without regard to the choice of law rules of that State.

(g) **Severability.** If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect

any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

(h) **Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

(i) **Counterparts and Original Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by e-mail or other form of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement. Notwithstanding the foregoing, each party hereto shall deliver original counterpart signatures to the Company promptly after execution.

**9. Waiver of Jury Trial.** EACH OF THE LENDER, THE COMPANY, AND TO THE EXTENT PERMITTED BY LAW, THE CITY SHALL, AND THEY HEREBY DO, WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY OF THE PARTIES HERETO AGAINST ANY OTHER PARTY ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, THE RELATIONSHIP OF THE LENDER AND THE COMPANY AND ANY EMERGENCY STATUTE OR ANY OTHER STATUTORY REMEDY.

**10. Subordination in Bankruptcy.** If the Lease Agreement is at any time determined to be a secured financing by a court of competent jurisdiction, then the Company and City, as applicable, agree: (a) any and all liens determined to exist or be created or arise in favor of the City securing the obligations of the Company under the Lease Agreement, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise are expressly junior in priority, operation and effect to any and all liens on the Leased Premises existing or hereafter created or arising in favor of the Lender under the Security Documents (i) anything to the contrary contained in any agreement or filing to which the Company may now or hereafter be a party, and regardless of the time, order or method of grant, attachment, recording or perfection of any financing statements or other security interests, assignments, pledges, deeds, mortgages and other liens, or any defect or deficiency or alleged defect or deficiency in any of the foregoing, (ii) any provision of the Uniform Commercial Code or any applicable law or any financing document or security document between the Company and Lender or any other circumstance whatsoever and (iii) the fact that any such liens in favor of the Lender are otherwise subordinated, voided, avoided, invalidated or lapsed. Notwithstanding any failure by Lender to perfect its security interests in the Project or the Leased Premises or any avoidance, invalidation or subordination by any third party or court of competent jurisdiction of the security interests in the Project or the Leased Premises granted to the Lender, the priority and rights as between the Lender and the City with respect to the Project or the Leased Premises shall be as set forth herein.

**11. Validity of Lender's Liens.** To the extent permitted by law, the City shall not object to or contest, or support any other person in contesting or objecting to, in any proceeding

(including any bankruptcy proceeding), the validity, extent, perfection, priority or enforceability of any security interest in the Project or the Leased Premises granted to Lender.

*Signature Page to Recognition Agreement*

COMPANY:

**REMURIATE ARKANSAS, LLC,**  
An Arkansas limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ )

) ss:

**ACKNOWLEDGMENT**

COUNTY OF \_\_\_\_\_ )

On this day, before me, the undersigned, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named \_\_\_\_\_, to me personally well known, who stated that s/he was the \_\_\_\_\_ of **REMURIATE ARKANSAS, LLC**, an Arkansas limited liability company, and was duly authorized in that capacity to execute the foregoing instruments for and in the name and behalf of said entity, and further stated and acknowledged that s/he had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

My commission expires:

\_\_\_\_\_  
(S E A L)

BONDHOLDER:

**REMURIATE ARKANSAS HOLDINGS, LLC,**  
An Arkansas limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF \_\_\_\_\_

)

) ss:

**ACKNOWLEDGMENT**

COUNTY OF \_\_\_\_\_

)

On this day, before me, the undersigned, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named \_\_\_\_\_, to me personally well known, who stated that s/he was the \_\_\_\_\_ of **REMURIATE ARKANSAS HOLDINGS, LLC**, an Arkansas limited liability company, and was duly authorized in that capacity to execute the foregoing instruments for and in the name and behalf of said entity, and further stated and acknowledged that s/he had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

My commission expires:

\_\_\_\_\_  
(S E A L)

LENDER:

**U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION**, as the  
Administrative Agent

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

ACKNOWLEDGMENT

On this day, before me, the undersigned, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named \_\_\_\_\_, to me personally well known, who stated that s/he was the \_\_\_\_\_ of **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association, and was duly authorized in that capacity to execute the foregoing instruments for and in the name and behalf of said entity, and further stated and acknowledged that s/he had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

My commission expires:

\_\_\_\_\_  
(S E A L)

## **Exhibit A**

### **Description of Leased Premises**

Fee interests in real estate, buildings, machinery, equipment, furnishings, other personal property, and fixtures financed with proceeds of the \$\_\_\_\_\_ City of Osceola, Arkansas Taxable Industrial Development Revenue Bonds (Remuneration Project) Series 20\_\_ (the "Bonds"), located on the Real Property (described below), including, but not limited to:

All fixtures, machinery, apparatus, equipment, fittings and appliances of every kind and nature whatsoever, now or hereafter affixed or attached to or installed in the above described property relating to the manufacture, refinement or processing of steel, and all related or ancillary improvements and equipment.

The Leased Premises is located in Mississippi County, Arkansas and described as follows:

Part of the Southeast Quarter of the Northeast Quarter and the Northeast Quarter of the Southeast Quarter of Section 31, Township 12 North, Range 11 East, Osceola District, Mississippi County, Arkansas, being 10.75 acres, more or less, and more particularly described as follows:

Commencing at a 1/2-inch iron bar (w/cap) over a subsurface 3-inch flat iron accepted as evidence of the northeast corner of said Section 31; thence run South 88°33'31" West a distance of 786.05 feet along the north line of said Section 31 to a point; thence run South 00°00'00" East a distance of 1594.35 feet to a 1/2-inch steel pipe (w/cap) and the Point of Beginning of the herein described tract of land; thence run North 90°00'00" East a distance of 270.27 feet to a 1/2-inch steel pipe (w/cap); thence run South 00°00'00" East a distance of 1102.86 feet to a 1/2-inch steel pipe (w/cap); thence run South 03°09'12" West a distance of 33.01 feet to a 1/2-inch steel pipe (w/cap); thence run North 90°00'00" West a distance of 518.37 feet to a 1/2-inch steel pipe (w/cap); thence run North 00°00'00" East a distance of 646.25 feet to a 1/2-inch steel pipe (w/cap); thence run North 90°00'00" East a distance of 249.92 feet to a 1/2-inch steel pipe (w/cap); thence run North 00°00'00" East a distance of 489.57 feet to the Point of Beginning and containing 10.75 acres, more or less, and being subject to any record easements that may affect the herein described tract of land. The above description was written from and is hereby referenced to a plat of survey by James W. Wages, PLS dated May 30, 2022.

## **Exhibit B**

### **Notices**

1. If to Company:  
**REMURIATE ARKANSAS, LLC**  
122 Marquette Street  
LaSalle, IL 61301  
Attention: Paul Carus  
Email: pcarus@remuriate.com  
  
With a copy to: [To be inserted]
2. If to Lender:  
**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, as the Administrative Agent  
c/o Corporate Trust – CDO Loan Agency  
214 N. Tryon Street  
27th Floor  
Charlotte, NC 28202  
Attention: James Hanley and Prital Patel  
Email: James.Hanley1@usbank.com;  
prital.patel@usbank.com;  
Agency.services@usbank.com  
Telephone: (302) 485-4191  
  
With a copy to: [To be inserted]
3. If to Bondholder:  
**REMURIATE ARKANSAS HOLDINGS, LLC**  
122 Marquette Street  
LaSalle, IL 61301  
Attention: Paul Carus  
Email: pcarus@remuriate.com  
  
With a copy to: [To be inserted]
4. If to City:  
**CITY OF OSCEOLA, ARKANSAS**  
303 West Hale Avenue  
Osceola, Arkansas 72370  
Attention: Mayor  
  
With a copy to: City Attorney  
303 West Hale Avenue  
Osceola, Arkansas 72370

**TRUST INDENTURE**

**between**

**CITY OF OSCEOLA, ARKANSAS**

**as Issuer**

**and**

**[TBD]**

**as Trustee**

**for**

**\$150,000,000**

**City of Osceola, Arkansas**

**Taxable Industrial Development Revenue Bonds**

**(Remuriate Project)**

**Series 20\_\_**

**Dated: \_\_\_\_\_, 20\_\_**

**MITCHELL | WILLIAMS**

**MITCHELL, WILLIAMS, SELIG, GATES & WOODYARD, P.L.L.C.**

**425 WEST CAPITOL AVENUE, SUITE 1800**

**LITTLE ROCK, ARKANSAS 72201**

## **TABLE OF CONTENTS**

### **ARTICLE I. DEFINITIONS**

Section 1.01.	Definitions.....	3
Section 1.02.	Use of Words.....	6

### **ARTICLE II. THE BONDS**

Section 2.01.	Authorization.....	6
Section 2.02.	Details of Bonds .....	6
Section 2.03.	Maturity .....	7
Section 2.04.	Execution of Bonds .....	7
Section 2.05.	Authentication .....	7
Section 2.06.	Form of Bond .....	8
Section 2.07.	Delivery of Bonds .....	8
Section 2.08.	Mutilated, Destroyed or Lost Bonds .....	8
Section 2.09.	Registration and Transfer of Bonds .....	8
Section 2.10.	Payment on Saturday, Sunday or Holiday .....	9
Section 2.11.	Interest Commencement Date .....	9
Section 2.12.	Cancellation.....	9
Section 2.13.	Temporary Bonds .....	9
Section 2.14.	Additional Bonds.....	10
Section 2.15.	Conversion of Bonds upon Completion Date .....	10
Section 2.16.	Home Office Payment Agreement .....	10

### **ARTICLE III. REDEMPTION OF BONDS BEFORE MATURITY**

Section 3.01.	Redemption .....	10
Section 3.02.	Notice of Redemption .....	11
Section 3.03.	Redemption Payments.....	11
Section 3.04.	Cancellation.....	11

### **ARTICLE IV. GENERAL COVENANTS**

Section 4.01.	Payment of Principal and Interest .....	11
Section 4.02.	Performance of Covenants .....	11
Section 4.03.	Instruments of Further Assurance .....	12
Section 4.04.	Payment of Taxes, Charges, etc .....	12
Section 4.05.	Obligation to Maintain and Repair .....	12
Section 4.06.	Recordation of Trust Indenture .....	12
Section 4.07.	Rights under Lease Agreement .....	12
Section 4.08.	List of Bondowners .....	12

Section 4.09.	Lien of Trust Indenture; Enforcement of Obligations and Rights .....	12
Section 4.10.	Obligation to Insure.....	13

## **ARTICLE V. REVENUE AND FUNDS**

Section 5.01.	Creation of Funds .....	13
Section 5.02.	Deposit of Bond Proceeds .....	13
Section 5.03.	Use of Moneys in Bond Fund .....	14
Section 5.04.	Non-presentment of Bonds.....	14
Section 5.05.	Costs of Issuance Fund.....	15
Section 5.06.	Loan Fund .....	15
Section 5.07.	Any Fees, Charges and Expenses of Trustee and Paying Agent.....	15
Section 5.08.	Moneys and Documents to be Held in Trust.....	16
Section 5.09.	Refunds to Borrower .....	16

## **ARTICLE VI. CUSTODY AND APPLICATION OF PROCEEDS OF BONDS**

Section 6.01.	Disbursement of Issuance Costs.....	16
Section 6.02.	Deposit in the Loan Fund .....	17
Section 6.03.	Disbursements from the Loan Fund .....	17
Section 6.04.	Transfer to Bond Fund .....	17

## **ARTICLE VII. INVESTMENTS**

Section 7.01.	Investment of Moneys in Funds .....	18
---------------	-------------------------------------	----

## **ARTICLE VIII. DISCHARGE OF LIEN**

Section 8.01.	Discharge of Lien .....	18
---------------	-------------------------	----

## **ARTICLE IX. DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDOWNERS**

Section 9.01.	Events of Default.....	18
Section 9.02.	Acceleration .....	19
Section 9.03.	Trustee's Right to Enter and Take Possession .....	19
Section 9.04.	Other Remedies; Rights and Obligations with Reference to Remedies.....	20
Section 9.05.	Right of Majority of Bondowners to Take Charge .....	20
Section 9.06.	Appointment of Receiver .....	21
Section 9.07.	Waiver by Issuer of Benefit of Laws and Rights of Appraisalment and Redemption .....	21
Section 9.08.	Application of Available Moneys .....	21
Section 9.09.	Remedies Vested in Trustee .....	22
Section 9.10.	Rights and Remedies of Bondowners .....	22

Section 9.11.	Termination of Proceedings .....	23
Section 9.12.	Waivers of Events of Default .....	23

## **ARTICLE X. THE TRUSTEE**

Section 10.01.	Acceptance of Trusts .....	23
Section 10.02.	Fees, Charges and Expenses of Trustee .....	26
Section 10.03.	Notice to Bondowners of Default .....	26
Section 10.04.	Intervention by Trustee .....	26
Section 10.05.	Successor Trustee .....	27
Section 10.06.	Resignation by Trustee .....	27
Section 10.07.	Removal of Trustee; Sale of Trust Business .....	27
Section 10.08.	Appointment of Successor Trustee .....	27
Section 10.09.	Successor Trustee Qualifications .....	27
Section 10.10.	Right of Trustee to Pay Taxes and Other Charges .....	28
Section 10.11.	Trustee Protected in Relying Upon Resolutions, etc. ....	28
Section 10.12.	Trustee Which Has Resigned or Been Removed Ceases to be Paying Agent .....	28
Section 10.13.	Paying Agent's Fees and Charges .....	28
Section 10.14.	Appointment of Co-Trustee or Separate Trustee .....	28
Section 10.15.	Borrower and Bondholder Rights .....	29

## **ARTICLE XI. SUPPLEMENTAL INDENTURES AND AMENDMENTS TO THE LEASE AGREEMENT**

Section 11.01.	Supplemental Indentures Not Requiring Consent of Bondowners .....	29
Section 11.02.	Supplemental Indentures Requiring Consent of Bondowners .....	30
Section 11.03.	Amendments to the Lease Agreement .....	30
Section 11.04.	Procedure for Amendments .....	31

## **ARTICLE XII. MISCELLANEOUS**

Section 12.01.	Consents, etc., of Bondowners .....	31
Section 12.02.	Limitation of Rights .....	31
Section 12.03.	Severability .....	31
Section 12.04.	Notice .....	32
Section 12.05.	Arkansas Substantive Law Governs .....	32
Section 12.06.	Uniform Commercial Code .....	32
Section 12.07.	Counterparts .....	33
Section 12.08.	Limitation on Liability .....	33
Section 12.09.	No Personal Liability; No Recourse .....	33

## TRUST INDENTURE

THIS TRUST INDENTURE (the “**Indenture**”) executed and effective as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between the **CITY OF OSCEOLA, ARKANSAS**, a city of the first class and a political subdivision of the State of Arkansas (the “**Issuer**”), duly existing under the laws of the State of Arkansas, as party of the first part, and [TBD], an \_\_\_\_\_ state banking corporation with a corporate trust office in \_\_\_\_\_, Arkansas (the “**Trustee**”), as party of the second part;

### RECITALS:

A. The Issuer is authorized by the provisions of Amendment 65 to the Arkansas Constitution and the Municipalities and Counties Industrial Development Revenue Bond Law, Ark. Code Ann. §§ 14-164-201 et seq. and Ark. Code Ann. §§ 14-164-701 et seq., each as amended from time to time (collectively, the “**Act**”) to issue the bonds herein authorized for the purpose of financing the costs of acquiring, constructing and equipping lands, buildings or facilities for industrial enterprises as defined in the Act; and

B. Pursuant to and in accordance with the Act, the Issuer proposes to issue its industrial development revenue bonds under the Act and to loan the proceeds thereof to Remuriate Arkansas, LLC, a Arkansas limited liability company (the “**Company**” or the “**Borrower**”), for the purposes of financing the costs of acquiring, constructing, and equipping certain industrial facilities located near the corporate boundaries of the City of Osceola, Arkansas, such loan to be upon the terms and conditions set forth in the Lease Agreement dated as of \_\_\_\_\_, 20\_\_, by and between the Issuer and Remuriate Arkansas, LLC (the “**Lease Agreement**”); and

C. A portion of the permanent financing of the Project costs, necessary costs and expenditures incidental thereto and the cost of the issuance of bonds, is being furnished by the Issuer issuing its Taxable Industrial Development Revenue Bonds (Remuriate Project), Series 20\_\_ under the provisions of the Act in a principal amount not to exceed One Hundred Fifty Million and No/100 Dollars (\$150,000,000.00) (the “**Bonds**”); and

D. The Bonds are to be sold in multiple series and issued in the principal amount, dated, bearing interest, maturing and subject to redemption as hereinafter in this Indenture set forth in detail; and

E. The execution and delivery of this Indenture and the issuance of the Bonds have been in all respects duly and validly authorized by Ordinance 2023-\_\_ of the City Council of the Issuer, adopted and approved on the 15<sup>th</sup> day of May, 2023; and

F. All things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the Issuer according to the import thereof, and to constitute this Indenture a valid pledge of revenues to the payment of the principal of and interest on the Bonds, in accordance with the creation, execution and delivery of this Indenture and the creation, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

NOW, THEREFORE, KNOW ALL PERSONS BY THESE PRESENTS, THIS  
INDENTURE

**WITNESSETH:**

That the Issuer in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the owners thereof, and the sum of One Dollar (\$1.00), lawful money of the United States of America, to it duly paid by the Trustee, at or before the execution and delivery of these presents, and for other good and valuable considerations, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of and interest on the Bonds according to their tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, subject to all of the provisions hereof, does hereby grant, bargain, sell, convey, mortgage, assign and pledge unto the Trustee, and unto its successor or successors in trust, and to them and their assigns forever, for the securing of the performance of the obligations of the Issuer hereinafter set forth:

I.

All rights of the Issuer under the terms of the Lease Agreements between the Issuer and the Borrower (except the rights of the Issuer to indemnification and the payment of certain fees) and all Revenues (as herein defined) and the proceeds thereof;

II.

All the rights and interest of the Issuer in and to the Bond Fund and the Loan Fund (as hereinafter defined) and all moneys and investments therein, but subject to the provisions of this Indenture pertaining thereto, including the making of disbursements therefrom.

III.

Any other property hereinafter pledged to or coming into the possession of the Trustee.

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successors in said trusts and to them and their assigns forever;

IN TRUST NEVERTHELESS, upon the terms and conditions herein set forth for the equal and proportionate benefit, security and protection of all owners of the Bonds issued under and secured by this Indenture with the privileges, priority or distinction as to lien of the Bonds as provided in the Bond form for the Bonds; provided, however, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the Bonds and the interest due thereon, at the times and in the manner provided in the Bonds, according to the true intent and meaning thereof, and shall make the payments into the Bond Fund as required under Article V or shall provide, as permitted hereby, for the payment thereof by depositing or causing to be deposited with the Trustee the entire amount due or to become due thereon, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this

Indenture and the rights hereby granted shall cease, determine and be void; otherwise, this Indenture to be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all property hereby assigned and pledged and the income, revenues and receipts and other sums of money payable or receivable under the Lease Agreement, hereby assigned and pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreement, trusts, uses and purposes as hereinafter expressed, and the Issuer does hereby agree and covenant, with the Trustee and the respective holders from time to time of the Bonds, as follows:

## **ARTICLE I. DEFINITIONS**

**Section 1.01. Definitions.** In addition to the words and terms elsewhere defined in this Indenture, the following words and terms as used in this Indenture shall have the following meanings:

**“Act”** - Collectively, the provisions of Amendment 65 to the Arkansas Constitution and the Municipalities and Counties Industrial Development Revenue Bond Law, Ark. Code Ann. §§ 14-164-201 et seq. and Ark. Code Ann. §§ 14-164-701 et seq., each as amended from time to time.

**“Advance”** – The advancement from time to time of the proceeds of the Bonds to the Borrower pursuant to requisitions submitted in accordance with Section 6.03 hereof.

**“Agreements” or “Lease Agreements”** -- The Lease Agreement dated as of \_\_\_\_\_, 20\_\_, by and between the Issuer and Remuriate Arkansas, LLC providing for a loan to Remuriate Arkansas, LLC for payment of a portion of the Project costs.

**“Bond Fund”** -- The fund of the Issuer created by Section 5.01 of the Indenture into which the funds specified in Article V are to be deposited and out of which disbursements are to be made as expressly authorized and directed by this Indenture.

**“Bonds” or “bonds”** – City of Osceola, Arkansas Taxable Industrial Development Revenue Bonds (Remuriate Project), Series 20\_\_ issued under and secured by the Indenture, in a principal amount of not to exceed \$150,000,000.

**“Borrower” or “Company”** - Remuriate Arkansas, LLC, a Arkansas limited liability company.

**“Borrower Representative”** – The person or persons at the time designated to act on behalf of the Borrower as evidenced by written certificate furnished to the Trustee containing the specimen signature of such person signed on behalf of the Borrower by its appropriate officer or officers.

**“City Clerk”** - The person holding the office and performing the duties of City Clerk of the Issuer.

**“Closing Date”** -- The date on which the Bonds are issued and delivered to Purchaser.

**“Completion Date”** – The date of completion of the acquisition, construction and equipping of the Project as that date shall be determined by the Borrower and certified in writing to the Trustee.

**“Costs of Issuance Fund”** -- The Costs of Issuance Fund created pursuant to Section 5.01 of this Indenture.

**“Delivery Instructions”** -- The written request and authorization given by the Issuer on the Closing Date directing the use and deposit of the proceeds of the Bonds or other funds deposited with the Trustee by the Borrower.

**“Government Securities”** – Direct or fully guaranteed obligations of the United States of America (including any such securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America).

**“Home Office Payment Agreement”** – The Home Office Payment Agreement among the Issuer, the Borrower, the Trustee, the Purchaser and any Bondholder evidencing the intent of the parties with respect to payment obligations under this Indenture, the Bond Purchase Agreement, and the Lease Agreement.

**“Indenture”** - This Trust Indenture with all indentures supplemental hereto.

**“Issuance Costs”** -- All costs and expenses of issuance of the Bonds, including, but not limited to: (i) counsel fees, including bond counsel and Issuer’s counsel, as well as any other specialized counsel fees; (ii) trustee fees and trustee counsel fees; (iii) paying agent and certifying and authenticating agent fees related to issuance of the Bonds; (vi) accountant fees; (vii) printing costs of the Bonds; (viii) publication costs associated with the financing proceedings; and (ix) recording fees.

**“Issuer”** – City of Osceola, Arkansas, a city of the first class and a political subdivision of the State of Arkansas.

**“Loan”** - The loan from the Issuer to Remuriate Arkansas, LLC evidenced and governed by the Lease Agreements.

**“Loan Fund”** - The fund created by Section 5.06 into which the portion of the proceeds of the sale of the Bonds specified in Section 6.02 is to be deposited and out of which disbursements are to be made in the manner and for the purposes specified in Article VI of the Indenture.

**“Mayor”** - The Mayor of the Issuer.

**“Outstanding hereunder”** - **“Bonds outstanding hereunder”** - All Bonds which have been authenticated and delivered under the Indenture, except:

- (a) Bonds canceled because of payment or redemption prior to maturity;
- (b) Bonds, for the payment or redemption of which, cash or investment securities in the amount required by Section 8.01 of the Indenture shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such

Bonds) provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or satisfactory provision shall have been made therefor, or a waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee; and

(c) Bonds in lieu of which others have been authenticated under Section 2.08.

**“Owner”** or **“Bondowner”** or **“owner of the bonds”** or **“Bondholder”**- The registered owner of any bond.

**“Paying Agent”** - The bank or trust company named by the Issuer as the place at which the principal of and interest on the Bonds is payable. The original Paying Agent is the Trustee. References to Paying Agent include any alternate Paying Agent.

**“Person”** - Includes natural persons, firms, associations, corporations, other legal entities and public bodies.

**“Pledged Property”** - The properties, interests and rights set forth in the granting clauses of this Indenture.

**“Project”** - The land, improvements, infrastructure, equipment and facilities being financed out of the proceeds of the Bonds, together with other expenses in connection therewith, including architectural and engineering fees, and the costs of the issuance of the Bonds.

**“Purchaser”** - Remuriant Arkansas Holdings, LLC, an Arkansas limited liability company. The Purchaser is the original purchaser of the Bonds.

**“Record Date”** - The fifteenth calendar day of the month preceding the month in which the interest payment date occurs.

**“Revenues”** - The income, including penalties and interest, derived by the Issuer under the Lease Agreements.

**“State”** - The State of Arkansas.

**“Temporary Bonds”** - Bonds issued pursuant to Section 2.13 of the Indenture if definitive bonds are not available upon the initial delivery of the Bonds to the Purchaser.

**“Trust Estate”** - Property herein conveyed, also called the Pledged Property.

**“Trustee”** - The Trustee for the time being, whether original or successor, with the original Trustee being [TBD], a state banking corporation organized and operating under the laws of \_\_\_\_\_ and authorized to exercise corporate trust powers in the State of Arkansas, and being duly qualified to accept and administer the trusts hereby created, and having a corporate trust office located in \_\_\_\_\_, Arkansas. The Trustee is also a Paying Agent and Registrar.

**“Written Request”** - With reference to Issuer, a request in writing signed by the Mayor and City Clerk, and, with reference to the Borrower, a request in writing signed by a Borrower Representative.

**Section 1.02. Use of Words.** Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the word “bond,” “owner,” “holder,” and “person” shall include the plural, as well as the singular, number.

## **ARTICLE II. THE BONDS**

**Section 2.01. Authorization.** In accordance with and subject to the terms, conditions and limitations established in this Indenture, industrial development revenue bonds are hereby authorized in the aggregate principal amount of not to exceed \$150,000,000. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article.

**Section 2.02. Details of Bonds.** The Bonds shall be designated “City of Osceola, Arkansas Taxable Industrial Development Revenue Bonds (Remuriate Project), Series 20\_\_\_,” in the principal amount of not to exceed \$150,000,000. The Bonds will be dated \_\_\_\_\_, 20\_\_\_, and interest thereon shall be payable as set forth in the forms of Bond attached hereto as Exhibit A and Exhibit B. The Bonds shall be registered bonds, without coupons, in denominations of \$100,000 each or any integral multiple of \$5,000 in excess of \$100,000 and the principal amount shall be payable, unless sooner redeemed in the manner provided in this Indenture, as set forth in the form of Bond heretofore set forth in this Indenture.

The Bonds shall be initially issued in the form of one fully registered bond in the principal amount of not to exceed \$150,000,000, and may not be submitted in exchange for more than one fully registered bond until the Completion Date, at which time the Bond initially issued may, but shall not be required to, be submitted to the Trustee pursuant to the provisions of Section 2.09 hereof in exchange for more than one fully registered bond. The proceeds of the Bonds shall be advanced from time to time upon the submission of draw requests or requisitions by the Borrower, to the Trustee pursuant to the provisions of Section 6.03 hereof and Article II of the Lease Agreement. Upon receipt of each requisition by the Trustee, the Trustee shall notify, either telephonically or by e-mail, the Bondholder of the principal amount of the Bonds which the Bondholder must purchase, which shall be the amount set forth in such draw request or requisition. Promptly upon receipt of such notice, the Bondholder shall pay to the Trustee the principal amount requisitioned by the Borrower, and the Trustee shall make a notation of such principal amount purchased on the Record of Advances and Principal Payments attached to the Bond. The amount shown on the Record of Advances and Principal Payments attached to the Bond shall be deemed to be conclusive evidence of the principal amount of the Bonds purchased by the Bondholder, absent manifest error. The principal amount of the Bonds so purchased shall be submitted by the Purchaser to the Trustee, and such amount shall be deposited by the Trustee into the Loan Fund. Any portion of the Bonds not sold to the Bondholder and any portion of the corresponding proceeds not delivered to the Borrower by the Completion Date shall not be issued or delivered thereafter. Notwithstanding anything herein to the contrary, until the Completion Date, upon the request of the Bondholder, the Trustee may maintain custody of the Bond as agent of the Bondholder.

The Bonds shall bear interest from its date; provided, that the date of each Advance under such Bond shall be the interest commencement date from which the principal amount of such Advance bears interest. Bonds issued on the Completion Date and prior to the next Interest Payment Date shall bear interest from the Completion Date, and the Bonds issued thereafter shall bear interest from the Interest Payment Date next preceding the date of authentication and delivery thereof by the Trustee, unless such date of authentication and delivery shall be an Interest Payment Date, in which case they shall bear interest from such date of authentication and delivery or unless such date of authentication and delivery shall be during the period from the Record Date to the next Interest Payment Date, in which case they shall bear interest from such Interest Payment Date; provided, however, that if, as shown by the records of the Trustee, interest on any Bonds surrendered for transfer or exchange shall be in default, the Bonds issued in exchange for Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the Bonds surrendered. Interest shall be computed on the basis of a year of three hundred sixty-five (365) or three hundred sixty-six (366) days, as applicable.

**Section 2.03. Maturity.** The Bonds shall mature on \_\_\_\_\_, 20\_\_ and bear interest payable annually on each \_\_\_\_\_ (each an “**Interest Payment Date**”), commencing \_\_\_\_\_, 20\_\_ and continuing through \_\_\_\_\_, 20\_\_ with the final principal payment due on maturity, \_\_\_\_\_, 20\_\_, at the rate per annum of \_\_\_\_ and \_\_/100 percent (\_\_\_\_%).

**Section 2.04. Execution of Bonds.** The Bonds shall be executed on behalf of the Issuer by the Mayor (by his/her original or facsimile signature) and the City Clerk (by his/her original or facsimile signature) thereof and shall have impressed thereon the seal of the Issuer. The Mayor and the City Clerk may file the certificates required by the Uniform Facsimile Signature Public Officials Act (Arkansas Code Annotated §§ 21-10-1010 *et seq.*) and otherwise comply with the provisions of that Act, and the Mayor and the City Clerk’s facsimile signatures shall have the same force and effect as if they had personally signed. The Bonds, together with interest thereon, shall be payable from the Bond Fund, as hereinafter set forth, and shall be a valid claim of the owners thereof only against such fund and the revenues pledged to such fund, which revenues are hereby pledged and mortgaged for the payment of the Bonds and shall be used for no other purpose than to pay the principal of and interest on the Bonds, and the Trustee’s, the Paying Agent’s and Bond Registrar’s fees, except as may be otherwise expressly authorized in this Indenture. In case any officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

**Section 2.05. Authentication.** Only such Bonds as shall have endorsed thereon a Certificate of Authentication substantially in the form included in the bond forms attached hereto as Exhibit A and Exhibit B duly executed by the Trustee shall be entitled to any right or benefit under this Indenture. No Bond shall be valid and obligatory for any purpose unless and until such Certificate of Authentication shall have been duly executed by the Trustee, and such Certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee’s Certificate of Authentication on any Bond shall be deemed to have been executed if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the Certificate of Authentication on all of the Bonds issued hereunder.

**Section 2.06. Form of Bond.** The Bond originally issued and delivered shall be substantially in the form set forth in Exhibit A attached hereto, with appropriate variations, omissions and insertions as permitted or required by this Indenture. The Bonds exchanged for the originally issued Bonds and delivered on and after the Completion Date shall be substantially in the form set forth in Exhibit B attached hereto, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture.

**Section 2.07. Delivery of Bonds.** Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Trustee and the Trustee shall authenticate the Bonds and, with the direction of the Purchaser, either deliver them to the Purchaser or maintain custody of the Bond as agent of the Purchaser upon payment of the initial Advance, and the Trustee shall be entitled to rely upon any certificate, ordinance or resolution as to the purchase price and the Purchaser. Prior to the Trustee's delivery of the Bonds to the Purchaser, the Trustee shall make appropriate notation on Schedule A attached to the Bond certificate of the amount and date of the initial draw thereunder and such amount shall be deemed to be conclusive evidence of the principal amount purchased by the Purchaser, absent manifest error.

**Section 2.08. Mutilated, Destroyed or Lost Bonds.** In case any Bond issued hereunder shall become mutilated or be destroyed or lost, the Issuer shall, if not then prohibited by law, cause to be executed and the Trustee may authenticate and deliver a new Bond of like date, number, maturity and tenor in exchange and substitution for any such mutilated, destroyed or lost Bond, upon the owners paying the reasonable expenses and charges of the Issuer and the Trustee in connection therewith, and, in case of a Bond destroyed or lost, his filing with the Trustee of evidence satisfactory to it that such Bond was destroyed or lost, and of his ownership thereof and furnishing the Issuer and the Trustee with indemnity satisfactory to them. The Trustee is hereby authorized to authenticate any such new Bond. In the event any such Bonds shall have matured, instead of issuing a new Bond, the Issuer may pay the same without the surrender thereof.

**Section 2.09. Registration and Transfer of Bonds.** The Issuer shall cause books for the registration and for the transfer of the Bonds as provided in this Indenture to be kept by the Trustee as Bond Registrar. Any Bond may be transferred only upon an assignment duly executed by the registered owner or his, her or its attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, such transfer to be made on such books and endorsed on the Bond by the Bond Registrar. The principal of any Bond shall be payable only to or upon the order of the registered owner or his legal representative. Interest shall be paid by check or draft by said Bond Registrar at the times provided therein to the registered owner by mail to the address shown on the registration books.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal of any such Bond shall be made only to or upon the order of the registered owner thereof, or his, her or its legal representative, and neither the Issuer, the Trustee, nor the Bond Registrar shall be affected by any such notice to the contrary, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

On and after the Completion Date, Bonds may be exchanged, and upon receipt of notice of the Completion Date as provided in Section 2.03 of the Lease Agreement, will be exchanged, at the principal corporate trust office of the Trustee for an equal aggregate principal amount of Bonds of any other authorized denomination or denominations. The Issuer shall execute and the Trustee shall authenticate and deliver Bonds which the bondholder making the exchange is entitled to receive, bearing numbers not contemporaneously then outstanding. The execution by the Issuer of any Bond of any denomination shall constitute full and due authorization of such denomination and the Trustee shall thereby be authorized to authenticate and deliver such Bond.

**Section 2.10. Payment on Saturday, Sunday or Holiday.** In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds shall be a Saturday or Sunday or shall be in the State of Arkansas a legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal (and premium, if any) need not be made on such date but may be made on the next succeeding business day not a Saturday or Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period from and after the date of maturity or date fixed for redemption.

**Section 2.11. Interest Commencement Date.** The Bonds initially issued shall bear interest from their date; provided, that the date of each Advance under such Bond shall be the interest commencement date from which the principal amount of such Advance bears interest. Otherwise, each Bond, upon subsequent transfer, shall be dated as of the Interest Payment Date to which interest has been paid. Payment of each installment of interest shall be made to the person in whose name the Bond is registered on the registration books of the Trustee as Bond Registrar at the close of business on the fifteenth calendar day of the month (whether or not a business day) next preceding each Interest Payment Date, irrespective of any transfer or change of any such Bond subsequent to such date. On or before each Interest Payment Date, the Borrower or the Bondholder shall provide notice to the Trustee by e-mail, in writing or in such other form as is acceptable to Trustee, evidencing the amount of principal outstanding and the interest that has accrued and is payable as of such Interest Payment Date (the "Interest Notice"). Upon delivery of the Interest Notice, Borrower shall remit the amount of interest payable to the Trustee for deposit in the Bond Fund, and the Trustee shall transmit interest due and payable to the Bondholder. Provided, however, that so long as a Home Office Payment Agreement (as defined in Section 2.16 hereof) is in effect, Trustee may presume that interest payments have been made directly to the Bondholder by the Borrower, and no further action shall be required of the Trustee whether or not it receives the Interest Notice.

**Section 2.12. Cancellation.** To the extent held by the Trustee, all Bonds which are paid, either at maturity or by redemption prior to maturity, shall be canceled and, at the option of the Trustee, either (i) cremated, shredded or otherwise disposed of or (ii) returned to the Issuer. In the case of cremating, shredding or other disposition pursuant to (i) above, the Trustee shall execute and forward to the Issuer, upon request, an appropriate certificate describing the Bonds involved and the manner of disposition.

**Section 2.13. Temporary Bonds.** The Issuer shall have the right to execute and deliver Temporary Bonds reflecting the indebtedness secured hereby, which Temporary Bonds, if issued and delivered, shall be entitled to the same security, rights and protection provided under this Indenture

for Bonds in definitive form. Temporary Bonds of the Issuer, if executed, authenticated and delivered shall be replaced by Bonds in definitive form by the Trustee when the Temporary Bonds are returned to the Trustee for exchange. To the extent held by the Trustee, all Temporary Bonds, when returned to the Trustee and when exchanged for Bonds in definitive form shall then be canceled and at the option of the Trustee, either (i) cremated, shredded or otherwise disposed of and/or (ii) returned to the Issuer. In the case of cremating, shredding or other disposition pursuant to (i) above, the Trustee shall execute and forward to the Issuer, upon request, an appropriate certificate reflecting the Temporary Bonds involved and the manner of disposition.

**Section 2.14. Additional Bonds.** No additional bonds shall be issued under this Indenture.

**Section 2.15. Conversion of Bonds upon Completion Date.** Upon receipt of notice of the Completion Date as provided in Section 2.03 of the Lease Agreement, the Trustee shall give notice thereof to the registered owner of the Bonds. Such notice shall be given by mail or by other acceptable method, including facsimile or e-mail, and shall state that such registered owner must deliver his, her or its Bond to the Trustee for conversion. The Trustee shall cancel the Bond so delivered and issue a form of Bond in lieu thereof pursuant to the provisions hereof.

**Section 2.16. Home Office Payment Agreement.** Notwithstanding any provision of this Indenture or of any Bond to the contrary, the Trustee may enter into or accept the terms of a home office payment agreement with the Issuer, the Borrower and the owner of any Bond providing for the making to such owner of all payments of principal (whether at maturity or redemption) and interest on such Bond or any part thereof at a place and in a manner other than as provided in this Indenture and in the Bonds without presentation or surrender of such Bonds, upon such conditions as shall be satisfactory to the Trustee. The Trustee agrees to make payments of principal, and interest on the Bonds in accordance with the provisions thereof. Upon the transfer of any Bond being paid in accordance with the provisions of a home office payment agreement permitted by this Section, the Trustee, if the Trustee is the custodian of the Bond for the Bondholder, or the transferor, prior to the delivery of such Bond to the transferee, shall make a notation on such Bond of the date to which interest has been paid thereon and the amount of any prepayments or redemptions made on account of the principal thereof. Contemporaneous with the delivery of the Bonds and this Indenture, the appropriate parties will enter into the Home Office Payment Agreement. The Trustee may conclusively rely on the Issuer's, the Borrower's and the Bondholder's intent to comply with and make all payments pursuant to the Lease Agreement, this Trust Indenture and the Bonds in conformity and compliance with the Home Office Payment Agreement until notified in writing that the Home Office Payment Agreement has been terminated. The Borrower and Bondholder may terminate the Home Office Payment Agreement at any time in their sole and absolute discretion, and the Home Office Payment Agreement may not be terminated without the written consent of both Borrower and Bondholder.

### **ARTICLE III. REDEMPTION OF BONDS BEFORE MATURITY**

**Section 3.01. Redemption.** The Bonds shall be callable for redemption prior to maturity in accordance with the provisions pertaining thereto appearing in the form of Bond heretofore set forth in this Indenture.

**Section 3.02. Notice of Redemption.** Notice of the call for redemption shall be by first class mail or by other acceptable standard, including facsimile or e-mail, to the owner or owners of the Bonds not less than thirty (30) days prior to the date fixed for redemption, or such shorter period of time as is acceptable to the owner or owners of the Bonds and the Trustee. Published notice of the call for redemption need not be given. Each notice shall specify the numbers and the maturities of the Bonds being called, and the date on which they shall be presented for payment.

Failure to give notice to the Owner of any Bond designated for redemption shall not affect the validity of the proceedings for the redemption of any other Bond.

**Section 3.03. Redemption Payments.** Prior to the date fixed for redemption, funds shall be deposited with the Trustee to pay, and the Trustee is hereby authorized and directed to apply such funds to the payment of, the Bonds called, together with accrued interest thereon to the redemption date. Upon the giving of notice and the deposit of funds for redemption, interest on the Bonds thus called shall cease to accrue after the date fixed for redemption until such Bond shall have been delivered for payment or cancellation or the Trustee shall have received the items required by Section 2.08 hereof with respect to any mutilated, lost, stolen or destroyed Bond.

**Section 3.04. Cancellation.** All Bonds which have been redeemed shall be canceled by the Trustee pursuant to Section 2.12.

## **ARTICLE IV. GENERAL COVENANTS**

**Section 4.01. Payment of Principal and Interest.** The Issuer covenants that it will promptly pay the principal of and interest on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof. The principal and interest (except interest, if any, paid from accrued interest) are payable solely from the Revenues, which Revenues are hereby specifically pledged to the payment thereof in the manner and to the extent herein specified, and nothing in the Bonds or in this Indenture should be considered as pledging any other funds or assets of the Issuer (except the securing of the indebtedness evidenced by the Bonds by the provisions of the Lease Agreement). Anything in this Indenture to the contrary notwithstanding, it is understood that whenever the Issuer makes any covenants involving financial commitments, including, without limitation, those in the various sections of this Article IV, it pledges no funds or revenues other than the Revenues and the right, title and interest of the Issuer in the Lease Agreement (except for the obligations of the Borrower to pay Issuer's expenses and to indemnify the Issuer) and the revenues derived from the avails of the Pledged Property, but nothing herein shall be construed as prohibiting the Issuer from using any other funds and revenues.

**Section 4.02. Performance of Covenants.** The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all ordinances pertaining thereto. The Issuer covenants that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Bonds authorized hereby and to execute this Indenture and to make the pledge and covenants in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the

execution and delivery of this Indenture has been duly and effectively taken; and that the Bonds in the hands of the owners thereof are and will be valid and enforceable obligations of the Issuer according to the import thereof.

**Section 4.03. Instruments of Further Assurance.** The Issuer covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such Indenture or Indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, mortgaging, pledging, assigning and confirming to the Trustee the Trust Estate.

**Section 4.04. Payment of Taxes, Charges, etc.** The Issuer covenants that it will promptly cause to be paid all lawful taxes, charges, assessments, imposts and governmental charges at any time levied or assessed upon or against the Trust Estate, or any part thereof, which might impair or prejudice the lien and priority of this Indenture; provided, however, that nothing contained in this Section shall require the Issuer to cause to be paid any such taxes, assessments, imposts or charges so long as the validity thereof is being contested in good faith and by appropriate legal proceedings.

**Section 4.05. Obligation to Maintain and Repair.** The Issuer covenants that it will at all times cause the Project to be maintained, preserved and kept in good condition, repair and working order, and that it will from time to time cause to be made all needed repairs so that the operation and business pertaining to the Project shall at all times be conducted properly and so that the Project shall be fully maintained, to the extent permitted by available funds. It is understood that the Issuer has made provisions in the Lease Agreement for such maintenance, pursuant to the terms of which the Borrower is obligated to maintain the Project as set forth in the Lease Agreement, and so long as the Lease Agreement is in force and effect the Issuer shall be deemed to be in compliance with its obligations under this Section 4.05.

**Section 4.06. Recordation of Trust Indenture.** The Issuer covenants that it will cause this Indenture, and all instruments supplemental thereto, to be kept, recorded and filed in such manner and in such places (if any) as may be required by law in order fully to preserve and protect the security of the bondowners and the rights of the Trustee hereunder. If any such filing is required to be made by the Issuer, the Issuer shall provide the Trustee with file-marked copies thereof.

**Section 4.07. Rights under Lease Agreements.** The Lease Agreements, duly executed counterparts of which have been filed with the Trustee, sets forth covenants and obligations of the Issuer and the Borrower. Issuer agrees that the Trustee in its name or in the name of the Issuer may enforce all rights of the Issuer and all obligations of the Borrower under and pursuant to the Lease Agreements, for and on behalf of the bondholder, whether or not the Issuer is in default hereunder.

**Section 4.08. List of Bondowners.** If the Trustee is directed in writing by the Issuer to so provide, the list of the names and addresses of the registered owners of the Bonds may be inspected and copied by owners (or a designated representative thereof) of ten percent (10%) or more in principal amount of Bonds outstanding hereunder, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

**Section 4.09. Lien of Trust Indenture; Enforcement of Obligations and Rights.** The Issuer covenants that so long as any Bonds authorized by and issued under this Indenture are

outstanding, it will not convey or otherwise dispose of its interest in the Pledged Property, and that it will not encumber the same, or any part thereof, or its interest therein, or create or permit to be created any charge or lien on the Revenues derived therefrom, except as provided in this Indenture. Nothing contained herein shall prohibit the Issuer from issuing bonds the payment for which specified revenues of a particular project is pledged as provided in the Act, it being the purpose of this covenant to limit only a subsequent pledge of the Pledged Property and Revenues as defined in this Indenture.

**Section 4.10. Obligation to Insure.** The Issuer covenants that at all times while any Bonds are outstanding, it will keep or cause to be kept the Project insured against the perils and to the extent set forth in the Lease Agreement. It is understood that the Issuer has made provisions in the Lease Agreement for such insurance, pursuant to the terms of which the Borrower is obligated to keep the property insured as set forth in the Lease Agreement, and so long as the Lease Agreement is in force and effect, the Issuer shall be deemed to be in compliance with its obligations under this Section 4.10.

## **ARTICLE V. REVENUE AND FUNDS**

**Section 5.01. Creation of Funds.** There are hereby created and established with the Trustee as trust funds and trust accounts the following:

- (a) Costs of Issuance Fund; and
- (b) City of Osceola, Arkansas Taxable Industrial Development Revenue Bond (Remuritate Project) Fund, Series 20\_\_ (the “**Bond Fund**”).

Trustee may also create such other Funds or Accounts as it deems necessary or desirable in the administration of this Indenture.

### **Section 5.02. Deposit of Bond Proceeds.**

There shall be deposited into the Bond Fund as and when received:

- (a) That portion of the proceeds of the sale of the Bonds as set forth in the Delivery Instructions;
- (b) The payments and other moneys paid by the Borrower pursuant to the Lease Agreements;
- (c) Amounts transferred to the Bond Fund pursuant to the provisions of Sections 3.03 and 6.04 hereof; and
- (d) All other moneys received by the Trustee under and pursuant to any of the provisions of this Indenture which are not directed to be paid in a fund other than the Bond Fund.

Money in the Bond Fund shall be kept separate and apart from other funds or accounts and shall be pledged, appropriated, used and transferred to other funds for the purposes specified in this

Article. Furthermore, the Issuer covenants and agrees that so long as any of the Bonds secured by this Indenture are outstanding, it will at all times deposit, or cause to be deposited, in the Bond Fund sufficient moneys from payments and other moneys paid by the Borrower pursuant to the Lease Agreements to promptly meet and pay the principal of and interest on the Bonds as the same become due and payable. Nothing herein shall be construed as requiring the Issuer to use any funds or revenues from any source other than funds and revenues derived from the Lease Agreements for the payment of the principal of and interest on the Bonds and discharging other obligations of the Issuer under this Trust Indenture, but nothing herein shall be construed as prohibiting the Issuer from doing so.

Trustee may also hold such other documents or assets in the Bond Fund, including, but not limited to, documents held pursuant to the Option Agreements (as defined in the Lease Agreements).

### **Section 5.03. Use of Moneys in Bond Fund.**

The Bond Fund shall be in the name of the Issuer, and the Issuer hereby irrevocably authorizes and directs the Trustee to withdraw from the Bond Fund sufficient funds to pay the principal of, premium, if any, and interest on the Bonds at maturity and redemption or prepayment prior to maturity, and the Trustee's and Paying Agent's fees in connection therewith, and to remit the funds to the Paying Agent for the purpose of paying the principal and interest in accordance with the provisions hereof pertaining to payment, which authorization and direction the Trustee hereby accepts.

If a surplus shall exist in the Bond Fund over and above the amount necessary (together with reasonably projected revenue receipts in the event no default has occurred) to ensure the prompt payment of the principal of, and premium if any, in connection with the Bonds as the same become due, such surplus shall be applied to investments as permitted under Article VII herein.

Subject to the provisions of the Home Office Payment Agreement, the Trustee shall cause to be transferred from the Bond Fund an amount sufficient to pay the interest on the Bonds as the same become due at least one (1) day prior to the interest payment date for the Bonds and see to the deposit with the Paying Agent. It shall be the duty of the Trustee to see to the withdrawal from the Bond Fund at least one (1) day before the maturity or redemption date of any Bond issued hereunder and then outstanding and see to the deposit with the Paying Agent, whether or not a different institution, of an amount equal to the amount due for such Bonds for the sole purpose of paying the same.

**Section 5.04. Non-presentment of Bonds.** In the event any Bonds shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if there shall have been deposited with the Paying Agent for that purpose, or left in trust if previously so deposited, funds sufficient to pay the principal thereof, together with all interest unpaid and due thereon, to the date of maturity thereof, for the benefit of the owner, all liability of the Issuer to the owner thereof for the payment of the principal thereof and interest thereon shall forthwith cease, terminate and be completely discharged, and thereon it shall be the duty of the Paying Agent to hold such fund or funds, without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such fund or

funds, for any claim of whatever nature on his part under this Indenture or on, or with respect to, the Bond.

#### **Section 5.05. Costs of Issuance Fund.**

(a) Trustee shall deposit into the Costs of Issuance Fund (i) that portion of the proceeds of the Bonds required to be deposited therein pursuant to this Indenture or directed to be deposited therein pursuant to the Delivery Instructions or (ii) such moneys as are delivered to the Trustee by the Borrower. Moneys deposited into the Costs of Issuance Fund pursuant to this Indenture shall be expended to pay the Issuance Costs of said Bonds: (i) upon receipt by Trustee of requisitions signed by a Borrower Representative for any Issuance Costs not set forth in the Delivery Instructions or (ii) in accordance with the directions contained in the Delivery Instructions. Any funds remaining in the Costs of Issuance Fund two (2) months after having been deposited therein shall be returned to the Borrower. At such time as there is a \$0 balance in the Costs of Issuance Fund, it may be closed.

(b) The Trustee shall use moneys in the Cost of Issuance Fund to pay Issuance Costs for the Bonds or to reimburse the Issuer to the extent of payments made for such Issuance Costs previously paid. Before any payment shall be made for Issuance Costs, there shall be filed with the Trustee a Written Request of the Issuer, stating:

- (i) The name of the person, firm or corporation to whom the payment is due;
- (ii) The amount to be paid;
- (iii) The purpose for which the Issuance Costs was incurred; and
- (iv) That such person, firm or corporation has not previously been paid for such Issuance Costs.

The Delivery Instructions executed contemporaneously with this Indenture shall constitute a "Written Request" of the Issuer in compliance with this section. The Trustee shall be fully protected in disbursing amounts in accordance with properly signed requisitions and the Delivery Instructions and has no duty or obligation to confirm that any such requested disbursements constitute Issuance Costs.

**Section 5.06. Loan Fund.** There is hereby created with the Trustee a special fund to be designated "City of Osceola, Arkansas Taxable Industrial Development Loan Fund" or "Loan Fund," which fund and account shall be issued and applied as specified in Sections 6.01 through 6.04. Issuer and Trustee agree that deposits to and withdrawals from the Loan Fund shall be evidenced in a manner consistent with the Home Office Payment Agreement. Issuer and Trustee shall be fully protected in relying upon certifications of the Borrower and/or the Bondholder that deposits to and withdrawals from the Loan Fund were evidenced on the books and records of the Borrower and Bondholder in a manner consistent with the Home Office Payment Agreement and have no duty or obligation to confirm such consistency and compliance.

**Section 5.07. Any Fees, Charges and Expenses of Trustee and Paying Agent.** It is understood and agreed that pursuant to the provisions of the Lease Agreement, the Borrower agrees

to pay the reasonable fees, expenses and charges of the Trustee and Paying Agent as authorized and provided by this Indenture. The Borrower is to make payments on statements rendered by the Trustee. All such additional payments under the Lease Agreement which are received by the Trustee shall be paid into the Bond Fund to make payment therefrom for said purposes.

**Section 5.08. Moneys and Documents to be Held in Trust.** All moneys required to be deposited with or paid to the Trustee under any provision of this Indenture shall be held by the Trustee in trust, and except for moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of which redemption has been duly given, shall, while held by the Trustee, constitute part of the trust estate and be subject to the lien hereof. Moneys received by or paid to the Trustee pursuant to any provisions of the Lease Agreement calling for the Trustee to hold, administer and disburse the same in accordance with the specific provisions of the Lease Agreement shall be held, administered and disbursed pursuant to the provisions, and where required by the provisions of the Lease Agreement, the Trustee shall set the same aside in a separate account. If the Issuer shall receive any moneys pursuant to applicable provisions of the Lease Agreement, it will forthwith upon receipt thereof pay the same over to the Trustee to be held, administered and disbursed by the Trustee in accordance with the provisions of the Lease Agreement, pursuant to which the Issuer may have received the same. Furthermore, if for any reason the Lease Agreement ceases to be in force and effect while any Bonds are outstanding, and if the Issuer shall receive any moneys derived from the Pledged Property, it will forthwith upon receipt thereof pay the same over the Trustee to be held, administered and disbursed by the Trustee in accordance with provisions of the Lease Agreement that would be applicable if the Lease Agreement were then in force and effect, and if there be no such provisions which would be so applicable, then the Trustee shall hold, administer and disburse such moneys solely for the discharge of the Issuer's obligations under this Indenture. In addition, any documents or securities tendered to the Trustee to be held in trust or escrow shall be received by Trustee only upon receipt of written instructions from the Issuer or bondholder, as applicable, directing the Trustee as to the documents' or securities' custody and the mechanism for releasing any such documents and securities from escrow or Trustee's custody.

**Section 5.09. Refunds to Borrower.** Anything herein to the contrary notwithstanding, so long as an event of default has not occurred and is continuing under this Indenture or under the Lease Agreement, the Trustee is authorized to refund to the Borrower within two weeks after the principal payment date annually all excess amounts remaining in the Bond Fund after payment of all amounts due in the previous twelve months including the Trustee's and Issuer's fees, if any. Such refund may be made as a credit on a loan payment. The foregoing notwithstanding, moneys in the Bond Fund being held pending redemption of the Bonds shall not be refunded to the Borrower.

## **ARTICLE VI. CUSTODY AND APPLICATION OF PROCEEDS OF BONDS**

**Section 6.01. Disbursement of Issuance Costs.** When the Bonds have been executed as provided in this Indenture, they shall be delivered to the Trustee which shall authenticate them and deliver them to the Purchaser as specified in the Delivery Instructions of the Issuer. On the Closing Date, the Trustee shall disburse the moneys received as proceeds of the Bonds in accordance with instructions as specified in the Delivery Instructions of the Issuer. Subsequent to the Closing Date and prior to the Completion Date, the Trustee shall disburse the moneys received as proceeds of the

Bonds in accordance with Written Requests received by the Trustee in a manner consistent with Section 2.02 hereof.

**Section 6.02. Deposit in the Loan Fund.** After making the necessary use of funds as provided in Section 6.01 above, the Trustee shall then deposit the remainder of the proceeds in the Loan Fund. Issuer and Trustee agree that deposits to the Loan Fund shall be evidenced in a manner consistent with the Home Office Payment Agreement. Issuer and Trustee shall be fully protected in relying upon certifications of the Borrower and/or the Bondholder that deposits to and withdrawals from the Loan Fund were evidenced on the books and records of the Borrower and Bondholder in a manner consistent with the Home Office Payment Agreement and have no duty or obligation to confirm such consistency and compliance.

**Section 6.03. Disbursements from the Loan Fund.** Moneys in the Loan Fund shall be disbursed to the Borrower as a reimbursement of or paid directly to vendors to pay Project costs which shall include costs of acquisition, costs of construction, architect's and engineer's fees, payment of interim indebtedness of the Borrower incurred for Project costs, and all other necessary expenses incidental to the completion of the Project. Such expenditures shall be paid in accordance with and pursuant to written draw requests which shall be signed by one or more duly designated representatives of the Borrower (which designation shall be in writing and filed with the Trustee). In addition to the requirements of the Lease Agreement, draw requests shall specify:

- (1) The number of the request for payment;
- (2) The name of the person, firm or corporation to whom payment is to be made;
- (3) The amount of the payment; and
- (4) That the disbursement is for a proper expense of or pertaining to the Project.

Upon receipt of each properly executed draw request and receipt of the Advance from the Purchaser, the Trustee shall issue its check upon the Loan Fund payable to the person, firm or corporation designated in the draw request. Issuer and Trustee agree that withdrawals from the Loan Fund shall be evidenced in a manner consistent with the Home Office Payment Agreement. Issuer and Trustee shall be fully protected in relying upon certifications of the Borrower and/or the Bondholder that deposits to and withdrawals from the Loan Fund were evidenced on the books and records of the Borrower and Bondholder in a manner consistent with the Home Office Payment Agreement and have no duty or obligation to confirm such consistency and compliance.

**Section 6.04. Transfer to Bond Fund.** Whenever the Issuer shall notify the Trustee in writing that any balance remaining in the Loan Fund will not be needed for completion of the Project, the remaining balance (if the balance is at least \$5,000) shall be deposited into the Bond Fund and used to redeem the Bonds on the first Interest Payment Date following notification. If the balance is less than \$5,000, it shall be transferred to the Bond Fund, and applied as a credit against a subsequent payment.

## **ARTICLE VII. INVESTMENTS**

**Section 7.01. Investment of Moneys in Funds.** Moneys on deposit with the Trustee shall be invested at the direction of the Borrower.

## **ARTICLE VIII. DISCHARGE OF LIEN**

**Section 8.01. Discharge of Lien.** If the Issuer shall pay or cause to be paid to the owners of the Bonds the principal and interest to become due thereon at the times and in the manner stipulated therein, and if the Issuer shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed as to be kept, performed and observed by it on its part, then these presents and the estate and rights hereby granted shall cease, determine and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture, and execute and deliver to the Issuer such instruments in writing as shall be requisite to satisfy the lien thereof, and reconvey to the Issuer the estate hereby conveyed, and assign and deliver to the Issuer the estate hereby conveyed, and assign and deliver to the Issuer and property at the time subject to the lien of this Indenture which may then be in its possession, including trust funds, except funds held by it for the payment of the principal of and interest on the Bonds.

Any Bond shall be deemed to be paid when payment of the principal of and premium, if any, and interest on such Bond (whether at maturity or upon redemption or otherwise), either (i) shall have been made or caused to be made in accordance with the terms of the Indenture, or (ii) shall have been provided for by irrevocably depositing with the Trustee, in trust and irrevocably setting aside exclusively for such payment, (1) moneys sufficient to make such payment or (2) Government Securities, maturing as to principal and interest in such amount and at such times as will provide sufficient moneys to make such payments, and all necessary and proper fees, compensation and expenses of the Trustee and any paying agent pertaining to the Bonds with respect to which such deposit is made and all other liabilities of the Borrower under the Lease Agreement shall have been paid or the payment thereof provided for to the satisfaction of the Trustee.

The Issuer may at any time surrender to the Trustee for cancellation by it any Bonds previously authenticated and delivered hereunder, which the Issuer may have acquired in any manner whatsoever, and such Bonds upon such surrender and cancellation, shall be deemed to be paid and retired.

## **ARTICLE IX. DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDOWNERS**

**Section 9.01. Events of Default.** If any of the following events occur, subject to the provisions of Section 9.12 hereof, it is hereby defined as and declared to be and to constitute an “event of default”;

(a) Default in the due and punctual payment of any interest on any Bond hereby secured and outstanding;

(b) Default in the due and punctual payment of the principal of, and premium, if any, on any Bond hereof secured and outstanding, whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;

(c) Default in the performance or observance of covenants, agreements or conditions on the Issuer's part to be performed in this Indenture, or in the Bonds contained, and the continuance thereof for a period of thirty (30) days after written notice to the Issuer by the Trustee or by the owners of not less than ten percent (10%) in aggregate principal amount of Bonds outstanding hereunder; or

(d) The occurrence of an "Event of Default" under the Lease Agreement.

The term "default" shall mean default by the Issuer in the performance or observance of any of the covenants, agreements or conditions on its part contained in this Indenture, or in the Bonds outstanding hereunder, exclusive of any period of grace required to constitute a default an "event of default" as hereinabove provided.

**Section 9.02. Acceleration.** Upon the occurrence of an event of default, the Trustee may, and upon the written request of the owners of twenty-five percent (25%) in aggregate principal amount of Bonds outstanding hereunder, shall, by notice in writing delivered to the Issuer and the Borrower declare the principal of all Bonds hereby secured then outstanding and the interest accrued thereon immediately due and payable and such principal and interest shall thereupon become and be immediately due and payable.

**Section 9.03. Trustee's Right to Enter and Take Possession.** Upon the occurrence of an event of default, the Issuer, upon demand of the Trustee after Trustee's receipt of written direction of the Bondholders, shall forthwith surrender to it the actual possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of, all or any part of the Pledged Property with the books, papers and accounts of the Issuer pertaining thereto and to hold, operate and manage the same, and from time to time to make all needful repairs and improvements as the Trustee shall deem wise; and the Trustee, with or without such permission, may collect, receive and sequester the rents, revenues, issues, earnings, income, products and profits therefrom (exclusive of any of the foregoing which may have been pledged to secure other obligations of the Issuer) and out of the same and any moneys received from any receiver of any part thereof pay, and/or set up proper reserves for the payment of, all proper costs and expenses of so taking, holding and managing the same, including reasonable compensation to the Trustee, its agents and counsel, and any charges of the Trustee hereunder and any taxes, assessments and other charges prior to the lien of this Indenture which the Trustee may deem it wise to pay, and all expenses of such repairs and improvements, and apply the remainder of the moneys so received by the Trustee in accordance with the provisions of Section 9.08 hereof. Whenever all that is due upon such Bonds and installments of interest under the terms of this Indenture shall have been paid and all defaults made good, the Trustee shall surrender possession to the Issuer, its successors or assigns; the same right of entry, however, to exist upon any subsequent event of default.

While in possession of such property the Trustee shall render annually to the owners of the Bonds, at their addresses as set forth on the bond registration book maintained by the Trustee, a summarized statement of income and expenditures in connection therewith.

**Section 9.04. Other Remedies; Rights and Obligations with Reference to Remedies.**

Upon the occurrence of an event of default, the Trustee may, as an alternative, proceed either after entry or without entry, to pursue any available remedy by suit at law or in equity to enforce the payment of the principal of and interest on the Bonds then outstanding hereunder or to enforce compliance with any other covenant or obligation of the Issuer, including without limitation, foreclosure and mandamus.

Upon the occurrence of an event of default, the Trustee shall, if so requested in writing by sixty-six and two-thirds percent (66-2/3%) in value of the registered owners of the Bonds, assign to the registered owners of the Bonds all its right, title and interest in the Lease Agreement in exchange for the Bonds, which assignment shall be full and complete satisfaction and discharge of all liabilities and obligations of the Issuer on the Bonds and of the Trustee under this Indenture.

If an event of default shall have occurred, and if it shall have been requested in writing so to do by the owners of twenty-five percent (25%) in aggregate principal amount of Bonds outstanding hereunder and shall have been indemnified as provided in Section 10.01 hereof, the Trustee shall be obligated to exercise such one or more of the rights and power conferred upon it by this Section and by Section 9.03 as the Trustee, being advised by counsel, shall deem most expedient in the interests of the bondowners.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the bondowners) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any default or event of default shall impair any such right or power or shall be construed to be a waiver of any such default or event of default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or event of default hereunder, whether by the Trustee or by the bondowners, shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereon.

**Section 9.05. Right of Majority of Bondowners to Take Charge.** Anything in this Indenture to the contrary notwithstanding, the owners of a majority in aggregate principal amount of Bonds outstanding hereunder shall have the right upon the occurrence of an Event of Default, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceeding hereunder; provided that such direction shall not be otherwise than in accordance with the provision of law and of this Trust Indenture. Anything in this Indenture to the contrary notwithstanding, so long as a single person or entity owns 100% of the outstanding Bonds, the Trustee shall not exercise any remedies except those that the Trustee is specifically directed to take in a writing by the sole Bondholder.

**Section 9.06. Appointment of Receiver.** Upon the occurrence of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the bondowners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Pledged Property and of the rents, revenues, issues, earnings, income, products and profits thereof, pending such proceedings with such powers as the court making such appointment shall confer.

**Section 9.07. Waiver by Issuer of Benefit of Laws and Rights of Appraisement and Redemption.** In case of an event of default on its part, as aforesaid to the extent that such rights may then lawfully be waived, neither the Issuer nor anyone claiming through it or under it shall or will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption as now or hereafter in force, in order to prevent or hinder the enforcement of this Indenture, but the Issuer, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws and all right of appraisement and redemption to which it may be entitled under the laws of the State of Arkansas.

**Section 9.08. Application of Available Moneys.** Issuer and Trustee agree and anticipate that amounts due and payable pursuant to this Indenture (other than the annual Trustee's fees, any expenses of the Trustee, and other amounts due and payable to independent third parties) shall be evidenced in a manner consistent with the Home Office Payment Agreement. Moneys remaining, if any, after payment of the annual Trustee's fees, any expenses of the Trustee, and other amounts due and payable to independent third parties shall be applied by the Trustee as follows:

(a) To the payment of the fees of the Trustee and the costs and expenses of suit, if any, and the reasonable compensation of the Trustee, its agents, attorneys and counsel, and of all proper expenses, liabilities and advances incurred or made hereunder by the Trustee or by any bondowner and the creation of a reasonable reserve for anticipated fees, costs and expenses.

(b) Unless the principal of all the Bonds all have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST: To the payment to the persons entitled thereto of all installments of interest then due, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege;

SECOND: To the payment to persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege; and

THIRD: To the payment of the interest on and the principal of the Bonds, and to the redemption of Bonds, all in accordance with the provisions of Article V of this Indenture.

(c) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and or privilege.

(d) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article then, subject to the provisions of paragraph (c) of this Section, in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (b) of this Section.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as it shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the owner of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

**Section 9.09. Remedies Vested in Trustee.** All rights of action (including the right to file proof of claim) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any owners of the Bond hereby secured, and any recovery of judgment shall be for the equal benefit for the owners of the outstanding Bonds in the order herein provided.

**Section 9.10. Rights and Remedies of Bondowners.** No owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless a default has occurred of which the Trustee has been notified as provided in subsection (g) of Section 10.01, or of which by the subsection it is deemed to have notice, nor unless such default shall have become an event of default and the owners of twenty-five percent (25%) in aggregate principal amount of Bonds outstanding hereunder shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in Section 10.01; nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such notification request and offer of indemnity are hereby declared in every such case at the option of the Trustee to be conditions precedent to the

execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture or for the appointment of a receiver for any other remedy hereunder; it being understood and intended that not one or more owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided for the equal benefit of the owners of all Bonds outstanding hereunder. Nothing in this Indenture contained shall, however, affect or impair the right of any bondowners to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof, or to the obligation of the Issuer to pay the principal of and interest on each of the Bonds issued hereunder to the respective owners thereof at the time and place in the Bonds expressed.

**Section 9.11. Termination of Proceedings.** In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights hereunder with respect to the property herein conveyed, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken, except to the extent the Trustee is legally bound by such adverse determination.

**Section 9.12. Waivers of Events of Default.** The Trustee may in its discretion waive any event of default hereunder and its consequences and rescind any declaration of maturity of principal, and shall do so upon the written request of the owners of (i) 50% in aggregate principal amount of all the Bonds outstanding hereunder in respect of which default in the payment of principal and/or interest exists, or (ii) 50% in aggregate principal amount of all the Bonds outstanding hereunder in the case of any other default, provided, however, that there shall not be waived (a) any event of default in the payment of the principal of any Bonds issued hereunder and outstanding at the date of maturity specified therein or (b) any default in the payment of the interest or of Bond Fund moneys, unless prior to such waiver or rescission all arrears of interest, with interest at the rate borne by the Bonds in respect of which such default shall have occurred on overdue installments of interest or all arrears of Bond Fund payments, as the case may be, and all expenses of the Trustee and Paying Agent, shall have been paid or provided for, and in case of any such waiver or rescission or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, Trustee and the bondowners shall be restored to their former positions and rights thereunder respectively; but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

## **ARTICLE X. THE TRUSTEE**

**Section 10.01. Acceptance of Trusts.** The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform the duties and obligations of the Trustee under this Indenture upon and subject to the following expressed terms and conditions:

(a) The Trustee may execute any of the trusts or powers hereof and perform any duties required of it by or through attorneys, agents, receivers or employees, and shall be entitled to advice

of counsel concerning all matters of trusts hereof and its duties hereunder, and may in all cases pay reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney, surveyor, engineer or accountant selected by it in the exercise of reasonable care, or, if selected or retained by the Issuer prior to the occurrence of a default of which the Trustee has been notified as provided in sub-section (g) of this Section, or of which by said sub-section the Trustee is deemed to have notice, approved by the Trustee in the exercise of such care. The Trustee shall not be responsible for any loss or damage resulting from an action or non-action in accordance with any such opinion or advice.

(b) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the certificate of the Trustee endorsed on such Bonds), or for the recording or re-recording, filing or re-filing of this Indenture, or for insuring the property herein conveyed or collecting any insurance moneys, or for the validity of the execution by the Issuer of this Indenture or of any supplemental indentures or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured herein, or for the value of the title of the property here conveyed or otherwise as to the maintenance of the security hereof; except that in the event the Trustee enters into possession of a part or all of the property herein conveyed pursuant to any provision of this Indenture, it shall use due diligence in preserving such property; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the Issuer, except as hereinafter set forth; but the Trustee may require of the Issuer full information and advice as to the performance of the covenants, conditions and agreement aforesaid as to the condition of the property herein conveyed.

(c) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the owner of Bonds with the same rights which it would have if not Trustee. No merger of title shall occur if at any time the Trustee owns all of the Bonds.

(d) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it, in the exercise of reasonable care, to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of the owner of any Bond secured hereby, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate of the Issuer signed by its Mayor and attested by its City Clerk as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which it has been notified as provided in sub-section (g) of this Section, or of which by said subsection it is deemed to have notice, and shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion, at the reasonable expense of the Issuer, in every case secure such further evidence as it may think necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the City Clerk of the Issuer under its seal to the effect that a resolution or ordinance in the form therein set forth has been

adopted by the Issuer as conclusive evidence that such resolution or ordinance has been duly adopted, and is in full force and effect.

(f) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty of the Trustee, and the Trustee shall be answerable only for its own gross negligence or willful misconduct.

(g) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the Issuer to make or cause to be made any of the payments to the Trustee required to be made by Article IV unless the Trustee shall be specifically notified in writing of such default by the Issuer or by the owners of at least ten percent (10%) in aggregate principal amount of Bonds outstanding hereunder and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered to the office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid; provided, however, if there is a Home Office Payment Agreement in effect the Trustee shall only be deemed to have notice of the failure by the Issuer to make or cause to be made any of the payments required to be made under Article IV hereof if the Trustee is specifically notified in writing of such default by the Issuer or by the owners of at least ten percent (10%) in aggregate principal amount of Bonds outstanding hereunder.

(h) The Trustee shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or nonfulfillment of contracts during any period in which it may be in the possession of or managing the real and tangible personal property as in this Indenture provided.

(i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right (but no duty or obligation) fully to inspect all of the property herein conveyed, including all books, papers and records of the Issuer pertaining to the Project and the Bonds, and to take such memoranda from and in regard thereto as may be desired. Provided, however, Trustee shall not undertake any such inspection without receipt of written direction of the Bondholders.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, any showings, certificate, opinions, appraisals, or the information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, deemed desirable for the purpose of establishing the right of the Issuer to the authentication of any Bonds, the withdrawal of any cash, the release of any property, or the taking of any other action by the Trustee.

(l) Before taking such action hereunder, the Trustee may require that it be furnished an indemnity bond satisfactory to it for the reimbursement to it of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from the

gross negligence or willful misconduct of the Trustee, by reason of any action so taken by the Trustee.

(m) The Trustee shall have no duty to risk, advance or expend its own funds in the performance of the duties and obligations of the Trustee hereunder.

(n) The Trustee, before the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise as a reasonable and prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

**Section 10.02. Fees, Charges and Expenses of Trustee.** The Trustee shall be entitled to payment and/or reimbursement for its reasonable fees for services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in and about the execution of the trusts created by this Indenture and in and about the exercise and performance by the Trustee of the powers and duties of the Trustee hereunder, and for all reasonable and necessary costs and expenses incurred in defending any liability in the premises of any character whatsoever (unless such liability is adjudicated to have resulted from the gross negligence or willful misconduct of the Trustee). In this regard, it is understood that the Issuer pledges no funds or revenues other than those provided for in the Lease Agreement and the Revenues derived from and the avails of the Pledged Property to the payment of any obligation of the Issuer set forth in this Indenture, including the obligations set forth in this Section, but nothing herein shall be construed as prohibiting the Issuer from using any other funds and revenues for the payment of any of its obligations under this Indenture. Upon default by the Issuer but only upon default, pursuant to the provisions of this Indenture pertaining to default, the Trustee shall have a first lien with right of payment prior to payment on account of principal or interest of a Bond issued hereunder upon the Trust Estate for the reasonable and necessary advances, fees, costs and expenses incurred by the Trustee.

**Section 10.03. Notice to Bondowners of Default.** If a default occurs of which the Trustee is by Section 10.01(g) deemed to have notice, is notified by the Issuer or by the owners of at least 10% in aggregate principal amount of Bonds then outstanding, then the Trustee shall give written notice by mail or by other acceptable standard, including facsimile, to each owner of Bonds then outstanding and to such other person or entity any owner directs the Trustee to notify.

**Section 10.04. Intervention by Trustee.** In any judicial proceeding to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of owners of Bonds issued hereunder, the Trustee may intervene on behalf of the bondowners and shall do so if requested in writing by the owners of at least ten percent (10%) of the aggregate principal amount of Bonds outstanding hereunder, solely to the extent indemnified to the satisfaction of the Trustee from and against any losses, costs, claims, liabilities or expenses, including fees and expenses of its attorneys and agent incurred by the Trustee related to or arising from such action by the Trustee. The rights and obligations of the Trustee under this Section are subject to the approval of the court having jurisdiction in the premises.

**Section 10.05. Successor Trustee.** Any bank or trust company into which the Trustee may be merged, or with which it may be consolidated or any bank or trust company resulting from any such merger or consolidation, ipso facto, shall be and become successor trustee hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding; provided, however, that such successor trustee shall have capital and surplus of at least \$75,000,000, and provided that the Issuer approves the successor trustee.

**Section 10.06. Resignation by Trustee.** The Trustee and any successor trustee may at any time resign from the trusts hereby created by giving thirty (30) days written notice to the Issuer and the registered owners of the Bonds, and such resignation shall take effect at the end of such thirty (30) days, or upon the earlier appointment of a successor trustee by the bondowners or by the Issuer. Such notice may be served personally or sent by registered mail or other acceptable standard, including facsimile.

**Section 10.07. Removal of Trustee; Sale of Trust Business.** The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee and to the Issuer and signed by the owners of a majority in aggregate principal amount of Bonds outstanding hereunder. The Trustee may be removed by the Issuer at any time if a successor trustee has been appointed.

In the case of the sale of all or substantially all of the Trustee's trust business to another bank or trust company, the Issuer shall have the absolute right, at its sole discretion, to appoint a successor trustee pursuant to Section 10.08 hereof.

**Section 10.08. Appointment of Successor Trustee.** In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by the court, a successor may be appointed by the Issuer by an instrument executed and signed by its Mayor and attested by its City Clerk under its seal. Every such successor trustee shall be a trust company or bank in good standing, having capital and surplus of not less than \$75,000,000.

**Section 10.09. Successor Trustee Qualifications.** Every successor appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor trustee, without any further act or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall nevertheless, on the written request of the Issuer or of its successor trustee, execute and deliver an instrument transferring to such successor all the estate, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor trustee shall deliver all securities, moneys and any other property held by it as trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by a successor trustee for more fully and certainly vesting in such successor the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor trustee, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The

resignation of any trustee and the instrument or instruments removing any trustee and appointing a successor hereunder, together with all other instruments provided for in this Article shall, at the expense of the Issuer, be forthwith filed and/or recorded by the successor trustee in each recording office where the Indenture shall have been filed and/or recorded.

**Section 10.10. Right of Trustee to Pay Taxes and Other Charges.** In case the Issuer shall fail seasonably to pay or to cause to be paid any tax, assessment or governmental or other charge upon any part of the property herein conveyed, to the extent, if any, that the Issuer may be liable for same, the Trustee may pay such tax, assessment or governmental charge, without prejudice, however, to any rights of the Trustee or the bondowners hereunder arising in consequence of such failure; and any amount at any time so paid under this Section, with interest thereon from the date of payment at the rate of ten percent (10%) per annum, shall be repaid by the Issuer upon demand, and shall become so much additional indebtedness secured by this Indenture, and the same shall be given a preference in payment over any of the Bonds and shall be paid out of the proceeds of revenues collected from the property herein conveyed, if not otherwise caused to be paid by the Issuer, but the Trustee shall not be under obligations to make any such payment unless it shall have been requested to do so by the owners of at least ten percent (10%) of the aggregate principal amount of the Bonds outstanding hereunder and shall have been provided with adequate funds for the purpose of such payment.

**Section 10.11. Trustee Protected in Relying Upon Resolutions, etc.** The resolutions, opinions, certificates and other instruments provided for in this Indenture may be accepted and relied upon by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the payment and withdrawal of cash hereunder.

**Section 10.12. Trustee Which Has Resigned or Been Removed Ceases to be Paying Agent.** In the event of a change in the office of Trustee, if the Trustee is the Paying Agent, the former Trustee which has resigned or been removed shall cease to be Paying Agent.

**Section 10.13. Paying Agent's Fees and Charges.** There shall be paid reasonable Paying Agent's fees and charges of the Paying Agent for handling the payment of the principal of, premium (if any) and interest on the Bonds, and funds sufficient to pay the same shall be deposited with the Paying Agent prior to the dates on which payments are required to be made on principal and interest.

**Section 10.14. Appointment of Co-Trustee or Separate Trustee.** The Issuer and the Trustee shall have power to appoint and upon the request of the Trustee the Issuer shall for such purpose join with the Trustee in the execution of all instruments necessary or proper to appoint another corporation or one or more persons approved by the Trustee, either to act as co-trustee or co-trustees jointly with the Trustee of all or any of the property subject to the lien hereof, or to act as separate trustee or trustees of all or any such property, with such powers as may be provided in the instrument of appointment and to vest in such corporation or person or persons as such separate trustee or co-trustee any property, title, right or power deemed necessary or desirable. In the event that the Issuer shall not have joined in such appointment within fifteen days after the receipt by it of a request so to do the Trustee alone shall have the power to make such appointment. Should any deed, conveyance or instrument in writing from the Issuer be required by the separate trustee or co-trustee so appointed for more fully and certainly vesting in and confirming to him or to it such

properties, rights powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. Every such co-trustee and separate trustee shall, to the extent permitted by law, be appointed subject to the following provisions and conditions, namely:

(1) The Bonds shall be authenticated and delivered, and all powers, duties, obligations and rights conferred upon the Trustee in respect of the custody of all money and securities pledged or deposited hereunder, shall be exercised solely by the Trustee; and

(2) The Trustee, at any time by an instrument in writing, may remove any such separate trustee or co-trustee.

Every instrument, other than this Indenture, appointing any such co-trustee or separate trustee, shall refer to this Indenture and the conditions of this Article X expressed, and upon the acceptance in writing by such separate trustee or co-trustee, it shall be vested with the estate or property specified in such instrument, jointly with the Trustee (except insofar as local law makes it necessary for any separate trustee to act alone), subject to all the trusts, conditions and provisions of this Indenture. Any such separate trustee or co-trustee may at any time, by an instrument in writing, constitute the Trustee as its agent or attorney, to the extent authorized by law, to do all acts and things and exercise all discretion authorized or permitted by it, for and on behalf of it and its name. In case any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all the estates properties, rights, powers, trusts, duties and obligations of the separate trustee or co-trustee shall vest in and be exercised by the Trustee until the appointment of a new trustee or a successor to such separate trustee or co-trustee.

**Section 10.15. Borrower and Bondholder Rights.** Notwithstanding any provision hereof to the contrary, Borrower and Bondholder may hire a successor Trustee to replace any existing Trustee. Further, upon the written direction of the Borrower and the owners of one hundred percent (100%) of the principal amount of the Bonds at the time outstanding and evidence that written notice of such direction has been provided to the Issuer, the Trustee may conclusively rely on such written notice and may take such action as is thereby directed; provided, however, that such action is not in the reasonable judgment of the Trustee to the prejudice of the Trustee.

## **ARTICLE XI. SUPPLEMENTAL INDENTURES AND AMENDMENTS TO THE LEASE AGREEMENT**

**Section 11.01. Supplemental Indentures Not Requiring Consent of Bondowners.** The Issuer and the Trustee may, from time to time, without the consent of or notice to the bondholders, and upon the written direction of the Borrower, enter into such indentures supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental indenture shall hereafter form a part hereof) (a) to cure any ambiguity or formal defect or omission in this Indenture or in any supplemental indenture; or (b) to grant to or confer or impose upon the Trustee for the benefit of the bondowners any additional rights, remedies, powers, authority, security, liabilities or duties which may lawfully be granted, conferred, or imposed; (c) to add to the covenants and agreements of, and limitations and restrictions upon, the Issuer in this Indenture other covenants, agreements, limitations and restrictions to be observed by the Issuer which are not contrary to or

inconsistent with this Indenture as theretofore in effect; (d) to confirm, as further assurance, any pledge under, and the subjection to any claim, lien or pledge created or to be created by, this Indenture, of the Revenues of the Issuer from the Lease Agreement or of any other moneys, securities or funds; (e) to comply with the requirements of the Trust Indenture Act of 1939, as from time to time amended; or (f) to modify, alter, amend or supplement this Indenture in any other respect which, in the opinion of bond counsel, is not materially adverse to the bondholders and which does not involve a change described in clause (a), (b), (c), (d) or (e) of Section 11.02 hereof.

**Section 11.02. Supplemental Indentures Requiring Consent of Bondowners.** Subject to the terms and provisions contained in this Section, and not otherwise, with the written consent of the Borrower, the owners of one hundred percent (100%) of the principal amount of the Bonds then outstanding shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Issuer and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Bondholder for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing herein contained shall permit or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Bond issued hereunder, or (b) a reduction in the principal amount of any Bond or redemption premium or the rate of interest thereon, or (c) the creation of any lien ranking prior to or on a parity with the lien of this Indenture on the Trust Estate, except as expressly permitted herein, 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 consent to such supplemental indenture. Nothing herein contained, however, shall be construed as making necessary the approval of bondowners of the execution of any supplemental indenture as provided in Section 11.01 of this Article.

If at any time the Bondholder or the Borrower shall request the Trustee to enter into any supplemental indenture for any of the purposes of this Section, the Trustee shall, at the expense of the Borrower cause notice of the proposed execution of such supplemental indenture to be mailed by first class mail or sent by other acceptable standard, including facsimile or e-mail, to each owner at his, her or its address on the Bond registration book maintained by the Trustee. Such notice shall be prepared by the Issuer, Bondholder or Borrower and shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection by bondowners. The Trustee shall not, however, be subject to any liability to any bondowner by reason of its failure to disseminate such notice, and any such failure shall not affect the validity of such supplemental indenture consented to and approved as provided in this Section. Upon the execution of any such supplemental indenture, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

**Section 11.03. Amendments to the Lease Agreements.** Upon the written request of the Borrower, with written notice to the Issuer in conformity with the Lease Agreements, the Trustee may from time to time, and at any time, consent to any amendment, change or modification of the Lease Agreements for the purpose of curing any ambiguity or formal defect or omission or making any other change therein, which in the reasonable judgment of the Trustee, in reliance on an opinion of bond counsel, is not to the prejudice of the Trustee or the holders of the Bonds. The Trustee shall not consent to any other amendment, change or modification of the Lease Agreements without the

approval or consent of owners of one hundred percent (100%) of the principal amount of the Bonds at the time outstanding.

**Section 11.04. Procedure for Amendments.** If at any time the Issuer or Borrower shall request the Trustee's consent to a proposed amendment, change or modification requiring bondholder approval under Section 11.03 hereof, the Trustee, shall, at the expense of the requesting party, cause notice of such proposed amendment, change or modification to be sent in the same manner as provided by Section 11.02 hereof with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file in the principal office of the Trustee for inspection by any interested bondholder. The Trustee shall not, however, be subject to any liability to any bondholder by reason of its failure to mail such notice, and any such failure shall not affect the validity of such amendment, change or modification when consented to by the Trustee in the manner hereinabove provided.

## **ARTICLE XII. MISCELLANEOUS**

**Section 12.01. Consents, etc., of Bondowners.** Any request, direction, objection or other instrument required by this Indenture to be signed and executed by the bondowners may be in any number of concurrent writings of similar tenor and may be signed or executed by such bondowners in person or by agent appointed in writing. Proof of the execution of any such request, direction, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture and shall be conclusive if in favor of the Trustee with regard to any action taken by it under such request or other instrument, namely:

The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by any affidavit of any witness to such execution.

**Section 12.02. Limitation of Rights.** With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture, or the Bonds issued hereunder, is intended or shall be construed to give to any person other than the parties hereto, and the owners of the Bonds secured by this Indenture, any legal or equitable rights, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions hereof being intended to be and being for the sole exclusive benefit of the parties hereto and the owners of the Bonds secured as herein provided.

**Section 12.03. Severability.** If any provisions of this Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any provisions of any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or paragraphs in this Indenture contained shall not affect the remaining portions of this Indenture or any part thereof.

**Section 12.04. Notice.** Notices as required in this Indenture shall be considered delivered when posted in United States mail, postage prepaid and addressed as set forth below (or at such other address as may have been provided by the party to all other parties hereto by proper notice):

If intended for the Issuer: CITY OF OSCEOLA, ARKANSAS  
303 West Hale Avenue  
Osceola, Arkansas 72370  
Attention: Mayor

With a copy to: City Attorney  
303 West Hale Avenue  
Osceola, Arkansas 72370

If intended for the Trustee: [TBD]  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: Corporate Trust Department

If intended for Company: REMURIATE ARKANSAS, LLC  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

With a copy to: REMURIATE ARKANSAS, LLC  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: General Counsel

If intended for the Bondholder: [AFFILIATE OF COMPANY]  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: President

With a copy to: Such other persons and entities as the  
Bondholder may identify in writing.

**Section 12.05. Arkansas Substantive Law Governs.** This Indenture shall be considered to have been executed in the State and it is the intention of the parties that the substantive law of the State governs as to all questions of interpretation, validity and effect.

**Section 12.06. Uniform Commercial Code.** This Indenture is also a security agreement under the Uniform Commercial Code of the State. The Issuer shall file one or more financing

statements and renewals thereof with respect to the security interest granted by this Indenture and file such statements or renewals thereof in the appropriate public office.

**Section 12.07. Counterparts.** This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 12.08. Limitation on Liability.** Notwithstanding any other provision of this Indenture to the contrary:

- (a) the obligations of the Issuer with respect to the Bonds are not general obligations of the Issuer but are special, limited obligations of the Issuer payable by the Issuer solely from the security for the Bonds;
- (b) nothing contained in the Bonds or in this Indenture shall be considered as assigning or pledging any funds or assets of the Issuer other than the Trust Estate;
- (c) except with respect to their status as special, limited obligations of the Issuer, payable by the Issuer solely from the security for the Bonds, the Bonds shall not be a debt of the State or of any other political subdivision of the State, and neither the State nor any other political subdivision of the State shall be liable for the payment of the Bonds;
- (d) neither the faith and credit of the Issuer, the State nor any other political subdivision of the State are pledged to the payment of the principal or of interest on the Bonds;
- (e) neither the revenues nor the property of the Issuer, the State or any other political subdivision of the State are pledged to the payment of the principal or of interest on or as security for the Bonds except as specifically set forth in this Indenture;
- (f) no failure of the Issuer to comply with any term, condition, covenant or agreement in this Indenture or in any document executed by the Issuer in connection with the Pledged Property, or the issuance, sale and delivery of the Bonds shall subject the Issuer to liability for any claim for damages, costs or other charge except to the extent that the same can be paid or recovered from the Trust Estate; and
- (g) the Issuer shall not be required to advance any moneys derived from any source other than the Trust Estate for any of the purposes of this Indenture, any of the other bond documents or any of the loan documents, whether for the payment of the principal or redemption price of, or interest on, the Bonds, the payment of any fees or administrative expenses or otherwise.

**Section 12.09. No Personal Liability; No Recourse.** No recourse under or upon any obligation, covenant, warranty or agreement contained in this Indenture or in any Bond, or under any judgment obtained against the Issuer, or the enforcement of any assessment, or any legal or equitable proceedings by virtue of any constitution or statute or otherwise, or under any circumstances under or independent of this Indenture, shall be had against the members of the Issuer's City Council or any of the members, officers, agents or employees of the Issuer, as such, past, present or future of the Issuer, either directly or through the Issuer or otherwise, for the payment for or to the Issuer or any receiver of the Issuer, or for or to the owner of any Bond, or otherwise, of any sum that may be due

and unpaid by the Issuer upon any such Bond. Any and all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of the members of the Issuer's City Council or of any such member, officer, agent or employee, as such, by reason of any act or omission on his or her part or otherwise, for the payment for or to the owner of any Bond or otherwise of any sum that may remain due and unpaid upon the Bonds secured by this Indenture of any of them is, by the acceptance of such Bond, expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of the Bonds. Anything in this Indenture to the contrary notwithstanding, it is expressly understood by the parties to this Indenture that (a) the Issuer may rely exclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer by the Trustee or any Bondholder as to the existence of any fact or state of affairs, (b) the Issuer shall not be under any obligation under this Indenture to perform any record keeping or to provide any legal services, it being understood that such services shall be performed or caused to be performed by the Trustee (with respect to record keeping only, and not with respect to any legal services) or by the Bondholders and (c) none of the provisions of this Indenture shall require the Issuer to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Indenture, unless it shall first have been adequately indemnified to its satisfaction against any costs, expenses and liability which it may incur as a result of taking such action. No recourse for the payment of any part of the principal of, premium, if any, or interest on the Bonds or for the satisfaction of any liability arising from, founded upon or existing by reason of the issuance, purchase or ownership of the Bonds shall be had against the members of the Issuer's City Council or any officer, member, agent or employee of the Issuer, as such, all such liability being expressly released and waived as a condition of and as a part of the consideration for the execution of this Indenture and the issuance of the Bonds. No covenant, stipulation, obligation or agreement of the Issuer contained in this Indenture shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Issuer or the members of the Issuer's City Council in other than that person's official capacity. No member, officer, agent or employee of the Issuer shall be individually or personally liable for the payment of the principal or redemption price of or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

*[The remainder of this page intentionally left blank.]*

IN WITNESS WHEREOF, the Issuer has caused these presents to be signed in its name and behalf by its Mayor, and, to further evidence its acceptance of the trust hereby created, Issuer has caused these presents to be signed in its name and behalf by its duly appointed officers all as of the day and year first above written.

**CITY OF OSCEOLA, ARKANSAS**

By: \_\_\_\_\_  
**Joe Harris, Jr., Mayor**

ATTEST:

By: \_\_\_\_\_  
**Jessica Griffin, City Clerk**

(S E A L)

**[TBD]**, as Trustee

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF ARKANSAS )

) ss.

**ACKNOWLEDGMENT**

COUNTY OF \_\_\_\_\_ )

On this day, before me, a Notary Public, duly commissioned, qualified and acting, with and for said County and State, appeared in person the within named **JOE HARRIS, JR.** and **JESSICA GRIFFIN**, being the persons authorized by said municipality to execute such instrument stating their respective capacities in that behalf, to me well known, who stated that they are the Mayor and City Clerk, respectively, of **CITY OF OSCEOLA, ARKANSAS**, an Arkansas municipality, and were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and on behalf of said municipality, and further stated and acknowledged they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

My commission expires:

\_\_\_\_\_  
(S E A L)

## ACKNOWLEDGMENT

Notary Public

(S E A L)

**Exhibit A**

Form of Initial Bond

R-1

**\$150,000,000**

**UNITED STATES OF AMERICA  
STATE OF ARKANSAS  
\$150,000,000  
CITY OF OSCEOLA, ARKANSAS  
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS  
(REMURRIATE PROJECT)  
SERIES 20\_\_**

<b>INTEREST RATE</b>	<b>MATURITY DATE:</b>	<b>ISSUE DATE</b>
_____%	_____, 20__	_____, 20__
<b>REGISTERED OWNER:</b>	[AFFILIATE OF COMPANY], A _____ [LIMITED LIABILITY COMPANY][CORPORATION]	
<b>PRINCIPAL AMOUNT:</b>	ONE HUNDRED FIFTY MILLION AND NO/100 DOLLARS (OR THE TOTAL AMOUNT OUTSTANDING AS REFLECTED BY THE RECORD OF ADVANCES AND PRINCIPAL PAYMENTS ATTACHED HERETO)	

**KNOW ALL PERSONS BY THESE PRESENTS:**

That City of Osceola, Arkansas, a city of the first class and a political subdivision under the laws of the State of Arkansas (the “**Issuer**”) for value received, promises to pay to the Registered Owner stated above, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, the Principal Amount (stated above) on the Maturity Date (stated above), and to pay in like coin or currency, interest on said Principal Amount from the Issue Date (stated above) until paid as follows:

Interest on the unpaid Principal Amount (i) shall be payable annually on \_\_\_\_\_ of each year, beginning on \_\_\_\_\_, 20\_\_ with the final principal and interest payment due on the maturity date, \_\_\_\_\_, 20\_\_, and (ii) shall accrue from the Issue Date (stated above) at the Interest Rate (stated above) until the Issuer’s obligation with respect to payment of such Principal Amount shall be discharged; provided that, the date of each Advance hereunder shall be the interest commencement date from which the principal amount of such Advance bears interest. Payment of interest shall be by check or draft of [TBD], as Trustee and Paying Agent (the “**Trustee**”), to the Registered Owner as shown on the bond registration book of the Issuer maintained by the Trustee on the fifteenth calendar day of the month preceding the month in which the interest payment date occurs. Payment of principal shall be made at the principal office of the Trustee in \_\_\_\_\_, Arkansas, upon due surrender of this Bond on the Maturity Date (stated above) if not sooner called for redemption.

This Bond is one of an authorized issue of bonds of the Issuer in the Principal Amount of not to exceed One Hundred Fifty Million and No/100 Dollars (\$150,000,000.00) (the “**Bonds**”) which are issued for the purpose of providing funds for the making of loans to Remuriate Arkansas, LLC (the “**Borrower**”) to finance certain industrial enterprise within the State of Arkansas (the “**Project**”). The Bonds are all issued under and are all equally and ratably secured and entitled to the protection given by a Trust Indenture (the “**Indenture**”), dated as of \_\_\_\_\_, 20\_\_, duly executed and delivered by the Issuer to the Trustee. Reference is hereby made to the Indenture and all indentures supplemental thereto for the provisions, among others, with respect to the nature and extent of the security, the issuance of additional series on a parity of security with the Bonds, the rights, duties and obligations of the Issuer, the Trustee and the Registered Owners of the Bonds, and the terms upon which the Bonds are issued and secured. The Bonds are secured by payments to be made by the Borrower pursuant to Lease Agreements between the Borrower and the Issuer.

This Bond is issued with the intent that the laws of the State of Arkansas will govern its construction.

**THESE BONDS ARE ISSUED UNDER THE PROVISIONS OF TITLE 14, CHAPTER 164, SUBCHAPTER 2 OF THE ARKANSAS CODE ANNOTATED, AS AMENDED (THE “ACT”), AND CONSTITUTE SPECIAL OBLIGATIONS OF THE ISSUER ONLY. IN NO EVENT SHALL THEY CONSTITUTE AN INDEBTEDNESS OF THE STATE OF ARKANSAS, OR AN INDEBTEDNESS FOR WHICH THE FAITH AND CREDIT OF THE STATE OF ARKANSAS OR ANY OF ITS REVENUES ARE PLEDGED OR AN INDEBTEDNESS SECURED BY A LIEN OR SECURITY INTEREST IN ANY PROPERTY OF THE STATE OF ARKANSAS. THE BONDS ARE NOT SECURED BY A PLEDGE OF THE FULL FAITH AND CREDIT OF THE ISSUER, NOR THE PLEDGE OF ANY OF ITS REVENUES EXCEPT AS SPECIFICALLY SET FORTH IN THE INDENTURE.**

**THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION.**

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been signed by the Trustee.

The Issuer hereby covenants that it has been duly organized in accordance with law; and that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have existed, have happened, and have been performed as required by law.

The Bonds are not general obligations of the Issuer, but are special obligations payable solely from revenues derived from the Project. The Project consists of certain land, buildings, improvements, equipment and facilities which have been leased by the Issuer to the Borrower under the terms of a Lease Agreement which provides for the loan and repayment of moneys in such amounts as shall be sufficient to pay the principal of and interest on the Bonds as the same become due. Provision has been made in the Lease Agreements for the loan repayments or rental payments to be made directly to the Trustee and deposited in special accounts of the Issuer designated “City of Osceola, Arkansas Industrial Development Revenue Bond Fund” (the “**Bond Fund**”). Certain Project revenues (including particularly repayments of the loans under the Lease Agreements) have been duly pledged by the Indenture to the payment of the principal of and interest on the Bonds.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in and defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then outstanding may be declared and may become due and payable before the stated maturity thereof, together with accrued interest thereon.

Modifications or alterations of the Indenture, or of any indenture supplemental thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

The Bonds shall be subject to redemption prior to maturity as follows:

(1) At any time, the Bonds may be redeemed in whole or in part, at the option of the Issuer at the direction of the Borrower, from the proceeds of insurance in the event of major damage or destruction of the Project pursuant to the provisions of the Lease Agreement, or from legal curtailment of the use and occupancy of all or substantially all of such Project for any reason other than condemnation. If called for redemption upon the occurrence of any of the events described in the preceding sentence, this Bond shall be redeemed in whole or in part, in the manner provided in this Bond and the Indenture, at one hundred percent (100%) of the principal amount thereof, plus accrued interest to the date of redemption.

(2) At any time, upon the written direction of the Borrower, the Bond will be redeemed in whole or in part from the proceeds of condemnation of all or substantially all of the Project at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed plus accrued interest to the redemption date.

(3) At any time, the Bonds shall be redeemed in whole or in part, at the option of the Issuer with the written consent of the Borrower, from Bond proceeds not needed for construction of the Project, upon written notice to the Trustee at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed plus accrued interest to the redemption date.

(4) At any time, the Bonds shall be redeemed in whole or in part, at the option of the Issuer, if the Issuer notifies the Trustee in writing that an event of default has occurred under the Lease Agreement and that it requests a redemption of such Bonds at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed plus accrued interest to the redemption date.

(5) The Bonds (or any portion thereof in \$5,000 multiples) will be subject to redemption prior to maturity, at the option of the Borrower, in whole or in part, on any date, at a redemption price equal to the principal amount being redeemed plus accrued interest to the date of redemption.

Notice of redemption shall be mailed by first class mail or by other acceptable standard, including facsimile or e-mail, to the registered owner of the Bonds addressed to such registered owner at his, her or its registered address and placed in the mails or otherwise sent not less than thirty (30) days prior to the date fixed for redemption or such shorter period of time as is acceptable to the Trustee and the owner hereof. Each notice shall specify the numbers and the maturities of the Bonds being called and the date on which they shall be presented for payment. After the date

specified in such call, the Bond or Bonds so called will cease to bear interest provided funds for their payment have been deposited with the Trustee, and, except for the purpose of payment, shall no longer be protected by the Indenture and shall not be deemed to be outstanding under the provisions of the Indenture.

In the event of a partial redemption of this Bond, the Owner hereof, or the Trustee if the Bond is in the Trustee's possession, is authorized to effect a reduction in the face amount of this Bond by making a notation on the payment grid attached hereto in lieu of surrendering this Bond to the Trustee for cancellation and the issuance of a new Bond or Bonds in the amount of the unredeemed portion hereof.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by its Mayor and City Clerk, thereunto duly authorized, with the manual or facsimile signature of the Mayor and the manual or facsimile signature of the City Clerk, and the corporate seal to be impressed or imprinted, all as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**CITY OF OSCEOLA, ARKANSAS**

By: \_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_  
City Clerk

[S E A L]

## **CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Bonds issued under the provisions of the within mentioned Indenture.

**[TBD]**, as Trustee

By: \_\_\_\_\_  
Authorized Signatory

Dated: \_\_\_\_\_, 20\_\_

## ASSIGNMENT

**FOR VALUE RECEIVED** the undersigned hereby sells, assigns and transfers unto

---

(Social Security or Federal Taxpayer Identification Number)

---

(Please print or typewrite Name and Address, including Zip Code, of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints the Registrar under the Indenture as Attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature guaranteed by:

---

### NOTICE:

**SIGNATURE GUARANTEE SHOULD BE MADE BY A GUARANTOR INSTITUTION PARTICIPATING IN THE SECURITIES TRANSFER AGENTS MEDALLION PROGRAM OR IN SUCH OTHER GUARANTEE PROGRAM ACCEPTABLE TO THE TRUSTEE.**

---

### NOTICE:

**THE SIGNATURE OF THE REGISTERED OWNER TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS IT APPEARS ON THE FACE OF THE WITHIN BOND IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.**

### Record of Advances and Principal Payments

DATE OF ADVANCE* OR PAYMENT	AMOUNT OF ADVANCE	PRINCIPAL AMOUNT PAID	PRINCIPAL AMOUNT OUTSTANDING	SIGNATURE

\* The date of each Advance shall be the interest commencement date from which the principal amount of each Advance bears interest.

[END OF FORM]

## Exhibit B

Form of Bond After Completion Date

R-\_\_

\$\_\_\_\_\_

**UNITED STATES OF AMERICA  
STATE OF ARKANSAS  
CITY OF OSCEOLA, ARKANSAS  
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS  
(REMURIATE PROJECT)  
SERIES 20\_\_**

INTEREST RATE	MATURITY DATE:	ISSUE DATE
_____%	_____, 20__	_____, 20__
REGISTERED OWNER:	[AFFILIATE OF COMPANY], A _____ [LIMITED LIABILITY COMPANY][CORPORATION]	
PRINCIPAL AMOUNT:	_____ AND 00/100 DOLLARS	

---

### KNOW ALL PERSONS BY THESE PRESENTS:

That City of Osceola, Arkansas, a city of the first class and a political subdivision under the laws of the State of Arkansas (the "Issuer") for value received, promises to pay to the Registered Owner stated above, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, the Principal Amount (stated above) on the Maturity Date (stated above), and to pay in like coin or currency, interest on said Principal Amount from the Issue Date (stated above) until paid as follows:

Interest on the unpaid Principal Amount (i) shall be payable annually on \_\_\_\_\_ of each year, beginning on \_\_\_\_\_, 20\_\_ with the final principal and interest payment due on the maturity date, \_\_\_\_\_, 20\_\_, and (ii) shall accrue from the Issue Date (stated above) at the Interest Rate (stated above) until the Issuer's obligation with respect to payment of such Principal Amount shall be discharged. Payment of interest shall be by check or draft of [TBD], as Trustee and Paying Agent (the "Trustee"), to the Registered Owner as shown on the bond registration book of the Issuer maintained by the Trustee on the fifteenth calendar day of the month preceding the month in which the interest payment date occurs. Payment of principal shall be made at the principal office of the Trustee in \_\_\_\_\_, Arkansas, upon due surrender of this Bond on the Maturity Date (stated above) if not sooner called for redemption.

This Bond is one of an authorized issue of bonds of the Issuer in the Principal Amount of \$\_\_\_\_\_ (the "Bonds") which are issued for the purpose of providing funds for the making of loans to Remuriate Arkansas, LLC (the "Borrower") to finance certain industrial enterprise within the State of Arkansas (the "Project"). The Bonds are all issued under and are all equally and ratably secured and entitled to the protection given by a Trust Indenture (the "Indenture"), dated as of

\_\_\_\_\_, 20\_\_\_\_, duly executed and delivered by the Issuer to the Trustee. Reference is hereby made to the Indenture and all indentures supplemental thereto for the provisions, among others, with respect to the nature and extent of the security, the issuance of additional series on a parity of security with the Bonds, the rights, duties and obligations of the Issuer, the Trustee and the Registered Owners of the Bonds, and the terms upon which the Bonds are issued and secured. The Bonds are secured by payments to be made by the Borrower pursuant to a Lease Agreement between the Borrower and the Issuer.

This Bond is issued with the intent that the laws of the State of Arkansas will govern its construction.

**THESE BONDS ARE ISSUED UNDER THE PROVISIONS OF TITLE 14, CHAPTER 164, SUBCHAPTER 2 OF THE ARKANSAS CODE ANNOTATED, AS AMENDED (THE "ACT"), AND CONSTITUTE SPECIAL OBLIGATIONS OF THE ISSUER ONLY. IN NO EVENT SHALL THEY CONSTITUTE AN INDEBTEDNESS OF THE STATE OF ARKANSAS, OR AN INDEBTEDNESS FOR WHICH THE FAITH AND CREDIT OF THE STATE OF ARKANSAS OR ANY OF ITS REVENUES ARE PLEDGED OR AN INDEBTEDNESS SECURED BY A LIEN OR SECURITY INTEREST IN ANY PROPERTY OF THE STATE OF ARKANSAS. THE BONDS ARE NOT SECURED BY A PLEDGE OF THE FULL FAITH AND CREDIT OF THE ISSUER, NOR THE PLEDGE OF ANY OF ITS REVENUES EXCEPT AS SPECIFICALLY SET FORTH IN THE INDENTURE.**

**THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION.**

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been signed by the Trustee.

The Issuer hereby covenants that it has been duly organized in accordance with law; and that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have existed, have happened, and have been performed as required by law.

The Bonds are not general obligations of the Issuer, but are special obligations payable solely from revenues derived from the Project. The Project consists of certain land, buildings, improvements, equipment and facilities which have been leased by the Issuer to the Borrower under the terms of Lease Agreements which provides for the loan and repayment of moneys in such amounts as shall be sufficient to pay the principal of and interest on the Bonds as the same become due. Provision has been made in the Lease Agreements for the loan repayments or rental payments to be made directly to the Trustee and deposited in special accounts of the Issuer designated "City of Osceola, Arkansas Industrial Development Revenue Bond Fund" (the "Bond Fund"). Certain Project revenues (including particularly repayments of the loans under the Lease Agreements) have been duly pledged by the Indenture to the payment of the principal of and interest on the Bonds.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in and defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the

manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then outstanding may be declared and may become due and payable before the stated maturity thereof, together with accrued interest thereon.

Modifications or alterations of the Indenture, or of any indenture supplemental thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

The Bonds shall be subject to redemption prior to maturity as follows:

(1) At any time, the Bonds may be redeemed in whole or in part, at the option of the Issuer at the direction of the Borrower, from the proceeds of insurance in the event of major damage or destruction of the Project pursuant to the provisions of the Lease Agreements, or from legal curtailment of the use and occupancy of all or substantially all of such Project for any reason other than condemnation. If called for redemption upon the occurrence of any of the events described in the preceding sentence, this Bond shall be redeemed in whole or in part, in the manner provided in this Bond and the Indenture, at one hundred percent (100%) of the principal amount thereof, plus accrued interest to the date of redemption.

(2) At any time, upon the written direction of the Borrower, the Bond will be redeemed in whole or in part from the proceeds of condemnation of all or substantially all of the Project at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed plus accrued interest to the redemption date.

(3) At any time, the Bonds shall be redeemed in whole or in part, at the option of the Issuer with the written consent of the Borrower, from Bond proceeds not needed for construction of the Project, upon written notice to the Trustee at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed plus accrued interest to the redemption date.

(4) At any time, the Bonds shall be redeemed in whole or in part, at the option of the Issuer, if the Issuer notifies the Trustee in writing that an event of default has occurred under the Lease Agreements and that it requests a redemption of such Bonds at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed plus accrued interest to the redemption date.

(5) The Bonds (or any portion thereof in \$5,000 multiples) will be subject to redemption prior to maturity, at the option of the Borrower, in whole or in part, on any date, at a redemption price equal to the principal amount being redeemed plus accrued interest to the date of redemption.

Notice of redemption shall be mailed by first class mail or by other acceptable standard, including facsimile or e-mail, to the registered owner of the Bonds addressed to such registered owner at his, her or its registered address and placed in the mails or otherwise sent not less than thirty (30) days prior to the date fixed for redemption or such shorter period of time as is acceptable to the Trustee and the owner hereof. Each notice shall specify the numbers and the maturities of the Bonds being called and the date on which they shall be presented for payment. After the date specified in such call, the Bond or Bonds so called will cease to bear interest provided funds for their payment have been deposited with the Trustee, and, except for the purpose of payment, shall no longer be protected by the Indenture and shall not be deemed to be outstanding under the provisions of the Indenture.

In the event of a partial redemption of this Bond, the Owner hereof, or the Trustee if the Bond is in the Trustee's possession, is authorized to effect a reduction in the face amount of this Bond by making a notation on the payment grid attached hereto in lieu of surrendering this Bond to the Trustee for cancellation and the issuance of a new Bond or Bonds in the amount of the unredeemed portion hereof.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by its Mayor and City Clerk, thereunto duly authorized, with the manual or facsimile signature of the Mayor and the manual or facsimile signature of the City Clerk, and the corporate seal to be impressed or imprinted, all as of the \_\_\_\_ day of \_\_\_\_, 20\_\_.

**CITY OF OSCEOLA, ARKANSAS**

By: \_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_  
City Clerk

[S E A L]

## **CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Bonds issued under the provisions of the within mentioned Indenture.

**[TBD]**, as Trustee

By: \_\_\_\_\_  
Authorized Signatory

Dated: \_\_\_\_\_

## ASSIGNMENT

**FOR VALUE RECEIVED** the undersigned hereby sells, assigns and transfers unto

---

(Social Security or Federal Taxpayer Identification Number)

---

(Please print or typewrite Name and Address, including Zip Code, of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints the Registrar under the Indenture as Attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature guaranteed by:

---

**NOTICE:**

**SIGNATURE GUARANTEE SHOULD BE MADE BY A GUARANTOR INSTITUTION PARTICIPATING IN THE SECURITIES TRANSFER AGENTS MEDALLION PROGRAM OR IN SUCH OTHER GUARANTEE PROGRAM ACCEPTABLE TO THE TRUSTEE.**

---

**NOTICE:**

**THE SIGNATURE OF THE REGISTERED OWNER TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS IT APPEARS ON THE FACE OF THE WITHIN BOND IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.**

### Record of Principal Payments

DATE OF PAYMENT	PRINCIPAL AMOUNT PAID	PRINCIPAL AMOUNT OUTSTANDING	SIGNATURE

[END OF FORM]



*Preliminary Draft  
For Discussion Purposes Only  
Subject to Review and Approval of Parties Hereto*

**LEASE AGREEMENT  
BY AND BETWEEN  
CITY OF OSCEOLA, ARKANSAS  
AND  
REMURIATE ARKANSAS LLC**

**Dated as of \_\_\_\_\_, 20\_\_**

**MITCHELL | WILLIAMS**

**MITCHELL, WILLIAMS, SELIG, GATES & WOODYARD, P.L.L.C.  
425 WEST CAPITOL AVENUE, SUITE 1800  
LITTLE ROCK, ARKANSAS 72201**

## **LEASE AGREEMENT**

### **TABLE OF CONTENTS**

#### **ARTICLE I DEFINITIONS**

Section 1.01.	Definitions .....	2
Section 1.02.	Use of Words .....	4

#### **ARTICLE II ACQUISITION OF PROJECT**

Section 2.01.	Acquiring of Project .....	4
Section 2.02.	Itemization of Project Costs .....	4
Section 2.03.	Certificate of Completion Date .....	5

#### **ARTICLE III DEMISING CLAUSES, DURATION OF LEASE TERM AND RENTAL PROVISIONS**

Section 3.01.	Demise of Leased Premises .....	5
Section 3.02.	Term of Lease Agreement .....	6
Section 3.03.	Basic Rent; Additional Rent; Absolute and Unconditional Obligation to pay Basic Rent and Additional Rent .....	6
Section 3.04.	Method of Payment of Basic Rent and Additional Rent .....	8
Section 3.05.	Home Office Payment Agreement .....	8
Section 3.06.	Day for Payment .....	8

#### **ARTICLE IV TAXES AND ASSESSMENTS (IMPOSITIONS)**

Section 4.01.	Taxes and Assessments .....	8
Section 4.02.	Leased Premises Exempt From Ad Valorem Taxes; Contest of Attempted Levy Authorized .....	9

#### **ARTICLE V INSURANCE**

Section 5.01.	Insurance Required .....	9
---------------	--------------------------	---

#### **ARTICLE VI REPAIRS AND MAINTENANCE OF LEASED PREMISES, ALTERATIONS PERMITTED ENCUMBRANCES**

Section 6.01.	Lessee Obligated to Maintain Buildings and Improvements .....	10
Section 6.02.	Lessee Has Right to Make Additions, Alterations and Changes .....	10

Section 6.03.	Structural Improvements and Alterations Become Property of Lessor; Machinery, Equipment and Other Property Installed at Lessee's Expense Remain Its Property With Right of Removal.....	10
Section 6.04.	Property on Leased Premises at Sole Risk of Lessee .....	10
Section 6.05.	Permitted Encumbrances .....	11
Section 6.06.	Leasehold Mortgages .....	11

## ARTICLE VII USE OF LEASED PREMISES - COMPLIANCE WITH ORDERS, ETC

Section 7.01.	Permitted Use of Leased Premises and Compliance with Laws, Etc .....	13
Section 7.02.	Lessor's Covenant Not to Impose Burdensome Laws, Etc .....	13
Section 7.03.	Lessor's Covenant Not to Condemn .....	13
Section 7.04.	Lessor to Grant Easements .....	13

## ARTICLE VIII WORK PERFORMED BY LESSEE

Section 8.01.	Obligations of Parties Concerning Work on Leased Premises and Obtaining Necessary Permits .....	13
---------------	--	----

## ARTICLE IX MECHANICS' LIENS

Section 9.01.	Lessee to Keep Leased Premises Free of Construction Liens.....	14
---------------	--	----

## ARTICLE X INDEMNIFICATION OF LESSOR

Section 10.01.	Indemnification of Lessor.....	14
----------------	--------------------------------	----

## ARTICLE XI RESERVED

## ARTICLE XII PUBLIC UTILITIES AND CHARGES

Section 12.01.	Lessee to Pay Public Utility Charges .....	15
----------------	--	----

## ARTICLE XIII INSPECTION OF LEASED PREMISES BY LESSOR

Section 13.01.	Lessor to have Right of Inspection Subject to Certain Restrictions .....	15
----------------	--	----

**ARTICLE XIV  
DAMAGE AND DESTRUCTION**

Section 14.01. Lessee to Restore in Event of Damage or Destruction; Application of Insurance Moneys.....	15
Section 14.02. No Diminution in Lessee's Obligation to Pay Basic Rent and Perform Other Covenants .....	16
Section 14.03. Lessee Not Obligated to Restore if Purchase Option Exercised or All Outstanding Bonds Paid .....	16

**ARTICLE XV  
CONDEMNATION**

Section 15.01. Rights of Parties in Event of Condemnation; Bonds Protected in Any Event.....	16
Section 15.02. Lessee Obligated to Continue Basic and Additional Rental Payments Until Condemnation Award Available .....	17
Section 15.03. Lessee's Right to Exercise Purchase Option Continues in Force Notwithstanding Condemnation Proceedings .....	18
Section 15.04. Right of Lessee to Participate in Condemnation Proceedings .....	18

**ARTICLE XVI  
ASSIGNMENT**

Section 16.01. Assignment and Subletting Permitted But Lessee Not Relieved of Obligations; Assignment to Trustee Permitted .....	18
--	----

**ARTICLE XVII  
PRIORITY OF LEASE**

Section 17.01. Lease Agreement Superior and Prior .....	19
Section 17.02. Subordination in Bankruptcy.....	19

**ARTICLE XVIII  
REMEDIES ARE CUMULATIVE - NO IMPLIED WAIVER**

Section 18.01. Specific Relief; Remedies are Cumulative, No Implied Waiver.....	19
---	----

**ARTICLE XIX  
DEFAULT PROVISIONS**

Section 19.01. Events of Default.....	20
Section 19.02. Remedies .....	20
Section 19.03. Remedies Not Exclusive .....	21
Section 19.04. Rental, Damages and Reletting Handled as Provided in Lease and Agreement and Indentures.....	21

**ARTICLE XX  
PURCHASE OPTION**

Section 20.01. Purchase Option .....	21
--------------------------------------	----

**ARTICLE XXI  
NOTICES**

Section 21.01. Notices .....	22
------------------------------	----

**ARTICLE XXII  
RECORDING**

Section 22.01. Recording .....	22
--------------------------------	----

**ARTICLE XXIII  
GENERAL**

Section 23.01. Arkansas Law Applicable.....	23
Section 23.02. Severability .....	23
Section 23.03. Captions for Reference Only .....	23
Section 23.04. Provisions Binding on Successors.....	23
Section 23.05. Consent Required for Modification.....	23
Section 23.06. Reasonable Consent .....	23
Section 23.07. Consolidation, Merger or Sale Permitted In Certain Circumstances .....	23

**ARTICLE XXIV  
REMOVAL AND DISPOSAL OF PROPERTY**

Section 24.01. Lessee's Rights and Obligations Concerning Removal and Disposal of Building Service Equipment .....	24
Section 24.02. Lessee's Rights and Obligations Concerning Removal and Disposal of Project Machinery and Equipment.....	24

**ARTICLE XXV  
RESERVED**

**ARTICLE XXVI  
REPRESENTATIONS AND WARRANTIES**

Section 26.01. Representations and Warranties of the Lessor .....	25
Section 26.02. General Representations and Warranties of the Lessee .....	26

<b>EXHIBIT A</b> - EQUIPMENT LIST	
<b>EXHIBIT B</b> - LEGAL DESCRIPTION	
<b>EXHIBIT C</b> - OPTION AGREEMENT	

## LEASE AGREEMENT

This LEASE AGREEMENT (the “**Lease Agreement**”) is entered into on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the **CITY OF OSCEOLA, ARKANSAS** (“**Lessor**” or “**Issuer**”) and **REMURIATE ARKANSAS LLC**, a limited liability company organized under and existing by virtue of the laws of the State of Arkansas (“**Lessee**”);

### RECITALS:

A. Lessor is a city of the first class and a duly organized and existing political subdivision, under the laws of the State of Arkansas with full and lawful power and authority to enter into this Lease Agreement, acting by and through its City Council, in the public interest and for a public purpose in securing and developing industry, all pursuant to the provisions of Amendment 65 to the Constitution of the State of Arkansas and Act No. 9 of the First Extraordinary Session of the Sixty-Second General Assembly of the State of Arkansas for the year 1960, codified as Ark. Code Ann. Sections 14-164-201 *et seq.* as amended (the “**Act**”) and as interpreted by the Arkansas Supreme Court in *Wayland v. Snapp*, 232 Ark. 57, 334 S.W. 2d 633 (1960), and *Pulaski County v. Jacuzzi Bros. Div.*, 332 Ark. 91, 964 S.W.2d 788 (1998); and

B. The Issuer is authorized by the Act to issue the bonds for the purpose of financing the costs of acquiring, constructing and equipping lands, buildings or facilities for industrial enterprises as defined in the Act pursuant to a Trust Indenture dated as of \_\_\_\_\_, 20\_\_\_\_ (the “**Indenture**”) by and between the Issuer and [TBD], as Trustee; and

C. Permanent financing of the Project Costs (as defined herein), necessary costs and expenditures incidental thereto and the cost of the issuance of bonds, is being furnished by the Issuer through issuance of its Taxable Industrial Development Revenue Bonds (Remuriate Project) Series 20\_\_\_\_ (the “**Bonds**”); and

D. The Lessor and the Lessee desire to enter into this Lease Agreement in connection with the issuance of the Bonds under the Indenture; and

E. Lessee is authorized under its Articles of Organization and Operating Agreement and under the laws of the State of its organization to enter into this Lease Agreement and to perform all covenants and obligations on its part to be performed under and pursuant to this Lease Agreement; and

F. Lessor is authorized by the Act and under the laws of the State to enter into this Lease Agreement and to perform all covenants and obligations on its part to be performed under and pursuant to this Lease Agreement; and

G. Lessee is not prohibited under the terms of any outstanding trust indenture, deeds of trust, mortgages, loan agreements or other instruments or evidences of indebtedness of whatever nature from entering into this Lease Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Lease Agreement (or if so, a proper waiver or consent has been obtained) and affirmatively so represents to Lessor; and

H. The industrial undertaking will consist of the acquisition, construction, and equipping of an industrial facility within and near the corporate boundaries of the Issuer, including, but not limited to, the acquisition of land, the acquisition and construction of buildings, infrastructure and improvements and the acquisition and installation of equipment used both directly and indirectly in the manufacture, refinement or processing of steel located on approximately 1300 acres within all or portions of Sections 6, 12 and 13 in Township 12 North, Range 10 East of the Osceola District of Mississippi County, Sections 6, 7, 17 and 18 in Township 12 North, Range 11 East of the Osceola District of Mississippi County, and located east of Highway 61 and north and west of the steel mill operated by Big River Steel LLC (with an address of 2027 East State Highway 198, Osceola, Arkansas), all as financed with the proceeds of the Bonds (the “**Project**”) which Project shall otherwise exclude building, machinery and equipment financed by Lessee from other sources, if any.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Lessor and Lessee, and in consideration of the mutual benefits and covenants herein contained, Lessor and Lessee agree as follows:

## **ARTICLE I DEFINITIONS**

**Section 1.01. Definitions.** In addition to the words and terms otherwise defined in this Lease Agreement, the following words and terms as used in this Lease Agreement shall have the following meanings unless the context clearly indicates a different meaning or intent:

“**Authorized Lessee Representatives**” - The person or persons at the time designated to act on behalf of the Lessee by written certificate furnished to the Lessor containing the specimen signatures of any such person and signed on behalf of the Lessee. Such certificate may designate an alternate or alternates.

“**Authorized Lessor Representative**” - The person at the time designated to act in behalf of the Lessor by written certificate furnished to the Lessee containing the specimen signature of such person and signed on behalf of the Lessor. Such certificate may designate an alternate or alternates.

“**Bond Fund**” - The Bond Fund created by Section 5.01 of the Indenture into which moneys are to be deposited and out of which disbursements are to be made for paying the principal of, premium, if any, and interest on the Bonds in the manner and for the purposes specified in the Indenture.

“**Bonds**” – The City of Osceola, Arkansas Taxable Industrial Development Revenue Bonds (Remuniate Project), Series 20\_\_.

“**Completion Date**” – The date of completion of the acquisition, construction and equipment of the Project as that date shall be determined by the Lessee and certified in writing to the Trustee.

“**Home Office Payment Agreement**” – The Home Office Payment Agreement between the Lessor, the Lessee, the Trustee, and the Purchaser evidencing the intent of the parties with

respect to payment obligations under the Indenture, the bond purchase agreement between Lessor and the Purchaser relating to the Bonds, and this Lease Agreement.

**“Lease Agreement”** - This Lease Agreement between the Lessor and the Lessee.

**“Lease Term”** or **“Term”** - The term of the Lease Agreement set forth in Section 3.02.

**“Leased Premises”** – The personal property, land, facilities and related improvements covered by this Lease Agreement and defined in Section 3.01 hereof.

**“Lessee”**– Remuriate Arkansas LLC, an Arkansas limited liability company, and any assignee that assumes the obligations of the Lessee pursuant to the provisions of this Lease Agreement.

**“Lessor”** – City of Osceola, Arkansas.

**“Loan”** – The loan from the Lessor to the Lessee which permits Lessee to use Bond proceeds to finance Project Costs.

**“Loan Fund”** - The fund created by Section 5.06 of the Trust Indenture into which the portion of the proceeds of the sale of the Bonds specified in Section 6.02 of the Indenture is to be deposited and out of which disbursements are to be made for Project Costs in the manner and for the purposes specified in Article VI of the Trust Indenture and Section 2.01 hereof.

**“Option Agreement”** – The Option Agreement attached hereto as Exhibit C.

**“Permitted Encumbrances”** - At any particular time (i) this Lease Agreement and Indenture, (ii) the encumbrances which affect the Leased Premises as set forth in a title commitment, if any, (iii) utility, access and other easements and rights of way, restrictions, reversions and exceptions that the Lessee certifies will not interfere with or impair the operations being conducted in the Project, (iv) such minor defects, irregularities, encumbrances, easements, rights of way, and clouds on title as normally exist with respect to properties similar in character to the Project, and as do not materially impair the property affected thereby for the purpose for which it was acquired or held by the Lessor, (v) security interests, liens and mortgages in favor of creditors of Lessee as described in Section 6.05 hereof, and (vi) the Future Subleases, if any, as described in Section 6.05 hereof.

**“Project”** - The facilities and related improvements more specifically identified in the Recitals hereto and financed out of proceeds of the Bonds and leased under this Lease Agreement.

**“Project Costs”** - The costs of acquiring, developing, constructing and equipping the Project described in Section 2.02 of this Lease Agreement.

**“Purchaser”** - The original purchaser of the Bonds.

**“Rent”** or **“Rents”** - The Basic Rent (provided for in Section 3.03A(1) hereof) and the Additional Rent (provided for in Section 3.03B hereof), unless the context clearly indicates both are not intended.

**“State”** - The State of Arkansas.

**“Trust Indenture”** or **“Indenture”** - The Trust Indenture to be executed between the Lessor and the Trustee securing the Bonds.

**“Trustee”** - The Trustee for the time being, whether original or successor, with the original Trustee being [TBD], a state banking corporation organized and operating under the laws of \_\_\_\_\_ and authorized to exercise corporate trust powers in the State of Arkansas, and being duly qualified to accept and administer the trusts created by the Indenture, and having a corporate trust office located in Little Rock, Arkansas.

**Section 1.02. Use of Words.** Words of the masculine gender shall be deemed and construed to include the correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words shall include the plural, as well as the singular, number.

## **ARTICLE II ACQUISITION OF PROJECT**

**Section 2.01. Acquiring of Project.** The Lessee has undertaken and will complete the acquiring of the Project and has executed, or will execute all necessary contracts therefor. The Lessee shall be reimbursed out of the Loan Fund for all qualifying expenditures made by it in connection with acquiring, developing, constructing and equipping the Project in the manner set forth in Section 6.03 of the Indenture. Title to the machinery, equipment and facilities paid for with the proceeds of the Loan shall be transferred to the Lessor and become part of the Leased Premises described in Section 3.01. The same shall be subject to such liens or encumbrances as may be placed thereon by Lessee prior to such transfer.

Lessee, with the cooperation of Lessor when necessary, shall obtain all necessary approvals from any and all governmental agencies requisite to the acquisition, development, construction and equipping of the Project, and the Project shall be acquired, developed and constructed in compliance with all State and local laws, ordinances and regulations applicable thereto. All requests, approvals and agreements required on the part of Lessor and on the part of Lessee shall be in writing, signed by the authorized representative of the party making such request, granting such approval, or entering into such agreement. The Lessor and Lessee shall, concurrently with the delivery of this Lease Agreement, notify each other of the Authorized Lessor Representative and the Authorized Lessee Representative, respectively. It is agreed that each party may have more than one representative and may change the representative or representatives from time to time, with each such change to be in writing forwarded to the other party. The representative of each party so designated shall be authorized to enter into and execute any contracts or agreements or to grant any approvals or to take any action for and on behalf of the party hereto represented by such person and the other party to this Lease Agreement shall be entitled to rely upon the representative as having full authority to bind the party hereto represented by such person.

**Section 2.02. Itemization of Project Costs.** Costs incurred by Lessor and Lessee under Section 2.01 hereof and in other sections of this Article II shall be referred to as “Project Costs” and it is agreed that if Project Costs exceed the available proceeds received from the sale of the Bonds, the Lessee shall pay the entire amount of any such excess. Project Costs, as that term is used in this

Lease Agreement, include the costs incurred by Lessor, Lessee or others in acquiring, developing, constructing and equipping the Project and the costs of making the Loan and the issuance of the Bonds.

It is covenanted and agreed by Lessee that the proceeds of the Loan will be used for Project Costs.

Proceeds derived from the sale of the Bonds shall be deposited in the funds, handled, invested and disbursed in accordance with the provisions of the Trust Indenture. It is agreed that the Trust Indenture will be delivered and become effective after the delivery and effectiveness of this Lease Agreement and it is covenanted and agreed that so long as the Lessee is not in default under this Lease Agreement beyond any applicable notice and cure period, the Trust Indenture shall not be amended or supplemented without the approval of the Lessee of the amendment or supplement being made.

**Section 2.03. Certificate of Completion Date.** Promptly after the Completion Date, the Lessee shall submit to the Issuer and the Trustee a certificate, executed by an Authorized Lessee Representative, which shall specify the Completion Date and shall state that acquisition, construction and equipping of the Project has been completed and the Project Costs have been paid or set aside for payment, except for any Project Costs which have been incurred but are not then due and payable, or the liability for the payment of which is being contested or disputed by the Lessee. Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights against third parties which exist at the date thereof or which may subsequently come into being.

### **ARTICLE III DEMISING CLAUSES, DURATION OF LEASE TERM AND RENTAL PROVISIONS**

**Section 3.01. Demise of Leased Premises.** Lessor, for and in consideration of the rents, covenants and agreements herein reserved, mentioned and contained, on the part of Lessee to be paid, kept and performed, agrees to and does hereby lease to Lessee, and Lessee agrees to, and does hereby lease, take and hire from Lessor, subject to the terms, conditions and provisions of this Lease Agreement expressed, the following:

The land described in **Exhibit B**, and the improvements, machinery, equipment, furnishings, and other personal property described in **Exhibit A**, or elsewhere, including, without limitation, all replacements and substitutions which become the property of the Lessor, pursuant to the provisions of this Lease Agreement.

The properties described in this Section 3.01 are herein collectively referred to as the “**Leased Premises.**” Lessor and Lessee acknowledge and agree that **Exhibit A** will be supplemented and amended during the term of the Lease Agreement to identify additional improvements and fee and leasehold interests in machinery, equipment, furnishings, other personal property, and fixtures that are acquired with proceeds of the Bonds after the commencement date of this Lease Agreement.

TO HAVE AND TO HOLD the Leased Premises unto the Lessee for the term of this Lease Agreement as hereinafter set forth.

**Section 3.02. Term of Lease Agreement.** The initial term<sup>1</sup> of this Lease Agreement shall commence as of \_\_\_\_\_, 20\_\_, and shall continue until \_\_\_\_\_, 20\_\_ and as long thereafter as the Lessee has failed to make all required payments of Basic Rent or Additional Rent. At any time following or contemporaneous with the redemption of the Bonds in full or the expiration of the term of the Lease Agreement, if the purchase option set forth in Article XX has not been exercised, Lessee shall have the unconditional right and obligation to purchase the Leased Premises for the Purchase Price (as defined and described in the Option Agreement), and the Lease Agreement will be terminated contemporaneous with such purchase. Further, the Lease Agreement will be terminated contemporaneous with the full exercise of the purchase option set forth in Article XX.

**Section 3.03. Basic Rent; Additional Rent; Absolute and Unconditional Obligation to pay Basic Rent and Additional Rent.**

A. Basic Rent.

(1) Lessee covenants to pay to Lessor, in the manner hereinafter provided in Section 3.04, Basic Rent annually in the amounts necessary to pay interest and principal of all outstanding Bonds as the same become due, either at maturity or upon optional redemption, under the provisions of the Indenture. Basic Rent shall be payable annually on \_\_\_\_\_ commencing on \_\_\_\_\_, 20\_\_ through \_\_\_\_\_, 20\_\_, or until the principal of and interest on the Bonds shall have been fully paid, or the required provision made for the payment thereof in accordance with the provisions of the Trust Indenture. In the event a Basic Rent payment date falls on a non-business day, the Basic Rent payment involved shall not be due and payable until the time of opening of business on the next succeeding day thereafter that is a business day.

(2) If, during any year while any of the Bonds shall be outstanding, the Basic Rent shall be insufficient to pay the principal of, premium, if any, and interest on the Bonds as the same become due, the amount of the insufficiency shall be paid by the Lessee as additional Basic Rent. If at any time the amount in the Bond Fund, hereinabove referred to and hereafter described in Section 3.04, is sufficient to pay in full the principal of, premium, if any, interest on, and, if redemption is involved, redemption expenses in connection with, all of the outstanding Bonds, then no further Basic Rent shall be payable hereunder. If any moneys remain in the Bond Fund after payment or the making of provision for payment in accordance with the provisions of Article V of the Trust Indenture, of the principal of, premium, if any, interest on, and, if redemption is involved, redemption expenses in connection with, all outstanding Bonds, such remaining moneys shall be refunded to Lessee as excess Basic Rent.

B. Additional Rent.

(1) During the term hereof, Lessee shall pay as Additional Rent to the Lessor \$40,000 payable annually on \_\_\_\_\_ commencing on \_\_\_\_\_, 20\_\_ through \_\_\_\_\_, 20\_\_, or until the principal of and interest on the Bonds shall have been fully paid. Additional

---

<sup>1</sup> Not to exceed twenty (20) years.

Rent shall offset administrative costs and the costs associated with provision of public services including, but not limited to, police and fire protection.

(2) During the term hereof, Lessee shall pay as Additional Rent payable to the Lessor, any expenses which are required to be incurred by Lessor pursuant to the provisions of this Lease Agreement or the Trust Indenture the payment of which is not otherwise provided for by applicable provisions of this Lease Agreement or the Trust Indenture, and all impositions (as defined in Section 4.01), expenses, liabilities, obligations and other payments of whatever nature which Lessee has agreed to pay or assume under the provisions of this Lease Agreement; provided that, Lessor acknowledges that no such expenses are contemplated to be incurred on the date hereof and that Lessor will provide Lessee with notice of such expenses prior to being incurred by the Lessor, or, if incurred without Lessor's direct involvement or knowledge, within a reasonable time thereafter, or as soon thereafter as Lessor becomes, or reasonably should have become, aware of such expenses. If at any time any amounts paid by Lessee as Additional Rent hereunder are or become in excess of the amounts required for the purposes for which they were paid, such excess amounts shall be refunded to the Lessee.

C. Payment. Until the principal of, premium, if any, and interest on the Bonds shall have been paid or provision for such payment shall have been made in accordance with the provisions of Article V of the Trust Indenture, Lessee's obligation to pay Basic Rent and Additional Rent shall be absolute and unconditional and the Basic Rent and the Additional Rent shall be payable on the dates or at the times specified, and without abatement or set-off, and regardless of any contingencies whatsoever, and notwithstanding any circumstances or occurrences that may now exist or that may hereafter arise or take place, including, but without limiting the generality of the foregoing:

(1) The unavailability of the Leased Premises, or any part thereof, for use by the Lessee at any time by reason of the failure to complete the Project by any particular time or at all or by reason of any other contingency, occurrence or circumstances whatsoever;

(2) Damage to or destruction of the Leased Premises, or any part thereof;

(3) Legal curtailment of Lessee's use of the Leased Premises, or any part thereof;

(4) Change in Lessor's legal organization or status;

(5) Any assignment under the provisions of Article XVI including, without limitation, an assignment as part of a transaction involving merger, consolidation or sale of all or substantially all of Lessee's assets, as provided in Section 16.01; subject, however, to the provisions of Section 16.01 that performance by an assignee or sublessee shall be considered as performance pro tanto by Lessee;

(6) Any termination of this Lease Agreement for any reason whatsoever, including, without limitation, termination under Article XIX;

(7) Failure of consideration or commercial frustration of purposes;

(8) Any default of the Lessor under this Lease Agreement, or any other fault or failure of the Lessor whatsoever.

Lessee covenants that it will not enter into any contract, indenture or agreement of any nature whatsoever which shall in any way limit, restrict or prevent Lessee from performing any of its obligations under this Lease Agreement.

**Section 3.04. Method of Payment of Basic Rent and Additional Rent.** Payments of Basic Rent shall be made to Lessor by Lessee remitting the same directly to the Trustee, for the account of Lessor, and shall be deposited by the Trustee in the Bond Fund provided for in the Trust Indenture, to be used by the Trustee as provided in the Trust Indenture. Additional Rent specified in Section 3.03B shall be paid by Lessee remitting the same directly to the Lessor, in the case of the Lessor's expenses and charges, and either making direct payment in the case of impositions and other costs, expenses, liabilities and payments assumed and agreed to be paid by Lessee under this Lease Agreement, or reimbursing Lessor, if, pursuant to the provisions of this Lease Agreement, Trustee shall make payment thereof.

**Section 3.05. Home Office Payment Agreement.** Notwithstanding any provision of this Lease Agreement to the contrary, the Lessor, the Lessee, the Purchaser, the Trustee and any of their successors or assigns may enter into or accept the terms of a home office payment agreement providing for the making of all payments due under this Lease Agreement at a place and in a manner other than as provided in this Lease Agreement upon such conditions as shall be satisfactory to the parties thereto, including, but not limited to, compliance with standards and recommendations promulgated by the Financial Accounting Standards Board. Contemporaneous with the delivery of the Bonds and this Lease Agreement, the appropriate parties will enter into the Home Office Payment Agreement.

**Section 3.06. Day for Payment.** Whenever any payment to be made hereunder shall be stated to be due on a Saturday, Sunday or a day banks are closed under the laws of the State or the United States of America, such payment shall be made on the next business day.

#### **ARTICLE IV TAXES AND ASSESSMENTS (IMPOSITIONS)**

**Section 4.01. Taxes and Assessments.** Subject to the provisions of Section 4.02, Lessee shall pay all taxes and assessments, general and specific, if any, levied and assessed on the Leased Premises during the term, and all water and sewer charges, assessments, and other governmental charges and impositions whatsoever, foreseen and unforeseen, which if not paid when due, would impair the lien of the Trust Indenture on the Leased Premises or the security of the Bonds, encumber Lessor's title, or impair the right of the Lessor to receive the rent hereunder or in any manner whatsoever diminish the amounts thereof, all of which are herein called "impositions;" provided, however, that any impositions relating to a fiscal period of the taxing authority, part of which extends beyond the term, shall be apportioned as of the expiration of the term. Lessor shall promptly forward to Lessee any notice, bill or other statement received by Lessor concerning any impositions. Lessee may pay any imposition in installments if so payable by law, whether or not interest accrues on the unpaid balance. Lessee may contest any imposition or the consent thereby by proper legal proceedings diligently conducted. It is anticipated that the only ad valorem taxes

and assessments that may be paid by the Lessee relating to the Leased Premises will be controlled by the Payment in Lieu of Taxes Agreement dated \_\_\_\_\_, 20\_\_ (the “**PILOT Agreement**”).

**Section 4.02. Leased Premises Exempt From Ad Valorem Taxes; Contest of Attempted Levy Authorized.** The Lessor covenants that it will not part with title to the Leased Premises or any part thereof during the term or take any other affirmative action which may reasonably be construed as tending to cause or induce the levy or assessment of ad valorem taxes on the Leased Premises; provided, however, that Lessor shall not contest the exercise of the Purchase Option provided in Article XX pursuant to the terms thereof.

Lessor has represented to Lessee and the Lessor and the Lessee acknowledge that under their and other interpretations of present law, no part of the Leased Premises will be subject to ad valorem taxation by the State or by any political or taxing subdivision thereof, and these factors, among others, materially induced the Lessee to enter into this Lease Agreement. However, the Lessee will pay all impositions, if any, in connection with the Leased Premises, which may be lawfully levied or assessed upon the Leased Premises, when the same shall become due; provided, however, that Lessee may contest any such impositions and need not pay during the pendency of such contest, except that the Lessee shall in all events pay to prevent the Leased Premises from becoming subject to loss or forfeiture. The Lessor hereby agrees that it will cooperate with the Lessee in resisting any such impositions if and to whatever extent the Lessee may request. Lessee’s compliance with the PILOT Agreement will constitute compliance with the terms of this Section 4.02 with regard to any ad valorem taxation affecting the Leased Premises.

## **ARTICLE V INSURANCE**

### **Section 5.01. Insurance Required.**

A. Lessee shall, at Lessee’s sole cost and expense, keep the Leased Premises insured in a commercially reasonable manner and in commercially reasonable amounts.

B. At all times during the term, Lessee shall, at no cost or expense to Lessor, maintain or cause to be maintained:

(i) Commercial General Liability insurance against claims for bodily injury or death occurring upon, in or about the Leased Premises, with such insurance to afford protection to the limits of not less than \$500,000 in respect of bodily injury or death to any one person and to the limit of not less than \$1,000,000 in respect of any one accident; and

(ii) Property damage insurance against claims for damage to property occurring upon, in or about the Leased Premises with such insurance to afford protection to the limit of not less than \$100,000 in respect of damages to the property of any one owner.

C. Copies or certificates of the insurance provided for by this Article or elsewhere in this Lease Agreement shall be delivered by Lessee to the Lessor upon the request of Lessor. And, in the case of expiring policies throughout the term, copies or certificates of any new or renewal policies shall be delivered by Lessee to Lessor upon the request of Lessor.

D. All insurance required by this Section 5.01 shall be effected with insurance companies qualified to do business in the State selected by the Lessee. The Lessee shall have the sole right and responsibility to adjust any loss with the insurer involved and to conduct any negotiations in connection therewith.

**ARTICLE VI  
REPAIRS AND MAINTENANCE OF  
LEASED PREMISES, ALTERATIONS  
PERMITTED ENCUMBRANCES**

**Section 6.01. Lessee Obligated to Maintain Buildings and Improvements.** Lessee shall throughout the term, at no cost and expense to Lessor, maintain, or cause to be maintained the improvements now or at any time erected on the lands included in the Leased Premises; provided that, it shall be in Lessee's sole discretion, what, if any, maintenance activities it performs on the Leased Premises and any other property owned by Lessee in Mississippi County, Arkansas.

**Section 6.02. Lessee Has Right to Make Additions, Alterations and Changes.** Without the consent of or notice to the Lessor, Lessee shall have the right from time to time to make additions, alterations and changes in or to the improvements constituting part of the Leased Premises and shall have the right to construct new improvements, in its sole and absolute discretion, and whether or not such additions, alterations and changed or new improvements are financed with proceeds of the Loan. Lessee shall maintain detailed records of the nature and cost of such additions, alterations and changes, which shall be available for inspection by Lessor's representatives and agents on reasonable notice. It is understood and agreed that in the event the Lessee makes any additions, alterations and changes in or to the improvements constituting part of the Leased Premises as authorized by this Section 6.02, the Lessee shall be under no obligation at the expiration of the term to restore the Leased Premises to their original condition prior to such additions, alterations or changes.

**Section 6.03. Structural Improvements and Alterations Become Property of Lessor; Machinery, Equipment and Other Property Installed at Lessee's Expense Remain Its Property With Right of Removal.** All structural improvements and alterations made on the Leased Premises by or on behalf of Lessee shall immediately upon completion thereof be and become the property of the Lessor without payment therefor by Lessor but subject to this Lease Agreement. Any machinery and equipment, trade fixtures, movable partitions, furniture and furnishings and other property installed at the expense of Lessee, without reimbursement from Bond proceeds, shall remain the property of the Lessee with the right of removal, whether or not affixed and/or attached to the real estate, and the Lessee shall, so long as it is not in default hereunder, be entitled but shall not be obligated to remove the same, or any part thereof, during the term, or within a reasonable time thereafter, but Lessee shall at its own cost and expense repair any and all damages to the Leased Premises resulting from or caused by their removal therefrom.

**Section 6.04. Property on Leased Premises at Sole Risk of Lessee.** All property of any kind which may be on the Leased Premises (whether belonging to the Lessor, Lessee or to any third person) shall be at the sole risk of Lessee and those claiming by, through or under Lessee and Lessor shall not be liable to Lessee or to those claiming by, through or under Lessee or to said third persons for any injury, loss or damage to any person or property on the Leased Premises.

**Section 6.05. Permitted Encumbrances.** Lessor acknowledges that the Leased Premises will be subject to prior liens at the time title is transferred to the Lessor. Regardless of whether or not Lessor is permitted by Arkansas law to place a lien on the Leased Premises, the Lessor agrees that it is contractually prohibited from placing any lien or attempting to place any lien on the Leased Premises without the express written consent of Lessee which consent may be withheld in the sole discretion of Lessee, and any attempt by Lessor to impose a lien that is not consistent with this Section 6.05 or Arkansas law is void.

Lessor acknowledges that Lessee, at its sole option and discretion, may sublease tracts within the Leased Premises pursuant to Section 16.01 of this Lease Agreement (each, a "Future Sublease"). Lessor agrees for the benefit of each sublessee under Future Subleases that if this Lease Agreement is terminated, or Lessor comes into possession of the Leased Premises without termination, then in either such event Lessor shall recognize the Future Subleases and the rights of the lessees and sublessees thereunder provided that such lessees and sublessees attorn to Lessor. Notwithstanding the foregoing, Lessor will not be (i) liable for any act or omission of Lessee, (ii) subject to any offsets or counterclaims that any such lessee or sublessee may have against Lessee, (iii) bound by any notices given to Lessee of which Lessor did not also receive notice, or (iv) obligated to commence or complete any construction or installation of any improvements or to make any contribution towards any construction or installation of any improvements relating to any Future Sublease. The liability of Lessor under any Future Sublease will continue only so long as Lessor is the owner of the property subject to any Future Sublease and such liability will not continue or survive with respect to claims accruing after further transfer of such interest.

**Section 6.06. Leasehold Mortgages.** Notwithstanding anything to the contrary contained in this Lease Agreement, Lessee may at any time and from time-to-time, without Lessor's consent, encumber, hypothecate, mortgage, pledge or alienate Lessee's leasehold estate and rights hereunder as security for payment of any indebtedness of Lessee to one or more institutional lenders or other secured creditors of Lessee. Any such encumbrance, hypothecation, mortgage, pledge or alienation shall be referred to herein as a "**Leasehold Mortgage**," and the holder of a Leasehold Mortgage shall be referred to herein as "**Leasehold Mortgagee**." Lessor hereby consents to the assignment of and grant of a security interest in Lessee's interest under this Lease Agreement and leasehold interest in the Leased Premises to any Leasehold Mortgagee, and consents to the exercise by such Leasehold Mortgagee of any and all rights and remedies permitted under its Leasehold Mortgage and any security instruments executed by Lessee in connection therewith. A Leasehold Mortgagee may enforce its Leasehold Mortgage and acquire title to the leasehold estate in any lawful way and, pending foreclosure of such Leasehold Mortgage, such Leasehold Mortgagee may take possession of and operate the Leased Premises. If a Leasehold Mortgagee succeeds to the interest of Lessee under this Lease Agreement, upon foreclosure of such Leasehold Mortgage by power of sale, judicial foreclosure, acquisition of the leasehold estate by assignment in lieu of foreclosure, or otherwise, a Leasehold Mortgagee may, upon written notice to Lessor, with respect to the applicable portion of the Leased Premises, assign this Lease Agreement and the leasehold estate hereby created, subject to all the requirements of this Lease Agreement. The foregoing provisions shall run with the land and survive foreclosure or exercise of power of sale by a Leasehold Mortgagee, or acceptance of an assignment in lieu thereof, and repayment or discharge of the debt secured by such Leasehold Mortgage in full.

Lessor, concurrently with the delivery to Lessee of any notice of a default or breach under this Lease Agreement, shall provide a copy of such notice to all Leasehold Mortgagees. Lessor may not terminate this Lease Agreement or accept surrender of Lessee's leasehold estate and interest in the Leased Premises, based on Lessee's default or breach unless such notice has been given to each Leasehold Mortgagee and the Leasehold Mortgagees, individually or collectively, fail to cure such default or breach within the timeframes provided in this Lease Agreement for Lessee's cure thereof, provided however, that in no event shall Leasehold Mortgagee have less than sixty (60) days for the payment of rent and up to ninety (90) days for other defaults, subject to additional time if cure cannot be reasonably completed within ninety (90) days and a Leasehold Mortgagee has commenced and is proceeding diligently and continuously in a commercially reasonable manner to cure such default or to gain possession of the Leased Premises where such possession is necessary to cure such default. Notwithstanding the foregoing, if there is a default that is not capable of or susceptible to cure, or if this Lease Agreement should automatically terminate by operation of law (including without limitation by rejection in bankruptcy) or otherwise, each Leasehold Mortgagee shall have the option to enter into a new lease with Lessor upon termination of this Lease Agreement, which new lease shall be directly between Lessor and Leasehold Mortgagee, for a term equal to the remaining term hereof and otherwise on the same terms and conditions of this Lease Agreement, provided such Leasehold Mortgagee cures all defaults under this Lease Agreement which could be cured by the payment of money and pays to Lessor all rent and other amounts due and payable Lessee under this Lease Agreement but for such termination, rejection or disaffirmance. Any such new lease made pursuant to this Section 6.06 shall have the same priority with respect to other interests in the Leased Premises as the priority of this Lease Agreement. The provisions of this Section 6.06 shall survive the termination, rejection or disaffirmance of this Lease Agreement and shall continue in full force and effect thereafter to the same extent as if this Section 6.06 were a separate and independent contract made by Lessor, Lessee and each Leasehold Mortgagee. The parties agree that fee title and the leasehold estate in the Leased Premises shall not merge, but shall always and in any event be kept separate and distinct, notwithstanding the union of said estates in Lessor, Lessee, Leasehold Mortgagees, or any other party, whether by purchase or otherwise. Lessor agrees that it will not modify or amend this Section 6.06 or any other provision of this Lease Agreement in any material respect, either orally or in writing, without the prior written consent of each Leasehold Mortgagee. The provisions of this Section 6.06 are for the benefit of each Leasehold Mortgagee and may be relied upon and shall be enforceable by each Leasehold Mortgagee as if each Leasehold Mortgagee were a party to this Lease Agreement. Lessor agrees to execute and deliver such documents, instruments and agreements as may be reasonably requested by Lessee or a Leasehold Mortgagee from time to time to evidence or confirm the provisions of this Section 6.06 including without limitation a "landlord consent", "collateral access agreement" or similar document in form and substance reasonably acceptable to a Leasehold Mortgagee, the terms of which shall include without limitation that Lessor (i) consents to such Leasehold Mortgage, (ii) waives any landlord's lien or other contractual or statutory lien and any rights of distress or distraint with respect to Lessee's property, or the property of its sublessees, successors or assigns, from time to time located on the Leased Premises, and (iii) with or without instituting any proceeding to foreclose its Leasehold Mortgage, Leasehold Mortgagee shall be permitted to enter the Leased Premises to take possession of, use, remove, sell (including auction sales), transfer or otherwise dispose of all or any part of the Leased Premises applicable to such Leasehold Mortgagee.

**ARTICLE VII**  
**USE OF LEASED PREMISES - COMPLIANCE WITH ORDERS, ETC.**

**Section 7.01. Permitted Use of Leased Premises and Compliance with Laws, Etc.** Subject to the following provisions of this Section 7.01, Lessor and Lessee agree that Lessee shall use the Leased Premises as a manufacturing facility and for any activities and purposes incidental thereto or in furtherance thereof or for any lawful purpose approved by Lessor. Lessor agrees and confirms that Lessee's intended use of the Leased Premises for the manufacture, refinement or processing of steel and for any activities and purposes incidental thereto or in furtherance thereof is a permitted use. Lessee shall during the term promptly comply with all valid statutes, laws, ordinances, orders, judgments, decrees, regulations, directions and requirements of all federal, state, local and other governments or government authorities, now or hereafter applicable to the Leased Premises. Lessee shall, however, have the right to contest any of the foregoing, and if compliance therewith may legally be held in abeyance during such contest without incidence of any liens on the Leased Premises, Lessee may postpone compliance until final determination of such contest, provided such contest shall be prosecuted with due diligence; and even though a lien against the Leased Premises may be incurred by reason of such non-compliance, Lessee may nevertheless delay compliance therewith during contests thereof, provided Lessee, if required, furnishes Lessor reasonably satisfactory security against any loss by reason of such lien and effectively prevents foreclosure thereof. Lessee shall during the term comply with the mandatory requirement, rules and regulations of all insurers under the policies required to be carried under the provisions of this Lease Agreement.

**Section 7.02. Lessor's Covenant Not to Impose Burdensome Laws, Etc.** Lessor covenants that, to the full extent permitted by law, it will not attempt to impose upon the use or occupancy of the Leased Premises by the Lessee any laws, ordinances, rules or regulations more burdensome or restrictive than those in effect upon the date of execution of this Lease Agreement.

**Section 7.03. Lessor's Covenant Not to Condemn.** The Lessor covenants that during the Lease Term it will not take or condemn any part of the Leased Premises or attempt to do so.

**Section 7.04. Lessor to Grant Easements.** The Lessor agrees that, when requested by the Lessee, it will take necessary steps to grant utility, road and other easements and rights of way over, along, across and under the Leased Premises. Instruments granting such easements and rights of way may be executed by the Mayor and City Clerk of the Lessor, who shall be entitled to rely upon and act in accordance with the written request of the Lessee signed by an authorized Lessee representative. Lessor shall not grant any utility, road and other easements and rights of way over, along, across and under the Leased Premises without the written consent of the Lessee.

**ARTICLE VIII**  
**WORK PERFORMED BY LESSEE**

**Section 8.01. Obligations of Parties Concerning Work on Leased Premises and Obtaining Necessary Permits.** Lessee shall not do or permit others under its control to do any work on the Leased Premises related to any repair, rebuilding, alteration of or addition to the improvements constituting part of the Leased Premises unless Lessee shall have first procured and paid for all requisite municipal and other governmental permits and authorizations. Lessor shall join in the

application for any such permit or authorization whenever required, but Lessee shall indemnify and hold Lessor harmless against and from all costs and expenses which may be thereby incurred by Lessor. All such work shall be done in a good and workmanlike manner and in compliance with all applicable building, zoning and other laws, ordinances, governmental regulations and requirements and in accordance with the reasonable requirements, rules and regulations of all insurers under the policies required to be carried by the provisions of this Lease Agreement.

## **ARTICLE IX MECHANICS' LIENS**

**Section 9.01. Lessee to Keep Leased Premises Free of Construction Liens.** If any lien shall be filed against the interest of Lessor or Lessee in the Leased Premises or asserted against any rents payable hereunder, by reason of work, labor, services or materials supplied or claimed to have been supplied on or to the Leased Premises at the request or with the permission of Lessee, or anyone claiming under Lessee, after receipt of notice of the filing thereof or the assertion thereof against such rents, Lessee shall cause the same to be discharged promptly of record, or effectively prevent the enforcement or foreclosure thereof against the Leased Premises or such rents, by contest, payment, deposit, bond, insurance, order of Court or otherwise, the actual method being within Lessee's discretion. Nothing contained in this Lease Agreement shall be construed as constituting the express or implied consent to or permission of Lessor for the performance of any labor or services or the furnishing of any materials that would give rise to any such lien against Lessor's interest in the Leased Premises.

## **ARTICLE X INDEMNIFICATION OF LESSOR**

**Section 10.01. Indemnification of Lessor.** Commencing with the completion of the Project or when the Lessee takes possession if prior to the completion, Lessee shall and agrees to indemnify and save Lessor and the Trustee and to hold them harmless against and from all claims by or on behalf of any person, firm or corporation arising from the conduct or management of, or from any work or thing done on, the Leased Premises during the term, and against and from all claims arising during the term from (a) any condition of the Leased Premises, (b) any breach or default on the part of Lessee in the performance of any of its obligations under this Lease Agreement, (c) any act or negligence of Lessee or of any of its agents, contractors, servants, employees or licensees, or (d) any act or negligence of any assignee or sublessee of Lessee, or of any agents, contractors, servants, employees or licensees of any assignee or sublessee of Lessee. Upon Lessor and/or Trustee tendering the defense of such claim to Lessee, Lessee shall indemnify and save Lessor and the Trustee harmless from and against all costs and expenses incurred in or in connection with any such claim arising as aforesaid, or in connection with any action or proceeding brought thereon, and upon notice from any of them, Lessee shall defend them or either of them in any such action or proceeding. Provided, however, Lessee has no obligation related to and shall not indemnify or hold harmless the Lessor or Trustee for any claims resulting from the negligence or willful misconduct of either the Lessor or Trustee.

**ARTICLE XI  
RESERVED**

**ARTICLE XII  
PUBLIC UTILITIES AND CHARGES**

**Section 12.01. Lessee to Pay Public Utility Charges.** Lessee agrees to pay or cause to be paid all charges for water, gas, sewer, electricity, light, heat or power, telephone or other service used, rendered or supplied to or for the Lessee upon or in connection with the Leased Premises throughout the term of this Lease Agreement, and to indemnify Lessor and save it harmless against any liability or damage on such account.

**ARTICLE XIII  
INSPECTION OF LEASED PREMISES BY LESSOR**

**Section 13.01. Lessor to Have Right of Inspection Subject to Certain Restrictions.** Lessee shall permit Lessor, by its authorized representative, to enter the Leased Premises at all reasonable times and on reasonable prior written notice during usual business hours for the purpose of inspection to determine Lessee's compliance with the terms hereof. In making such inspections, the Lessor will observe the Lessee's prevailing security and safety arrangements and protocols. Nothing contained herein shall be construed to entitle the Lessor to any information or inspection involving the confidential know-how or other proprietary information of the Lessee.

**ARTICLE XIV  
DAMAGE AND DESTRUCTION**

**Section 14.01. Lessee to Restore in Event of Damage or Destruction; Application of Insurance Moneys.**

A. Lessee covenants and agrees that in the event of damage to or destruction of a substantial portion of the Leased Premises by fire or other casualty, the Lessee shall notify the Lessor within a commercially reasonable period of time. In repairing any such damage, the Lessee may make such repairs in such manner and to such extent as it deems appropriate for its purposes and shall not be liable for the restoration of the Leased Premises to the condition existing prior to such casualty. Any item of machinery and equipment acquired as a replacement hereunder, or any item acquired, in whole or in part, out of insurance proceeds under this Article XIV, whether or not a replacement of or substitute for any item of damaged or destroyed machinery and equipment, if the insurance proceeds with which such item of machinery and equipment was purchased, in whole or in part, were derived from insurance on property which was part of the Project machinery and equipment, owned by Lessor, shall be and become the property of Lessor and shall be part of the Project machinery and equipment and subject to this Lease Agreement. Such restoration, repairs, replacements or rebuilding, if any, shall be commenced promptly and prosecuted with reasonable diligence.

B. The Lessor shall have no responsibility as to the application by the Lessee of any insurance proceeds.

If the insurance money shall be insufficient to pay all costs of the restoration undertaken by the Lessee, the Lessee shall pay the deficiency and proceed to complete the restoration and pay the cost thereof. Any balance of the insurance proceeds remaining over and above the cost of the restoration shall be retained by the Lessee.

**Section 14.02. No Diminution in Lessee's Obligation to Pay Basic Rent and Perform Other Covenants.** Lessee's obligation to make payment of the Basic Rent and all other covenants on the part of Lessee to be performed shall not be affected by any such destruction or damage, and Lessee hereby waives the provisions of any statute or law now or hereafter in effect contrary to such obligation of Lessee as herein set forth, or which releases Lessee therefrom.

**Section 14.03. Lessee Not Obligated to Restore if Purchase Option Exercised or All Outstanding Bonds Paid.** Notwithstanding the provisions of the foregoing sections of this Article XIV, Lessee shall not be required to repair, restore, replace or rebuild the Leased Premises, or any part thereof, (a) if Lessee, pursuant to the provisions of Article XX, shall elect to purchase the Leased Premises and shall proceed to pay the specified purchase price or (b) if the full amount necessary under the provisions of the Trust Indenture to pay or redeem all outstanding Bonds shall have been paid and Lessee has not elected to purchase the Leased Premises or (c) if the value of the Project without restoration is at least equal to the outstanding principal amount of the Bonds. If Lessee shall so elect to purchase, the proceeds of all insurance may be used as part of the purchase price and upon the request of Lessee shall be so applied. If there be any excess insurance proceeds over and above the amount necessary to pay the purchase price, such excess shall be paid to and shall belong to the Lessee. If Lessee shall have paid the full amount necessary to pay or redeem all outstanding Bonds, any insurance proceeds shall be paid to and shall belong to Lessee.

## **ARTICLE XV CONDEMNATION**

### **Section 15.01. Rights of Parties in Event of Condemnation; Bonds Protected in Any Event.**

A. If during the term of this Lease Agreement title to all or substantially all of the Leased Premises shall be taken or condemned by a competent authority for any public use or purpose, the net amount awarded as damages or paid as a result of such taking (being the gross award less attorneys' fees and other expenses and costs incurred in the condemnation proceedings, hereinafter referred to as the "net award") shall be used on the next redemption date to pay in accordance with the provisions of the Trust Indenture, the entire principal, premium, if any, and interest on all Bonds outstanding under the Trust Indenture. If the net award together with the amount then in the Bond Fund, shall be insufficient to pay in full, on the next redemption date, the amount necessary to pay all principal, premium, if any, interest, and all other costs of redemption, on all Bonds outstanding under the Trust Indenture (all of which, for purposes of this Section, shall be called "total bond redemption expense"), Lessee agrees to pay, promptly upon payment of the net award, as Additional Rent hereunder, the amount by which the total bond redemption expense shall exceed the net award plus the amount then on deposit in the Bond Fund and available for payment and redemption of the Bonds outstanding under the Trust Indenture. For purposes of this Article and of Article XX, "title to all or substantially all of the Leased Premises shall be taken or condemned" shall be deemed to mean a taking of all of the Leased Premises or a taking of such substantial portion of the Leased Premises that the Lessee, as determined by the Lessee in its sole

discretion, cannot reasonably operate the remainder in substantially the same manner as before. In the event the net award, together with any available amount in the Bond Fund, shall be in excess of the amount necessary to pay the total bond redemption expense, such excess shall belong to and be paid to the Lessee.

B. If less than substantially all of the Leased Premises shall be taken or condemned by a competent authority for any public use or purpose, neither the term nor any of the obligations of either party under this Lease Agreement shall be affected or reduced in any way, and

(i) Lessee shall proceed to repair, rebuild and replace the remaining part of the Leased Premises as nearly as possible to the condition existing prior to such taking, to the extent that the same may be feasible, subject to the right on the part of the Lessee to make alterations which, in the reasonable judgment of Lessee (and in accordance with Article VI hereof), will improve the efficiency of the Leased Premises for the purposes of their intended use under this Lease Agreement; and

(ii) The net award shall be paid to the Lessor and by it to the Lessee, and the Lessor hereby assigns the same to the Lessee for the use of the Lessee in repairing, rebuilding and replacing as provided in (i) above. The net award shall be transferred to the Lessee in the same manner as is provided in Section 14.01 with respect to insurance proceeds, provided that the words "insurance proceeds" there referred to shall for purposes of this subparagraph (ii) refer to "net award." If the net award is in excess of the amount necessary to repair, rebuild and replace as specified in (i) above, such excess shall be deposited in the Bond Fund or if there are no Bonds outstanding under the Trust Indenture the excess shall belong to and shall be paid to the Lessee. If the net award is less than the amount necessary for the Lessee to repair, rebuild and replace as set forth in (i) above, the Lessee shall nevertheless complete the repair, rebuilding and replacement work and pay the cost thereof to the extent not covered by the net award.

C. In the event of a taking under either A or B above, the Lessee shall have the right to participate in and to submit proof in the condemnation proceedings and to receive any award (by way of negotiation, settlement or judgment) which may be made for damages sustained by Lessee by reason of the condemnation; provided, however, nothing in this subsection C shall be construed to diminish or impair in any way Lessee's obligation under subsection A of this Section 15.01 to pay as Additional Rent the amount of any insufficiency of the net award and the funds in the Bond Fund to pay the total bond redemption expense as therein defined.

D. If the temporary use of the whole or any part of the Leased Premises shall be taken by right of eminent domain, this Lease Agreement shall not be thereby terminated and the parties shall continue to be obligated under all of its terms and provisions and Lessee shall be entitled to receive the entire amount of the award made for such taking, whether by way of damages, rent or otherwise.

**Section 15.02. Lessee Obligated to Continue Basic and Additional Rental Payments Until Condemnation Award Available.** In the event of a taking of all or substantially all of the Leased Premises as provided in Section 15.01A, the Lessee agrees to continue to make payment of the Basic Rent and the Additional Rent until the condemnation award shall be actually received by the Lessor.

**Section 15.03. Lessee's Right to Exercise Purchase Option Continues in Force Notwithstanding Condemnation Proceedings.** Notwithstanding the fact that all or any part of the Leased Premises shall be taken by right of eminent domain, Lessee shall have the right to exercise the Purchase Option granted to it by the provisions of Article XX hereof and the foregoing provisions of this Article shall be construed in the light of the effect of the Purchase Option so exercised by Lessee. In the event of the exercise of the Purchase Option under Article XX and payment of the required purchase price, whether before or after such taking, the net award shall belong to Lessee.

**Section 15.04. Right of Lessee to Participate in Condemnation Proceedings.** Lessee shall have the sole right, proceeding in the name of the Lessor, to handle the defense of any condemnation proceeding pertaining to or affecting the Leased Premises or to handle the prosecution of any proceeding in connection with a condemnation, pertaining to or affecting the Leased Premises, and shall have the sole right, proceeding in the name of the Lessor, to negotiate any settlement or compensation for a taking pertaining to or affecting the Leased Premises and the Lessor agrees that it will cooperate with the Lessee in such manner as the Lessee requests with the end in view of obtaining the maximum possible amount justifiable as damages for the taking. The Lessee shall have the right, proceeding in its own name, to participate in the condemnation proceedings and to receive any award (by way of negotiation, settlement or judgment) which may be made for damages sustained by Lessee by reason of the condemnation.

## **ARTICLE XVI ASSIGNMENT**

**Section 16.01. Assignment and Subletting Permitted But Lessee Not Relieved of Obligations; Assignment to Trustee Permitted.**

A. Lessee may assign this Lease Agreement or sublet the Leased Premises or parts thereof provided that no such assignment or subletting and no dealings or transactions between the Lessor and any sublessee or assignee shall relieve the Lessee of any of its obligations under this Lease Agreement and Lessee shall remain as fully bound as though no assignment or subletting had been made, and performance by any assignee or sublessee shall be considered as performance pro tanto by Lessee; provided, however, that Lessee may assign this Lease Agreement, and be thereby relieved of further obligation hereunder, in connection with a transaction involving merger, consolidation or sale as permitted under Section 23.07 provided the requirements thereof are met. The Lessee shall give sixty (60) days prior notice of such assignment or subletting to the Lessor. Lessee may sell or assign its interest in this Lease Agreement and be relieved of its obligations under this Lease in situations other than those described in Section 23.07, but only with the written consent of Lessor.

B. The Lessor shall not assign, encumber, sell or dispose of all or any part of its rights, title and interest in and to the Leased Premises and this Lease Agreement, except to the Lessee or a creditor of Lessee to which Lessee has granted a security interest in either the Leased Premises or the Lease Agreement in accordance with the provisions of this Lease Agreement, but subject to the provisions of Article XVII hereof, without the prior written consent of the Lessee. Lessor may assign its interests in the Lease Agreement to the Trustee.

C. Anything in this Section 16.01 to the contrary notwithstanding, Lessee may sublease without Lessor's consent up to fifty percent (50%) of the Leased Premises, with such percentage based on value, in one or more subleases, in each case following written notice to the Lessor or otherwise in compliance with Section 6.05 hereof.

## **ARTICLE XVII PRIORITY OF LEASE**

**Section 17.01. Lease Agreement Superior and Prior.** This Lease Agreement (and any amendment or supplement hereto executed in accordance with and pursuant to the provisions of this Lease Agreement) and the estate of Lessee hereunder are and shall continue to be superior and prior to the Trust Indenture (and all supplements thereto).

**Section 17.02. Subordination in Bankruptcy.** If the Lease Agreement is at any time determined to be a secured financing by a court of competent jurisdiction, then Lessee and Lessor, as applicable, agree: (a) any and all liens determined to exist or be created or arise in favor of the Lessor securing the obligations of Lessee under the Lease Agreement, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise are expressly junior in priority, operation and effect to any and all liens on the Leased Premises existing or hereafter created or arising in favor of a lender, if any, under a document granting to such lender a prior lien on the Leased Premises (i) anything to the contrary contained in any agreement or filing to which Lessee may now or hereafter be a party, and regardless of the time, order or method of grant, attachment, recording or perfection of any financing statements or other security interests, assignments, pledges, deeds, mortgages and other liens, or any defect or deficiency or alleged defect or deficiency in any of the foregoing, (ii) any provision of the Uniform Commercial Code or any applicable law or any financing document or security document between Lessee and any lender or any other circumstance whatsoever and (iii) the fact that any such liens in favor of a lender are otherwise subordinated, voided, avoided, invalidated or lapsed.

## **ARTICLE XVIII REMEDIES ARE CUMULATIVE - NO IMPLIED WAIVER**

**Section 18.01. Specific Relief; Remedies are Cumulative, No Implied Waiver.** Lessor and Lessee shall each be entitled to specific performance, and injunctive or other appropriate equitable relief for any breach or threatened breach of any of the provisions of this Lease Agreement, notwithstanding the availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity. The specific remedies provided for in this Lease Agreement are cumulative and are not exclusive of any other remedy. The failure of either party to insist in any one or more cases upon strict performance shall not be construed as a waiver or relinquishment for the future. No acceptance of rents with knowledge of any default shall be deemed a waiver of such default.

## **ARTICLE XIX DEFAULT PROVISIONS**

**Section 19.01. Events of Default.** (a) The following shall be “events of default” under this Lease Agreement and the terms “event of default” or “default” shall mean, whenever they are used in this Lease Agreement, any one or more of the following events:

- A. Failure by the Lessee to pay the rents or any part thereof when due so as to prevent timely payment on the Bonds.
- B. Failure by the Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsection A of this Section, (i) for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, given to the Lessee by the Lessor unless the Lessor shall agree in writing to an extension of such time prior to its expiration or (ii) for such longer period as may be reasonably necessary to remedy such default provided that the Lessee is proceeding with reasonable diligence, to remedy the same.
- C. The dissolution of the Lessee or the filing by the Lessee of a voluntary petition in bankruptcy, or failure by the Lessee promptly to lift any execution, garnishment or attachment of such consequence as will impair its ability to carry on its operations at the Leased Premises, or the commission by the Lessee of any act of bankruptcy, or adjudication of the Lessee as a bankrupt, or assignment by the Lessee for the benefit of its creditors, or the entry by the Lessee into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Lessee in any proceeding for its reorganization instituted under the provisions of the general bankruptcy act, as amended, or under similar act which may hereafter be enacted. The term “dissolution or liquidation of the Lessee,” as used in this subsection, shall not be construed to include the cessation of the corporate or limited liability company existence of the Lessee resulting either from a merger or consolidation of the Lessee into or with another corporation or other entity or a dissolution or liquidation of the Lessee following a transfer of all or substantially all of its assets as an entirety, under the conditions permitting such actions contained in this Lease Agreement.

(b) In the event that Lessee has granted a leasehold mortgage to any third party, the leasehold mortgagee shall have the right to cure any of the above-referenced defaults. Lessor shall provide timely written notice of all defaults to all leasehold mortgagees at the addresses provided by such leasehold mortgagees to Lessor. Such notices shall state the term of the cure period which shall not be less than the greater of ten (10) business days or the cure period granted to Lessee hereunder or otherwise.

**Section 19.02. Remedies.** Whenever any event of default shall happen and then be continuing, the Lessor may take any of the following remedial steps:

- A. The Lessor may, at its option, declare all installments of rent payable for the remainder of the term to be immediately due and payable, whereupon the same shall become immediately due.

B. The Lessor may re-enter and take possession of the Leased Premises without terminating this Lease Agreement, and sublease the Leased Premises on commercially reasonable terms for the account of the Lessee, holding the Lessee liable for the difference in the rent and other amounts payable by the Lessee hereunder.

C. The Lessor may terminate the term, exclude the Lessee from possession of the Leased Premises and use its best efforts to lease the Leased Premises to another for the account of the Lessee, holding the Lessee liable for all rent and other payments due up to the effective date of any such leasing.

D. The Lessor shall have access to inspect, examine and make copies of the books and records relating to the Leased Premises.

E. The Lessor may take whatever action at law or in equity may appear necessary or desirable to collect the rent and any other amounts payable by Lessee hereunder, then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Lessee under this Lease Agreement.

Any amounts collected pursuant to action taken under this Section shall be applied in accordance with the provisions of the Trust Indenture.

Notwithstanding the above, before exercising any remedy granted therein, Lessor shall by written notice, grant Lessee the option to cure any default for a period of thirty (30) days, and Lessor agrees that it shall contemporaneously provide a copy of any such notice and the opportunity to cure a default to all leasehold mortgagees.

**Section 19.03. Remedies Not Exclusive.** No remedy herein conferred upon or reserved to the Lessor is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right or power may be exercised from time to time as often as may be deemed expedient.

**Section 19.04. Rental, Damages and Reletting Handled as Provided in Lease and Agreement and Indentures.** The foregoing provisions of this Article relating to the receipt of moneys by Lessor as the result of an acceleration, upon a reletting or otherwise are each to be construed as providing that all such payments by Lessee or others shall be handled as provided in this Lease Agreement and in the Trust Indenture.

## **ARTICLE XX PURCHASE OPTION**

**Section 20.01. Purchase Option.** The Lessee shall have the right and option to purchase all or any part of the Leased Premises at any time (the "Purchase Option"). Contemporaneous with the execution of this Lease Agreement, Lessee and Lessor shall execute the Option Agreement attached hereto and incorporated herein as Exhibit C. Lessee and Lessor agree and acknowledge that the consideration for the Purchase Option includes, not only the stated consideration within

the Option Agreement, but also the mutual benefits and covenants of this Lease Agreement, the issuance, purchase and repayment of the Bonds, and the accomplishment of the Project, including, but not limited to, the Project's construction and operation by the Lessee.

## **ARTICLE XXI NOTICES**

**Section 21.01. Notices.** All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, return receipt requested, postage prepaid addressed as set forth herein. The parties may, by notice given hereunder, designate any further or different address to which subsequent notices, certificates or other communications shall be sent.

If intended for Lessee: Remuriate Arkansas, LLC

\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

With a copy to: Remuriate Arkansas, LLC

\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

If intended for Issuer: City of Osceola, Arkansas  
303 West Hale Avenue  
Osceola, Arkansas 72370  
Attention: Mayor

With a copy to: City Attorney  
303 West Hale Avenue  
Osceola, Arkansas 72370

Any party may change the address and the name of addressee to which subsequent notices are to be sent by notice to the other parties given as aforesaid.

## **ARTICLE XXII RECORDING**

**Section 22.01. Recording.** A Memorandum of this Lease Agreement and every assignment and modification thereof shall be recorded in the office of the Circuit Clerk and Ex-Officio Recorder of Mississippi County, Arkansas, Osceola District, upon the request of Lessee or Lessor.

## **ARTICLE XXIII GENERAL**

**Section 23.01. Arkansas Law Applicable.** This Lease Agreement shall be construed and enforced in accordance with the laws of the State. Wherever in this Lease Agreement it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation. All factual representations set forth in the whereas clauses of this Lease Agreement shall be construed as express representations and covenants on the part of the party to which each such recital is applicable to the same extent as though set forth as an express representation and covenant by that party.

**Section 23.02. Severability.** If any provision of this Lease Agreement or the application thereof to any person or circumstance shall, to any extent, be determined to be invalid or unenforceable, the remainder of this Lease Agreement and the application of its provisions to persons or circumstances other than those as to which it has been determined to be invalid or unenforceable, shall not be affected thereby, and each provision of this Lease Agreement shall be valid and shall be enforced to the fullest extent permitted by law.

**Section 23.03. Captions for Reference Only.** The Article captions in this Lease Agreement are for convenience and reference only and shall in no way define, limit or describe the scope or intent of this Lease Agreement or any part thereof, or in any wise affect this Lease Agreement and shall not be considered in any construction thereof.

**Section 23.04. Provisions Binding on Successors.** The provisions of this Lease Agreement shall bind and inure to the benefit of the parties hereto and their respective successors, assigns and sublessees (it being understood that assignments and subleasing are governed by the provisions of Article XVI hereof).

**Section 23.05. Consent Required for Modification.** It is agreed that the Lessor and the Lessee shall not alter, modify or amend any of the terms of this Lease Agreement except by mutual written agreement with the consent of the Trustee as required by the Indenture.

**Section 23.06. Reasonable Consent.** In each instance in this Lease Agreement where the consent or approval of Lessor is required, such consent or approval shall not be unreasonably withheld, conditioned or delayed.

**Section 23.07. Consolidation, Merger or Sale Permitted In Certain Circumstances.** Notwithstanding any other provision of this Lease Agreement to the contrary, the Lessee will maintain its existence as a limited liability company and will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation or other entity or permit one or more other corporations or other entities to consolidate with, convert into, or merge into it; provided, however, the Lessee may consolidate with or merge into another domestic corporation or other entity (that is a corporation or other entity organized and existing under the laws of one of the states of the United States of America), or permit one or more other corporations or other entities to consolidate with or merge into it, or sell or otherwise transfer

to another domestic corporation or other entity all or substantially all of its assets as an entirety and thereafter dissolve on the condition that such surviving, resulting or transferee corporation or other entity shall expressly assume in writing all of the obligations of the Lessee contained in this Lease Agreement and that the net tangible assets of the other corporation or other entity after the consolidation, merger or sale be at least equal to the net tangible assets of Lessee immediately prior to such consolidation, merger or sale and qualifies to do business in the State. In the event of such consolidation, conversion, merger or sale, as permitted by this Section, and the assumption by the surviving, resulting or transferee corporation or other entity of the obligations hereof, the Lessee shall be relieved of all further obligations hereunder. As used herein, "net tangible assets" means all assets of the corporation or other entity (except there shall not be included goodwill) less all liabilities. Thirty (30) days, or such shorter period of time as is acceptable to Lessor, prior to any such consolidation, conversion, merger or sale, the Lessee shall give notice thereof to Lessor.

#### **ARTICLE XXIV REMOVAL AND DISPOSAL OF PROPERTY**

**Section 24.01. Lessee's Rights and Obligations Concerning Removal and Disposal of Building Service Equipment.** The Lessee may, provided Lessee is not in default in the payment of Basic Rent or Additional Rent as required by the provisions of this Lease Agreement and has not received notice of any other default on its part hereunder, remove, free of any right or claim of Lessor, any building service equipment or other improvements (hereinafter defined), subject however, in all cases to the following:

- A. Except as provided in Section 24.02, building service equipment or other improvements may be so removed upon the substitution thereof, then or theretofore, by Lessee of other building service equipment or other improvements of a utility or value at least equal to that, at the time of removal, of the building service equipment removed;
- B. Lessee shall pay all the costs and expenses of any such removal.

The term "building service equipment" is intended to refer to such things as are affixed to or incorporated in a building for its operation, such as boilers, pumps, tanks, sprinklers, lighting equipment and wiring, heating, plumbing and ventilating equipment, elevators, escalators, refrigerating, air conditioning and air cooling equipment, and items similar in general to any of the foregoing.

**Section 24.02. Lessee's Rights and Obligations Concerning Removal and Disposal of Project Machinery and Equipment.** The Lessor and the Lessee recognize that after the Project machinery and equipment is installed portions thereof may become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary in the operation of the Leased Premises. The Lessor shall not be under any obligation to renew, repair or replace any such inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary items of Project machinery and equipment. In any instance where the Lessee in its sound discretion determines that any items of Project machinery and equipment have become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary in the operation of the Leased Premises,

A. The Lessee may remove such items of Project machinery and equipment from the Leased Premises, and (on behalf of the Lessor) sell, trade-in, exchange or otherwise dispose of them without any responsibility or accountability to the Lessor therefor, provided that the Lessee substitute (either by direct payment of the cost thereof or by advance to the Lessor of the funds necessary there for, as hereinafter provided) and install anywhere in the Leased Premises other machinery or equipment having equal or greater utility (but not necessarily the same function) in the operation of the Leased Premises and provided further that such removal and substitution shall not impair the operating unit of the Leased Premises, and all such substituted machinery or equipment shall be the sole property of the Lessor, shall be and become a part of the Project machinery and equipment subject to this Lease Agreement and shall be held by the Lessee on the same terms and conditions as items originally comprising Project machinery and equipment; or

B. The Lessee may remove such items of Project machinery and equipment from the Leased Premises and sell, trade-in or exchange them on behalf of the Lessor, either to itself or to another, or scrap them (in whole or in part), without being required to substitute and install in the Leased Premises other items of machinery or equipment in lieu thereof.

To the extent necessary to comply with the Trust Indenture and/or the PILOT Agreement, the Lessee will promptly report such removals, substitutions, sales and other dispositions of items of Project machinery and equipment to the Lessor and will execute and deliver to the Lessor such documents as may from time to time be requested to confirm the title of the Lessor (subject to this Lease Agreement) to any items of machinery and equipment that under the provisions of this section are to become a part of Project machinery and equipment. The Lessee will pay any costs (including counsel fees) incurred in subjecting to the lien of the Trust Indenture any items of machinery or equipment that under the provisions of this section are to become a part of Project machinery and equipment. The Lessee will not remove or permit the removal of any of Project machinery and equipment from the Leased Premises except in accordance with the provisions of this Section.

## **ARTICLE XXV RESERVED**

## **ARTICLE XXVI REPRESENTATIONS AND WARRANTIES**

**Section 26.01. Representations and Warranties of the Lessor.** The Lessor represents and warrants as follows:

A. The Lessor is a body corporate and politic, and is authorized pursuant to the provisions of the Act to enter into the transactions contemplated by this Lease Agreement.

B. The Lessor has full power and authority to enter into the transactions contemplated by this Lease Agreement and the Trust Indenture and to carry out its obligations hereunder and thereunder.

C. The Lessor is not in default under any provisions of the laws of the State material to the performance of its obligations under this Lease Agreement.

D. The Lessor is authorized by the Act to execute and deliver this Lease Agreement and the Trust Indenture and by proper action has duly authorized the execution and delivery hereof and thereof and as to the Lessor, this Lease Agreement and the Indenture are valid and legally binding and enforceable in accordance with their terms, except to the extent that the enforceability thereof may be limited by (i) bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, (ii) general principles of equity, and (iii) the exercise of judicial discretion in appropriate cases.

E. The loan of the proceeds of the Bonds for the financing or refinancing of the acquisition, construction, and equipping of the Project by the Lessee, as provided by this Lease Agreement, will further the purposes of the Act.

**Section 26.02. General Representations and Warranties of the Lessee.** The Lessee represents and warrants as follows:

A. The Lessee is duly organized and existing under the laws of the State of Arkansas and has full power to enter into this Lease Agreement.

B. The making and performance of this Lease Agreement has been duly authorized by all necessary actions and does not contravene any law, regulation or decree or any contractual restriction binding on the Lessee.

C. Except for any Future Leases permitted by Section 6.05, the Lessee is or will be the only Lessee of the Project. Except for the Permitted Encumbrances, the Project is free and clear of all mortgages, liens, charges and encumbrances, which constitute a lien or charge against its property, real or personal, tangible or intangible (except for such liens, if any, as will be waived or discharged at the time of the execution of this Lease Agreement).

D. The making and performance of this Lease Agreement, and each and every other document required to be delivered, has received or will receive in due course all necessary governmental approvals, and does not contravene any law, regulation or decree or any contractual restriction (other than those which shall be waived or discharged at the time of the execution of this Lease Agreement) binding on or affecting the Lessee.

E. This Lease Agreement, any other security documents and each and every other document required to be delivered under Article II hereof, when duly executed and delivered for value, will be legal and binding obligations of the Lessee, enforceable in accordance with their respective terms.

F. Except as otherwise disclosed by Lessee or its affiliates, there are no pending or threatened actions or proceedings before any court or administrative agency which may materially adversely affect the financial condition or operations of the Lessee.

G. The Lessee is not in default under any material provision of any lease or rental agreement in such a manner that may materially adversely affect the financial condition or operations of the Lessee.

H. The Lessee is not in default under the terms of any material instrument or undertaking with respect to its obligations to repay any borrowed money.

I. The Lessee is not aware of any claim, or purported claim, of any laborer, materialman, contractor or other person who might assert a lien against the Property by reason of the construction or other improvement in such a manner that may materially adversely affect the financial condition or operations of the Lessee.

J. Estimated project costs have been determined in accordance with sound engineering and accounting principles, and the Lessee estimates that all of the proceeds of the Bonds (exclusive of accrued interest, if any, paid by the original purchasers thereof) will be expended to pay or reimburse such Project costs.

K. All financial information, data, representations, exhibits, terms and conditions required or submitted to the Lessor, if any, are true, accurate and complete in all material respects on the date of delivery by the Lessee.

All of the above representations and warranties shall survive the execution of this Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be signed in several counterparts, each of which may be considered an original without the presentation of the others, by their duly authorized officials and officers as of the day and year first hereinabove written.

**CITY OF OSCEOLA, ARKANSAS, Lessor**

By: \_\_\_\_\_  
**Joe Harris, Jr., Mayor**

ATTEST:

By: \_\_\_\_\_  
**Jessica Griffin, City Clerk**

(S E A L)

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be signed in several counterparts, each of which may be considered an original without the presentation of the others, by their duly authorized officials and officers as of the day and year first hereinabove written.

**REMURIATE ARKANSAS LLC, Lessee**  
an Arkansas limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF ARKANSAS

)

) ss:

**ACKNOWLEDGMENT**

COUNTY OF \_\_\_\_\_

)

On this day, before me, a Notary Public, duly commissioned, qualified and acting, with and for said County and State, appeared in person the within named **JOE HARRIS, JR.** and **JESSICA GRIFFIN**, being the persons authorized by said municipality to execute such instrument stating their respective capacities in that behalf, to me well known, who stated that they are the Mayor and City Clerk, respectively, of **CITY OF OSCEOLA, ARKANSAS**, an Arkansas municipality, and were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and on behalf of said municipality, and further stated and acknowledged they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

My commission expires:

\_\_\_\_\_  
(S E A L)

STATE OF \_\_\_\_\_ )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

**ACKNOWLEDGMENT**

On this day, before me, the undersigned, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named \_\_\_\_\_, to me personally well known, who stated that s/he was the \_\_\_\_\_ of **REMURIATE ARKANSAS LLC**, an Arkansas limited liability company, and was duly authorized in that capacity to execute the foregoing instrument for and in the name and behalf of said entity, and further stated and acknowledged that s/he had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

My commission expires:

\_\_\_\_\_  
(S E A L)

## **EXHIBIT A**

Fee and leasehold interests in real estate, buildings, machinery, equipment, furnishings, other personal property, and fixtures financed with proceeds of the not to exceed \$150,000,000 City of Osceola, Arkansas Taxable Industrial Development Revenue Bonds (Remuriate Project) Series 20\_\_ (the “Bonds”), located on the Real Property (described on Exhibit B), including, but not limited to:

All fixtures, machinery, apparatus, equipment, fittings and appliances of every kind and nature whatsoever, now or hereafter affixed or attached to or installed in the above described property relating to spent pickle liquor reclamation and iron oxide production, and all related or ancillary improvements and equipment.

## **EXHIBIT B**

### **Legal Description**

The Land is located in Mississippi County, Arkansas and described as follows:

[To be inserted]

**EXHIBIT C**  
**Option Agreement**

(See Attached)

## **OPTION AGREEMENT**

This OPTION AGREEMENT (the "Option Agreement") is entered into and effective on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between the **CITY OF OSCEOLA, ARKANSAS** ("**Grantor**") and **REMURIATE ARKANSAS LLC**, an Arkansas limited liability company ("**Grantee**").

WHEREAS, Grantor, as Lessor, and Grantee, as Lessee, have entered into a Lease Agreement (the "**Lease Agreement**") dated as of \_\_\_\_\_, 20\_\_ relating to the Leased Premises (as defined in the Lease Agreement), and

WHEREAS, pursuant to the Lease Agreement, Grantor has given Grantee the right and option to purchase all or part of the Leased Premises at any time.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Grantor and Grantee, and in consideration of the mutual benefits and covenants herein contained, Grantor and Grantee agree as follows:

**1. Definitions.** In addition to the words and terms otherwise defined in this Option Agreement, capitalized words and terms shall have the definition given to them in the Lease Agreement.

**2. Grantee Option.** (a) The Grantee shall have the right and option to purchase all or part of the Leased Premises at any time if:

- (i) The Leased Premises shall sustain major damage or destruction; or
- (ii) Title to all or substantially all of the Leased Premises shall be condemned, by any competent authority other than the Grantor, as provided in Article XV of the Lease Agreement; or
- (iii) As a result of changes in the Constitution of the United States or of the State, or of legislative action, or by the final decree, judgment or order of any court or administrative body entered after Grantee's contest thereof in good faith, or change in Grantor's legal organization or status, the Lease Agreement becomes void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed in the Lease Agreement, or unreasonable burdens or excessive liabilities are imposed upon either party to it; or
- (iv) There is legal curtailment of Grantee's use and occupancy of all or substantially all of the Leased Premises for any reason other than condemnation referred to in subsection (ii); or
- (v) Grantee determines to do so in its sole and absolute discretion; or
- (vi) Grantee is directed or requested to do so by any lienholder to which the Leased Premises was pledged as security prior to the commencement of the Lease Agreement.

If the Lease Agreement is terminated as a result of a default pursuant to Article XIX therein or otherwise, Grantee shall have the right and option to purchase the Leased Premises at any time during the period ending ninety (90) days after the effective date of such termination, in which event the Purchase Price payable shall include all expenses and reasonable attorney's fees of Grantor in connection with such termination, in addition to the amounts described Section 4.

The term "major damage or destruction" as used in subsection (i) is defined to mean any damage or injury to or destruction of the Leased Premises or any part thereof (whether or not resulting from an insured peril) such that the Leased Premises cannot reasonably be restored to its condition immediately preceding such damage, injury or destruction within a period of six (6) months, or which would prevent Grantee from carrying on its operations therein for a period of at least six (6) months or the restoration cost of which would exceed the total amount of insurance carried on the Leased Premises in accordance with the provisions of Article V of the Lease Agreement, or such that it would not be economically feasible for the Grantee to repair the Leased Premises, as determined by the Grantee in its sole discretion.

(b) **Exercise of Purchase Option.** The Purchase Option may be exercised by Grantee with respect to all of the Leased Premises by giving written notice to Escrow Agent (hereinafter defined), with a copy to Grantor, of the exercise thereof specifying the time and place of closing. At the closing, Escrow Agent shall deliver the Conveyance Documents (hereinafter defined) to or upon the direction of Grantee or any leasehold mortgagee succeeding to the rights of Grantee. Grantor and Grantee agree and acknowledge that the Conveyance Documents shall transfer title to the Leased Premises free and clear of all liens and encumbrances except those identified as Permitted Encumbrances under the Lease Agreement or resulting from any failure of Grantee to perform any of its obligations under the Lease Agreement; provided, however, that if the Purchase Option is exercised under the provisions of Section 2(a)(ii) above, such title may be subject to the rights, titles and interests of any party having taken or who is attempting to take title to or use of all or substantially all or part of the Leased Premises by eminent domain.

**3. Obligation to Purchase.** At any time following or contemporaneous with the redemption of the Bonds in full, if the purchase option under the provisions of Section 2 has not been exercised, Grantee shall have the further unconditional right and obligation to purchase the Leased Premises for the Purchase Price (defined below).

**4. Purchase Price.** If the Grantee exercises Grantee's option to purchase the Leased Premises under the provisions of the Option Agreement:

- (i) if no Bonds shall be outstanding under the Trust Indenture at the time of purchase, the purchase price of the Leased Premises (the "Purchase Price") shall be One Hundred Dollars (\$100.00) or such portion thereof as is allocated to the portion of the Leased Premises that is being purchased; and
- (ii) if Bonds are outstanding under the Trust Indenture at the time of the purchase, the purchase price of the Leased Premises shall be One Hundred Dollars (\$100.00) or such portion thereof as is allocated to the portion of the Leased Premises that is

being purchased, and in addition, if the entirety of the Leased Premises is being purchased, either (x) contemporaneous with or prior to the date determined in Section 2(b), the full amount necessary under the provisions of the Trust Indenture to pay or redeem (on the first date thereafter on which all outstanding Bonds may be paid and redeemed after giving the necessary notice) all Bonds outstanding under the Trust Indenture (including, without limitation, principal, interest, and expenses of redemption), but after deduction of any amount then in the Bond Fund and available for such payment and redemption shall have been paid or otherwise satisfied pursuant to the terms of the Trust Indenture or (y) the Grantee shall assume all obligations with respect to repayment of the Bonds.

**5. Prepayment of Purchase Price; Consideration.** Contemporaneous with the execution of this Option Agreement, Grantee has paid One Hundred Dollars (\$100) to Grantor, and Grantor acknowledges receipt of such amount contemporaneous with the execution of the Option Agreement. Grantee and Grantor agree and acknowledge that the consideration for the Purchase Option and the Purchase Price for the Leased Premises includes the mutual benefits and covenants of the Lease Agreement, the issuance, purchase and repayment of the Bonds, and the accomplishment of the Project, including, but not limited to, the Project's construction and operation by the Grantee.

**6. Expiration of Lease Agreement.** Upon expiration of the Lease Agreement pursuant to its terms, Grantee shall have been deemed to have exercised its Purchase Option, and Escrow Agent shall deliver the Conveyance Documents to the Grantee.

**7. Leasehold Mortgages.** Pursuant to Section 6.05 of the Lease Agreement, Grantor consented to the Grantee granting one or more leasehold mortgages on the Leased Premises. Grantor acknowledges and agrees that such leasehold mortgages will result in an assignment of the Purchase Option to any leasehold mortgagees, and upon succession to the rights of the Grantee hereunder, such leasehold mortgagees may exercise the Purchase Option granted hereunder in compliance with the terms of the Lease Agreement and this Option Agreement.

**8. Escrow of Transfer Documents.** Contemporaneous with the execution of this Option Agreement, Grantor shall deliver into escrow a quitclaim deed, bills of sale and other appropriate conveyance instruments transferring title to the Leased Premises in a form consistent with Section 2(b) (collectively, the "**Conveyance Documents**"). The "**Escrow Agent**" shall be the Trustee for the Bonds or any successor trustee appointed pursuant to the Trust Indenture. The Escrow Agent shall hold the Conveyance Documents in escrow until (i) the Purchase Option for the entirety of the Leased Premises is exercised by the Grantee and notice of the same is provided pursuant to Section 2(b), (ii) the Bonds are fully redeemed, or (iii) receipt of written notice from the Grantee that the term of the Lease Agreement has expired pursuant to its terms. Upon receipt of the notice specified in Section 2(b), redemption in full of the Bonds, or expiration of the term of the Lease Agreement, the Escrow Agent is authorized to release the Conveyance Documents to or upon the direction of Grantee or any leasehold mortgagee succeeding to the rights of Grantee. Notwithstanding the escrow of the Conveyance Documents for all or part of the Leased Premises, upon exercise of the Purchase Option, Grantor shall execute and deliver new Conveyance Documents to Grantee at Grantee's request. It is agreed by Grantee and Grantor that the Escrow Agent shall be liable as a depository only and shall be and is hereby discharged from any and all

liability for any act or omission done in good faith. The Escrow Agent may rely upon any paper, document or other writing reasonably believed to be authentic. The Escrow Agent shall not be required to construe this Option Agreement or any other instrument deposited herewith.

**9. Notices.** All notices, requests, demands or other communications required or permitted to be given or made hereunder shall be in writing and delivered personally or sent by prepaid, first-class, certified or express mail, return receipt requested, postage prepaid, to the addresses specified in the Lease Agreement or the Trust Indenture, as applicable.

**10. No Recordation.** This Option Agreement shall not be recorded. Grantor and Grantee shall sign and record a Memorandum of Lease, Option and PILOT Agreement as well as every assignment and modification of either the Lease Agreement or the Option Agreement in the office of the Circuit Clerk and Ex-Officio Recorder of Mississippi County, Arkansas.

**11. General.** Time is of the essence with respect to this Option Agreement. This option to purchase shall be governed by and construed under Arkansas law and shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Option Agreement to be signed in several counterparts, each of which may be considered an original without the presentation of the others, by their duly authorized officials and officers as of the day and year first hereinabove written.

**CITY OF OSCEOLA, ARKANSAS**

By: \_\_\_\_\_  
**Joe Harris, Jr., Mayor**

ATTEST:

By:   
**Jessica Griffin, City Clerk**

(S E A L)

**REMURIATE ARKANSAS LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Acknowledged by Escrow Agent:

**[TBD]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF ARKANSAS        )  
  ) ss:  
COUNTY OF \_\_\_\_\_ )

**ACKNOWLEDGMENT**

On this day, before me, a Notary Public, duly commissioned, qualified and acting, with and for said County and State, appeared in person the within named **JOE HARRIS, JR.** and **JESSICA GRIFFIN**, being the persons authorized by said municipality to execute such instrument stating their respective capacities in that behalf, to me well known, who stated that they are the Mayor and City Clerk, respectively, of **CITY OF OSCEOLA, ARKANSAS**, an Arkansas municipality, and were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and on behalf of said municipality, and further stated and acknowledged they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

My commission expires:

\_\_\_\_\_  
(S E A L)

STATE OF \_\_\_\_\_ )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

**ACKNOWLEDGMENT**

On this day, before me, the undersigned, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named \_\_\_\_\_, to me personally well known, who stated that s/he was the \_\_\_\_\_ of **REMURIATE ARKANSAS LLC**, an Arkansas limited liability company, and was duly authorized in that capacity to execute the foregoing instrument for and in the name and behalf of said entity, and further stated and acknowledged that s/he had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

My commission expires:

\_\_\_\_\_  
(S E A L)

Motion was made by Tyler Dunegan and seconded by Gary Cooper to suspend the rules and place the ordinance on its second reading.

Roll was called and all Council member voted aye.

Ordinance was read by title only.

Motion was made by Tyler Dunegan and seconded by Gary Cooper to suspend the rules and place the ordinance on its third reading.

Roll was called and all Council member voted aye.

Ordinance was read by title only.

Motion was made by Tyler Dunegan and seconded by Joe Guy to suspend the rules and place the ordinance to adopt the ordinance.

Roll was called and all Council member voted aye.

Motion was made by Tyler Dunegan and seconded by Joe Guy to adopt the emergency clause.

Roll was called and all Council members voted aye.

Ordinance was passed on the 15<sup>th</sup> day of May, 2023 and given number 2023-09.

The next resolution was introduced and reads as follows:

Resolution NO. 2023-27

**A RESOLUTION AUTHORIZING THE MAYOR TO SIGN NEW AGREEMENTS WITH  
RAYMOND JAMES / VOYA TO UPDATE THE CITY OF OSCEOLA / OSCEOLA MUNICIPAL  
LIGHT AND POWER RETIREMENT SYSTEM PLAN**

WHEREAS, the City of Osceola currently has an outdated retirement plan and is in need of correcting deficiencies; and

WHEREAS, the City of Osceola has been working with Raymond James/VOYA to update plan documents to be in compliance with current standards and IRS requirements; and

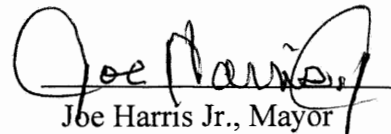
WHEREAS, authorization is required by the City Council of Osceola for the Mayor to enter into contracts and or make amendments;

NOW THEREFORE, BE IT RESOLVED that the City of Osceola authorizes the Mayor to sign an updated agreement to adopt a new plan to cover the institution's employees to be effective July 2023. Employees may commence elective deferrals into the Plan on or about July 2023.

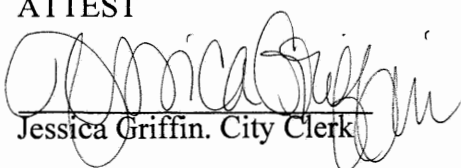
BE IT FURTHER RESOLVED, that the Mayor and City Clerk be authorized and directed to execute any and all documents, and do any and all acts which may be necessary in connection with the adoption, maintenance and ongoing funding of the Plan.

BE IT FURTHER RESOLVED, that the Mayor and City Clerk be authorized and directed to retain any service providers they believe necessary or desirable in connection with the Plan.

**PASSED AND APPROVED THIS 15<sup>th</sup> DAY OF May, 2023.**

  
Joe Harris Jr., Mayor

ATTEST

  
Jessica Griffin, City Clerk

Motion was made by Joe Guy and seconded by Linda Watson to adopt the resolution. All Council members were in favor.

Resolution was passed on the 15<sup>th</sup> day of May, 2023 and given number 2023-27.

The next ordinance was introduced and reads as follows:

ORDINANCE NO. 2023-10

**AN ORDINANCE PERMITTING JOE HARRIS TRUCKING TO CONDUCT BUSINESS WITH THE CITY OF OSCEOLA, ARKANSAS, DECLARING AN EMERGENCY, AND FOR OTHER PURPOSES.**

WHEREAS, pursuant to Section 14-42-107(b)(1) of the Arkansas Code Annotated, a municipal corporation may permit an alderman, council member, official, or municipal employee to conduct business with the city, prescribing the extent of such authority;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF OSCEOLA, ARKANSAS, THAT:**

SECTION 1: The Mayor of the City of Osceola, Joe Harris Jr., has a financial interest in Joe Harris Jr Trucking Hauling Inc.

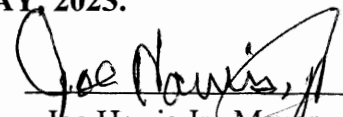
SECTION 2: The services provided by Joe Harris Jr. Trucking Hauling Inc., are not of the same type as performed by the Mayor in his or her regular city employment as Mayor.

SECTION 3: Joe Harris Jr. Trucking Hauling Inc. is hereby authorized and permitted to conduct business with the City of Osceola, Arkansas, including hauling, selling materials, etc, purchases from Joe Harris Jr Trucking Hauling Inc. that exceed the mayor/city employees purchasing power or large contract shall be approved by a resolution of the City Council by majority vote, after consideration of any offer to purchase which is procured for the City of Osceola using state mandated procurement procedures.

SECTION 4: All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of any such conflict with this Ordinance.

SECTION 5: Recognizing that time is of the essence regarding the need for various services, The City Council of the City of Osceola finds that there is an immediate need for securing certain services necessary for the continued operation/functions owned by the City of Osceola, Arkansas, and to promote the public welfare and that there is an immediate need for accomplishing these purposes. It is, therefore, declared that an emergency exists, and this Ordinance, being necessary for the immediate preservation of the public peace, health, and safety, shall be in full force and effect from and after the date of its passage and approval.

**PASSED AND APPROVED THIS 15<sup>th</sup> DAY OF MAY, 2023.**

  
Joe Harris Jr., Mayor

ATEST

  
Jessica Griffin, City Clerk

Motion was made by Tyler Dunegan and seconded by Linda Watson to suspend the rules and place the ordinance on its second reading.

Roll was called and all Council member voted aye.

Ordinance was read by title only.

Motion was made by Tyler Dunegan and seconded by Joe Guy to suspend the rules and place the ordinance on its third reading.

Roll was called and all Council member voted aye.

Ordinance was read by title only.

Motion was made by Sandra Brand and seconded by Joe Guy to adopt the ordinance.

Roll was called and all Council member voted aye.

Motion was made by Sandra Brand and Joey Guy to adopt the emergency clause.

Roll was called and all Council member voted aye.

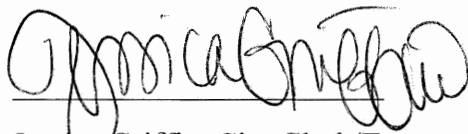
Ordinance was passed on the 15<sup>th</sup> day of May, 2023 and given number 2023-10.

Bill Foster came and gave the Osceola Police Department report.

With there being no further business, motion was made by Gary Cooper and seconded by Tyler Dunegan to adjourn.

---

Joe Harris, Mayor



Jessica Griffin, City Clerk/Treasurer

May 2023	Year to Date			Annual	Elapsed
	Budget	Actual	Var (+) (-)	Budget	42%
<b>Revenue:</b>					
01 - Osceola Light & Power	7,075,771	6,717,240	(358,531)	16,981,850	40%
02 - City General Fund	3,790,776	2,660,276	(1,130,500)	9,097,863	29%
03 - Street Fund	289,600	337,062	47,462	695,040	48%
04 - Sanitation Fund	399,188	333,503	(65,685)	958,050	35%
<b>Total Funds</b>	<b>11,555,335</b>	<b>10,048,082</b>	<b>(1,507,253)</b>	<b>27,732,803</b>	<b>36%</b>
<b>Operating Expense:</b>					
01 - Osceola Light & Power	6,089,943	6,353,969	(264,026)	14,615,862	43%
02 - City General Fund	4,470,428	2,754,086	1,716,341	10,729,026	26%
03 - Street Fund	461,104	398,883	62,221	1,106,650	36%
04 - Sanitation Fund	459,583	427,980	31,603	1,103,000	39%
<b>Total Funds</b>	<b>11,481,058</b>	<b>9,934,918</b>	<b>1,546,140</b>	<b>27,554,538</b>	<b>36%</b>
<b>Impact to Surplus:</b>					
01 - Osceola Light & Power	985,828	363,271	(622,557)	2,365,988	15%
02 - City General Fund	(679,651)	(93,810)	585,842	(1,631,163)	6%
03 - Street Fund	(171,504)	(61,820)	109,684	(411,610)	15%
04 - Sanitation Fund	(60,396)	(94,477)	(34,081)	(144,950)	65%
<b>Total Funds</b>	<b>74,277</b>	<b>113,164</b>	<b>38,887</b>	<b>178,265</b>	

FUND: OSCEOLA LIGHT &amp; POWE

DEPARTMENT	VENDOR NAME	GL ACCOUNT	ACCOUNT DESCRIPTION	DESCRIPTION	AMOUNT	
NON-DEPARTMENTAL	ACSC	214	GARNISHMENTS PAYABLE	CS# 087919999/066481613	488.00	
		214	GARNISHMENTS PAYABLE	CS# 087919999/066481613	488.00	
		214	GARNISHMENTS PAYABLE	CS# 087919999/066481613	488.00	
		214	GARNISHMENTS PAYABLE	CS# 568899437	360.00	
		214	GARNISHMENTS PAYABLE	CS# 568899437	360.00	
		214	GARNISHMENTS PAYABLE	CS# 568899437	360.00	
		214	GARNISHMENTS PAYABLE	CS#022394788	180.00	
		214	GARNISHMENTS PAYABLE	CS#022394788	180.00	
		214	GARNISHMENTS PAYABLE	CS#022394788	180.00	
	DEPT OF FINANCE	204	ARKANSAS W/H PAYABLE	STATE W/H	1,931.87	
		204	ARKANSAS W/H PAYABLE	STATE W/H	1,943.34	
		204	ARKANSAS W/H PAYABLE	STATE W/H	2,080.01	
	OMLP PAYROLL	116	BANCORP-OMLP PAYROLL	OMLP PY BCS 04/04/2023	9,437.89	
		116	BANCORP-OMLP PAYROLL	OMLP PY REG DD 05/04/2023	38,554.35	
		116	BANCORP-OMLP PAYROLL	OMLP PY BCS 05/18/2023	9,757.04	
		116	BANCORP-OMLP PAYROLL	OMLP REG DD 05/18/2023	38,043.26	
		116	BANCORP-OMLP PAYROLL	OMLP PY BCS 06/01/2023	9,576.25	
		116	BANCORP-OMLP PAYROLL	OMLP PY REGDD 06/01/2023	37,652.92	
	TECHLINE LTD	181	ELECTRIC POWER PLANT	ELEC	627.00	
		181	ELECTRIC POWER PLANT	ELEC	286.00	
		181	ELECTRIC POWER PLANT	ELEC	2,070.31	
		181	ELECTRIC POWER PLANT	ELEC	984.51	
		181	ELECTRIC POWER PLANT	ELEC	1,980.00	
		181	ELECTRIC POWER PLANT	ELEC	4,554.00	
		181	ELECTRIC POWER PLANT	ELEC	27,310.17	
		181	ELECTRIC POWER PLANT	ELEC	3,339.60	
		181	ELECTRIC POWER PLANT	ELEC	521.40	
	COMMERCIAL COLLECTIONS	214	GARNISHMENTS PAYABLE	CASE# CIV 17-162 K. LITTLE	422.28	
		214	GARNISHMENTS PAYABLE	CASE# CIV 17-162 K. LITTLE	43.22	
		214	GARNISHMENTS PAYABLE	CASE# CIV 17-162 K. LITTLE	422.28	
	MJMEUC	210	PURCHASE POWER PAYAB	MJMEUC	656,702.56	
	ENTERGY ARKANSAS INC.	210	PURCHASE POWER PAYAB	INV# 2266313 CUST# 12188	2,082.56	
		210	PURCHASE POWER PAYAB	ENTERGY ARKANSAS INC.	69,850.52	
	FIRST NATIONAL BANK	272	2014 BOND PAYABLE	FIRST NATIONAL BANK	15,363.60	
	MCCLELLAND CONSULTING ENGINE	143	2018 BOND PROJECT FU	SEWER -PROJECT 225769-007	37,700.19	
	EFTPS	202	FEDERAL W/H PAYABLE	FEDERAL W/H	5,344.49	
		202	FEDERAL W/H PAYABLE	FEDERAL W/H	5,398.28	
		202	FEDERAL W/H PAYABLE	FEDERAL W/H	5,947.14	
		203	SOC SECURITY W/H PAY	FICA W/H	3,993.87	
		203	SOC SECURITY W/H PAY	FICA W/H	3,941.99	
		203	SOC SECURITY W/H PAY	FICA W/H	3,974.57	
		203	SOC SECURITY W/H PAY	MEDICARE W/H	934.06	
		203	SOC SECURITY W/H PAY	MEDICARE W/H	921.95	
		203	SOC SECURITY W/H PAY	MEDICARE W/H	929.54	
		MISSISSIPPI COUNTY ELECTRIC	210	PURCHASE POWER PAYAB	MISSISSIPPI COUNTY ELECTRI	558,608.38
		GREEN EQUIPEMENT COMPANY	181	ELECTRIC POWER PLANT	OMLP INV# 54067	768.64
		AV WATER TECHNOLOGIES, LLC	183	WATER PLANT	WATER	3,251.60
			183	WATER PLANT	WATER	5,165.60
	TOTAL:					1,575,501.24
	ELECTRIC DEPT	CAPITAL ONE	5-12-601	MATERIALS AND SUPPLI	ELE	228.77
		BUGMOBILE OF AR INC	5-12-619	BUILDING EXPENSE	ELECTRIC	29.70
			5-12-619	BUILDING EXPENSE	ELECTRIC WAREHOUSE	52.80
		KENNEMORE HOME	5-12-601	MATERIALS AND SUPPLI	ELEC	3.95

FUND: OSCEOLA LIGHT &amp; POWE

DEPARTMENT	VENDOR NAME	GL ACCOUNT	ACCOUNT DESCRIPTION	DESCRIPTION	AMOUNT
		5-12-601	MATERIALS AND SUPPLI	ELEC	49.43
		5-12-601	MATERIALS AND SUPPLI	ELEC	39.36
		5-12-601	MATERIALS AND SUPPLI	ELEC	8.12
		5-12-601	MATERIALS AND SUPPLI	ELEC	2.15
	DITCH WITCH MID SOUTH	5-12-650	REPAIRS & MAINTENANC	ELEC	472.41
	SMITH TIRE & AUTO INC	5-12-650	REPAIRS & MAINTENANC	OMLP-INV#72765	358.06
	LEGAL SHIELD	5-12-503	GROUP INSURANCE	ELECTRIC	25.90
	AMERICAN HERITAGE LIFE	5-12-503	GROUP INSURANCE	ELECTRIC	30.12
		5-12-503	GROUP INSURANCE	ELECTRIC	270.68
	TIFCO INDUSTRIES	5-12-601	MATERIALS AND SUPPLI	ELEC	373.90
		5-12-601	MATERIALS AND SUPPLI	ELEC	198.79
	CITIZENS FIDELITY INS	5-12-503	GROUP INSURANCE	OMLP	81.73
	RITTER COMMUNICATIONS	5-12-620	UTILITIES	ELEC	203.98
	METLIFE GROUP BENEFITS	5-12-503	GROUP INSURANCE	ELECTRIC	136.16
		5-12-503	GROUP INSURANCE	ELECTRIC	146.08
	O'REILLY AUTO STORES INC	5-12-601	MATERIALS AND SUPPLI	DENNIS 1183320729	25.72
		5-12-601	MATERIALS AND SUPPLI	DENNIS 1183321503	16.49
		5-12-650	REPAIRS & MAINTENANC	DENNIS 1183322045	521.49
		5-12-650	REPAIRS & MAINTENANC	DENNIS 1183322140	133.38
		5-12-601	MATERIALS AND SUPPLI	DENNIS 1183322258	45.47
	DELTA DENTAL	5-12-503	GROUP INSURANCE	ELECTRIC	517.11
	GUNN'S SUPERMARKET	5-12-515	SAFETY SUPPLIES	ELEC	282.89
	DELTA VISION	5-12-503	GROUP INSURANCE	ELECTRIC	79.94
	EFTPS	5-12-502	PAYROLL TAX	FICA W/H	1,810.10
		5-12-502	PAYROLL TAX	FICA W/H	1,770.95
		5-12-502	PAYROLL TAX	FICA W/H	1,813.67
		5-12-502	PAYROLL TAX	MEDICARE W/H	423.33
		5-12-502	PAYROLL TAX	MEDICARE W/H	414.19
		5-12-502	PAYROLL TAX	MEDICARE W/H	424.16
	AT#T	5-12-620	UTILITIES	ELEC	100.20
	TRI STATE INDUSTRIAL SUPPLY	5-12-601	MATERIALS AND SUPPLI	ELEC	11.46
	WHOLESALE ELECTRIC SUPPLY	5-12-601	MATERIALS AND SUPPLI	ORDER # S8428181.001	80.40
	WEX FLEET UNIVERSAL	5-12-651	OPERATING EXPENSES -	ELEC	2,191.02
	BLACK HILLS ENERGY	5-12-620	UTILITIES	ELECTRIC # 3160 9353 97	76.67
		5-12-620	UTILITIES	ELECTRIC # 3160 6055 42	40.08
	MUNICIPAL HEALTH BENEFIT FUN	5-12-503	GROUP INSURANCE	ELECTRIC	6,697.50
	CINTAS UNIFORM CORP 206	5-12-619	BUILDING EXPENSE	ELECTRIC # 15946614	365.40
	ARAMARK	5-12-515	SAFETY SUPPLIES	ELECTRIC # 8600068287	142.72
	VERIZON NETWORK FLEET, INC.(	5-12-651	OPERATING EXPENSES -	ELEC	178.09
	AT&T MOBILITY	5-12-610	TELEPHONE	ELEC	165.37
	PARMAN ENERGY GROUP	5-12-650	REPAIRS & MAINTENANC	ELECTRIC	341.44
		5-12-650	REPAIRS & MAINTENANC	ELECTRIC	443.26
		5-12-650	REPAIRS & MAINTENANC	ELECTRIC	472.17
		5-12-650	REPAIRS & MAINTENANC	ELECTRIC	550.51
	AMERICAN EXPRESS	5-12-650	REPAIRS & MAINTENANC	PHILIP ADCOCK	353.59
		5-12-601	MATERIALS AND SUPPLI	PHILIP ADCOCK	2,575.00
			TOTAL:		25,775.86
WATER DEPT	CAPITAL ONE	5-13-601	MATERIALS AND SUPPLI	WATER	360.12
		5-13-601	MATERIALS AND SUPPLI	WATER	154.51
		5-13-601	MATERIALS AND SUPPLI	WATER	172.97
	MID SOUTH SALES	5-13-650	REPAIRS & MAINTENANC	WATER	1,341.07
		5-13-602	CHEMICALS AND SUPPLI	WATER	1,448.48
	FOUNTAIN PLUMBING	5-13-601	MATERIALS AND SUPPLI	WATER	23.73

FUND: OSCEOLA LIGHT &amp; POWE

DEPARTMENT	VENDOR NAME	GL ACCOUNT	ACCOUNT DESCRIPTION	DESCRIPTION	AMOUNT
	KENNEMORE HOME	5-13-601	MATERIALS AND SUPPLI	WATER DEPT	59.37
	LOWE'S BUSINESS ACCOUNT	5-13-601	MATERIALS AND SUPPLI	WATER	537.03
	LEGAL SHIELD	5-13-503	GROUP INSURANCE	WATER	16.95
	GRAINGER INC	5-13-650	REPAIRS & MAINTENANC	WATER ACCT# 842359630	311.81
	AMERICAN HERITAGE LIFE	5-13-503	GROUP INSURANCE	WATER	32.32
	RITTER COMMUNICATIONS	5-13-620	UTILITIES	WATER ACCT# 00213761-1	329.96
		5-13-620	UTILITIES	WATER	329.96
	METLIFE GROUP BENEFITS	5-13-503	GROUP INSURANCE	WATER	65.25
	O'REILLY AUTO STORES INC	5-13-601	MATERIALS AND SUPPLI	BUDDY 1183319060	69.27
		5-13-601	MATERIALS AND SUPPLI	TONY 1183319436	12.74
		5-13-601	MATERIALS AND SUPPLI	BUDDY 1183321314	18.18
	DELTA DENTAL	5-13-503	GROUP INSURANCE	WATER	86.84
	APF FBO TEMPS PLUS	5-13-455	TEMP SERVICE WAGES	WATER	784.00
		5-13-455	TEMP SERVICE WAGES	WATER	784.00
		5-13-455	TEMP SERVICE WAGES	WATER	784.00
		5-13-455	TEMP SERVICE WAGES	WATER	784.00
		5-13-455	TEMP SERVICE WAGES	WATER	597.80
	RAILROAD MANAGEMENT CO	5-13-647	LICENSES	RAILROAD MANAGEMENT CO	1,378.53
	PARAGOULD LIGHT WATER & CABL	5-13-601	MATERIALS AND SUPPLI	WATER TESTING	160.00
	UTILITY SERVICE CO INC	5-13-683	PUMP AND TANK REPAIR	UTILITY SERVICE CO INC	1,080.44
		5-13-683	PUMP AND TANK REPAIR	UTILITY SERVICE CO INC	1,080.44
	DELTA VISION	5-13-503	GROUP INSURANCE	WATER	5.86
	ENTERGY	5-13-620	UTILITIES	WATER	251.52
		5-13-620	UTILITIES	WATER	40.68
		5-13-620	UTILITIES	WATER	128.28
		5-13-620	UTILITIES	WATER	45.22
	EFTPS	5-13-502	PAYROLL TAX	FICA W/H	698.17
		5-13-502	PAYROLL TAX	FICA W/H	738.07
		5-13-502	PAYROLL TAX	FICA W/H	701.04
		5-13-502	PAYROLL TAX	MEDICARE W/H	163.29
		5-13-502	PAYROLL TAX	MEDICARE W/H	172.62
		5-13-502	PAYROLL TAX	MEDICARE W/H	163.96
	BLACK HILLS ENERGY	5-13-620	UTILITIES	WATER # 2405 1118 13	67.24
	MUNICIPAL HEALTH BENEFIT FUN	5-13-503	GROUP INSURANCE	WATER	2,377.50
	CINTAS UNIFORM CORP 206	5-13-580	UNIFORM EXPENSE	WATER # 15946590	861.36
	ARAMARK	5-13-515	SAFETY SUPPLIES	WATER ACCT# 860068289	71.36
	VERIZON NETWORK FLEET, INC.(	5-13-651	OPERATING EXPENSES -	WATER	145.71
	BRENNTAG MID-SOUTH, INC.	5-13-602	CHEMICALS AND SUPPLI	WATER	5,582.03
		5-13-602	CHEMICALS AND SUPPLI	WATER-CM	12.00-
		5-13-602	CHEMICALS AND SUPPLI	WATER	5,367.49
		5-13-602	CHEMICALS AND SUPPLI	WATER	245.42-
	AT&T MOBILITY	5-13-610	TELEPHONE	WATER	165.33
	PLOW TECHNOLOGIES	5-13-640	DUES, MBRSHPS & SUBS	WATER- INV# OP-45087	345.20
		5-13-640	DUES, MBRSHPS & SUBS	WATER	345.20
			TOTAL:		30,983.48
SEWER DEPT	BUGMOBILE OF AR INC	5-14-619	BUILDING EXPENSE	WATER & SEWER	166.10
	FOUNTAIN PLUMBING	5-14-601	MATERIALS AND SUPPLI	SEWER	51.26
		5-14-601	MATERIALS AND SUPPLI	SEWER	158.16
		5-14-601	MATERIALS AND SUPPLI	SEWER	501.36
	KENNEMORE HOME	5-14-619	BUILDING EXPENSE	WATER DEPT	44.72
		5-14-601	MATERIALS AND SUPPLI	SEWER	13.43
	LOWE'S BUSINESS ACCOUNT	5-14-601	MATERIALS AND SUPPLI	SEWER	813.53
	HENARD UTILITY PRODUCTS	5-14-650	REPAIRS & MAINTENANC	SEWER	37.07

FUND: OSCEOLA LIGHT &amp; POWE

DEPARTMENT	VENDOR NAME	GL ACCOUNT	ACCOUNT DESCRIPTION	DESCRIPTION	AMOUNT
	LEGAL SHIELD	5-14-503	GROUP INSURANCE	SEWER	69.80
	TIM JONES	5-14-650	REPAIRS & MAINTENANC	REIMB. FOR PART FOR MOWER	20.00
	AMERICAN HERITAGE LIFE	5-14-503	GROUP INSURANCE	SEWER	303.72
		5-14-503	GROUP INSURANCE	SEWER	29.84
	METLIFE GROUP BENEFITS	5-14-503	GROUP INSURANCE	SEWER	59.28
	O'REILLY AUTO STORES INC	5-14-601	MATERIALS AND SUPPLI	BRANDON 1183321750	96.47
	DELTA DENTAL	5-14-503	GROUP INSURANCE	SEWER	193.13
	APF FBO TEMPS PLUS	5-14-455	TEMP SERVICE WAGES	SEWER	784.00
		5-14-455	TEMP SERVICE WAGES	SEWER	784.00
		5-14-455	TEMP SERVICE WAGES	SEWER	784.00
		5-14-455	TEMP SERVICE WAGES	SEWER	784.00
		5-14-455	TEMP SERVICE WAGES	SEWER	784.00
		5-14-455	TEMP SERVICE WAGES	SEWER	58.80
	MCCLELLAND CONSULTING ENGINE	5-14-860	CONSULTING SERVICES	SEWER	495.00
	DELTA VISION	5-14-503	GROUP INSURANCE	SEWER	42.16
	GLOBAL INDUSTRIAL	5-14-601	MATERIALS AND SUPPLI	SEWER	107.24
	EFTPS	5-14-502	PAYROLL TAX	FICA W/H	614.22
		5-14-502	PAYROLL TAX	FICA W/H	580.98
		5-14-502	PAYROLL TAX	FICA W/H	599.63
		5-14-502	PAYROLL TAX	MEDICARE W/H	143.65
		5-14-502	PAYROLL TAX	MEDICARE W/H	135.88
		5-14-502	PAYROLL TAX	MEDICARE W/H	140.23
	TRI STATE INDUSTRIAL SUPPLY	5-14-601	MATERIALS AND SUPPLI	SEWER	103.88
	PURVIS IND.	5-14-601	MATERIALS AND SUPPLI	SEWER	101.85
	MISSISSIPPI COUNTY ELECTRIC	5-14-620	UTILITIES	SEWER ACCT# 1010951	87.70
	WEX FLEET UNIVERSAL	5-14-651	OPERATING EXPENSES -	SEWER	65.93
	WAYPOINT ANALYTICAL	5-14-601	MATERIALS AND SUPPLI	SEWER	525.00
		5-14-601	MATERIALS AND SUPPLI	SEWER	1,753.75
		5-14-601	MATERIALS AND SUPPLI	SEWER	120.00
		5-14-601	MATERIALS AND SUPPLI	SEWER	150.00
	BLACK HILLS ENERGY	5-14-620	UTILITIES	SEWER # 4671 3918 70	33.00
		5-14-620	UTILITIES	SEWER # 2995 5000 39	33.00
	MUNICIPAL HEALTH BENEFIT FUN	5-14-503	GROUP INSURANCE	SEWER	1,612.50
	PARMAN ENERGY GROUP	5-14-650	REPAIRS & MAINTENANC	WATER	426.81
		5-14-650	REPAIRS & MAINTENANC	WATER	590.21
	CORKY RAPER	5-14-601	MATERIALS AND SUPPLI	MOWING LOTS	85.00
	AMERICAN EXPRESS	5-14-601	MATERIALS AND SUPPLI	BRANDON HAYNES	628.73
		5-14-510	TRAVEL & TRAINING EX	BRANDON HAYNES	2,611.74
			TOTAL:		18,324.76
ADMINISTRATION	CAPITAL ONE	5-15-601	MATERIALS AND SUPPLI	ADMIN	225.69
	QUILL CORP	5-15-601	MATERIALS AND SUPPLI	ADMIN	67.71
	UNITED PARCEL SERVICE	5-15-606	POSTAGE	INV# 0000E51641193	185.83
	ARKANSAS MUNICIPAL POWER ASS	5-15-860	CONSULTING SERVICES	ARKANSAS MUNICIPAL POWER A	844.37
	LOWE'S BUSINESS ACCOUNT	5-15-601	MATERIALS AND SUPPLI	DRIVE THRU	74.39
		5-15-601	MATERIALS AND SUPPLI	LATE FEE	29.00
	AR DEMOCRAT GAZETTE	5-15-607	PUBLISHING ORDINANCE	ARKANSAS DEMOCRAT-GAZETTE	169.88
	THOMAS SPEIGHT & NOBLE	5-15-860	CONSULTING SERVICES	ADMIN	14,010.00
	LEGAL SHIELD	5-15-503	GROUP INSURANCE	ADMIN-OMLP	33.90
	U.S. POSTAL SERVICE	5-15-606	POSTAGE	BILLING CYCLE 3-POSTAGE	373.97
		5-15-606	POSTAGE	BILLING CYCLE 2-POSTAGE	569.91
		5-15-606	POSTAGE	BILLING CYCLE 2 POSTAGE	438.50
	AMERICAN HERITAGE LIFE	5-15-503	GROUP INSURANCE	ADMIN-OMLP	47.64
		5-15-503	GROUP INSURANCE	ADMIN- OMLP	19.92

FUND: OSCEOLA LIGHT &amp; POWE

DEPARTMENT	VENDOR NAME	GL ACCOUNT	ACCOUNT DESCRIPTION	DESCRIPTION	AMOUNT
	CITIZENS FIDELITY INS	5-15-503	GROUP INSURANCE	ADMIN	9.62
	METLIFE GROUP BENEFITS	5-15-503	GROUP INSURANCE	ADMIN- OMLP	93.51
		5-15-503	GROUP INSURANCE	ADMIN- OMLP	128.07
	DELTA DENTAL	5-15-503	GROUP INSURANCE	ADMIN-OMLP	273.72
	QUADIENT FINANCE USA, INC	5-15-606	POSTAGE	ADMIN	2,000.00
	ARKANSAS ONE-CALL SYSTEM INC	5-15-610	TELEPHONE	INV # 0571891	110.48
	DELTA VISION	5-15-503	GROUP INSURANCE	ADMIN-OMLP	59.44
	EFTPS	5-15-502	PAYROLL TAX	FICA W/H	871.38
		5-15-502	PAYROLL TAX	FICA W/H	851.99
		5-15-502	PAYROLL TAX	FICA W/H	860.23
		5-15-502	PAYROLL TAX	MEDICARE W/H	203.79
		5-15-502	PAYROLL TAX	MEDICARE W/H	199.26
		5-15-502	PAYROLL TAX	MEDICARE W/H	201.19
	OSCEOLA PRINTING & OFFICE SU	5-15-601	MATERIALS AND SUPPLI	ADMIN	385.00
		5-15-601	MATERIALS AND SUPPLI	ADMIN: INV# 1697	715.00
	MUNICIPAL HEALTH BENEFIT FUN	5-15-503	GROUP INSURANCE	ADMIN- OMLP	2,760.00
	OST, LLC.	5-15-648	IMMUNIZATIONS & PHYS	ADMIN	32.00
	CINTAS UNIFORM CORP 206	5-15-619	BUILDING EXPENSE	CITY HALL # 15946587	791.22
	ARAMARK	5-15-515	SAFETY SUPPLIES	CITY HALL ACCT# 860068284	71.36
	AT&T MOBILITY	5-15-610	TELEPHONE	ADMIN-OMLP	165.37
	AT&T	5-15-610	TELEPHONE	ATT	470.12
	ALLY IT	5-15-640	DUES, MBRSHPS & SUBS	ADMIN	2,761.00
		5-15-640	DUES, MBRSHPS & SUBS	ADMIN	2,761.00
	AMERICAN EXPRESS	5-15-601	MATERIALS AND SUPPLI	JANE STANFORD	787.78
		5-15-516	HR MATERIALS & SUPPL	JANE STANFORD	96.77
			TOTAL:		34,750.01

## FUND: CITY GENERAL FUND

DEPARTMENT	VENDOR NAME	GL ACCOUNT	ACCOUNT DESCRIPTION	DESCRIPTION	AMOUNT
NON-DEPARTMENTAL	ACSC	214	GARNISHMENTS PAYABLE	REMIT ID# 677485056/ 72900	206.89
		214	GARNISHMENTS PAYABLE	REMIT ID# 677485056/ 72900	206.89
		214	GARNISHMENTS PAYABLE	REMIT ID# 677485056/ 72900	206.89
		214	GARNISHMENTS PAYABLE	CASE ID# 885934568	210.00
		214	GARNISHMENTS PAYABLE	CASE ID# 885934568	210.00
		214	GARNISHMENTS PAYABLE	CASE ID# 885934568	210.00
		214	GARNISHMENTS PAYABLE	CS# 753128700 C NEWELL	232.00
		214	GARNISHMENTS PAYABLE	CS# 753128700 C NEWELL	232.00
		214	GARNISHMENTS PAYABLE	CS# 753128700 C NEWELL	232.00
		214	GARNISHMENTS PAYABLE	CASE# 418593212 J. RINEY	210.00
		214	GARNISHMENTS PAYABLE	CASE# 418593212 J. RINEY	210.00
		214	GARNISHMENTS PAYABLE	CASE# 418593212 J. RINEY	210.00
		214	GARNISHMENTS PAYABLE	CS#893240601/ 638974059	434.00
		214	GARNISHMENTS PAYABLE	CS#893240601/ 638974059	434.00
		214	GARNISHMENTS PAYABLE	CS#893240601/ 638974059	434.00
		214	GARNISHMENTS PAYABLE	K.KEY CASE#751055322	120.00
		214	GARNISHMENTS PAYABLE	K.KEY CASE#751055322	120.00
		214	GARNISHMENTS PAYABLE	K.KEY CASE#751055322	120.00
		214	GARNISHMENTS PAYABLE	CS# 594189372	53.08
		214	GARNISHMENTS PAYABLE	CS# 594189372	53.08
		214	GARNISHMENTS PAYABLE	CS# 594189372	53.08
		214	GARNISHMENTS PAYABLE	CS# 908264349 C MILLER	216.00
		214	GARNISHMENTS PAYABLE	CS# 908264349 C MILLER	216.00
		214	GARNISHMENTS PAYABLE	CS# 908264349 C MILLER	216.00
		214	GARNISHMENTS PAYABLE	CS#567154685	165.00
		214	GARNISHMENTS PAYABLE	CS#567154685	165.00
		214	GARNISHMENTS PAYABLE	CS#567154685	165.00
		214	GARNISHMENTS PAYABLE	CS#783622107	222.00
		214	GARNISHMENTS PAYABLE	CS#783622107	222.00
		214	GARNISHMENTS PAYABLE	CS#783622107	222.00
		214	GARNISHMENTS PAYABLE	CASE#058477764 K.KEY	100.00
		214	GARNISHMENTS PAYABLE	CASE#058477764 K.KEY	100.00
		214	GARNISHMENTS PAYABLE	CASE#058477764 K.KEY	100.00
	OSCEOLA FIRE DEPT	222	FIREMEN'S FUND	FIREMAN FUND	313.91
		222	FIREMEN'S FUND	FIREMAN FUND	159.04
		222	FIREMEN'S FUND	FIREMAN FUND	213.07
	DEPT OF FINANCE	204	ARKANSAS W/H PAYABLE	STATE W/H	5,337.13
		204	ARKANSAS W/H PAYABLE	STATE W/H	30.77
		204	ARKANSAS W/H PAYABLE	STATE W/H	4,900.57
		204	ARKANSAS W/H PAYABLE	STATE W/H	262.72
		204	ARKANSAS W/H PAYABLE	STATE W/H	5,392.59
	CITY GENERAL FUND	115	BANCORP-CITY GENERAL	CITY GENERAL FUND	100,000.00
	CITY PAYROLL	116	BANCORP-CITY GEN PAY	CITY PY BCS 05/04/2023	14,976.44
		116	BANCORP-CITY GEN PAY	CITY PY REG DD 05/04/2023	108,432.93
		116	BANCORP-CITY GEN PAY	H. TAYLOR PY REGDD 05/04/2	1,011.83
		116	BANCORP-CITY GEN PAY	CITY PY 05/18/2023 BCS	13,617.02
		116	BANCORP-CITY GEN PAY	CITY PY REG DD 05/18/2023	103,154.76
		116	BANCORP-CITY GEN PAY	ELECTED OFF PY BCS 05/25/2	1,830.50
		116	BANCORP-CITY GEN PAY	ELECTED OFF PY REGDD 05/25	6,905.26
		115	BANCORP-CITY GENERAL	CITY RETIREE 05/25/2023 RE	2,027.82
		116	BANCORP-CITY GEN PAY	CITY PY BCS 06/01/2023	14,240.18
		116	BANCORP-CITY GEN PAY	CITY PY REGDD 06/01/2023	108,025.53
	EFTPS	202	FEDERAL W/H PAYABLE	FEDERAL W/H	13,358.20
		202	FEDERAL W/H PAYABLE	FEDERAL W/H	72.52

FUND: CITY GENERAL FUND

DEPARTMENT	VENDOR NAME	GL ACCOUNT	ACCOUNT DESCRIPTION	DESCRIPTION	AMOUNT
		202	FEDERAL W/H PAYABLE	FEDERAL W/H	11,917.16
		202	FEDERAL W/H PAYABLE	FEDERAL W/H	1,264.01
		202	FEDERAL W/H PAYABLE	FEDERAL W/H	13,518.10
		203	SOC SECURITY W/H PAY	FICA W/H	7,356.67
		203	SOC SECURITY W/H PAY	FICA W/H	74.87
		203	SOC SECURITY W/H PAY	FICA W/H	7,160.79
		203	SOC SECURITY W/H PAY	FICA W/H	691.11
		203	SOC SECURITY W/H PAY	FICA W/H	7,094.30
		203	SOC SECURITY W/H PAY	MEDICARE W/H	2,351.31
		203	SOC SECURITY W/H PAY	MEDICARE W/H	17.51
		203	SOC SECURITY W/H PAY	MEDICARE W/H	2,212.10
		203	SOC SECURITY W/H PAY	MEDICARE W/H	161.63
		203	SOC SECURITY W/H PAY	MEDICARE W/H	2,335.10
	TENNESSEE CHILD SUPPORT (STA	214	GARNISHMENTS PAYABLE	CASE ID: 002310128	149.53
		214	GARNISHMENTS PAYABLE	CASE: 002310128 DOCKET: FF	149.53
				TOTAL:	567,223.42
ADMINISTRATION	MISS CO COURTHOUSE	5-01-898	ABANDONED/CONDEMNED	615 N. PEARL	1,286.91
	CAPITAL ONE	5-01-601	MATERIALS AND SUPPLI	CITY	40.35
	BUGMOBILE OF AR INC	5-01-751	SR. CITIZEN BLDG EXP	SENIOR CITIZEN	52.80
	QUILL CORP	5-01-601	MATERIALS AND SUPPLI	CITY HALL INV# 32262622	460.28
	LOWE'S BUSINESS ACCOUNT	5-01-601	MATERIALS AND SUPPLI	OPAR	279.26
	AMERICAN HERITAGE LIFE	5-01-503	GROUP INSURANCE	RETIREE- CITY	44.16
		5-01-503	GROUP INSURANCE	RETIREE- CITY	218.88
		5-01-503	GROUP INSURANCE	FIRE PENSION	75.68
	RITTER COMMUNICATIONS	5-01-753	COSTON BLDG EXP	COSTON BLDG.	183.98
	METLIFE GROUP BENEFITS	5-01-503	GROUP INSURANCE	ELECTED- CITY	95.49
		5-01-503	GROUP INSURANCE	RETIREE- CITY	184.01
	O'REILLY AUTO STORES INC	5-01-650	REPAIRS & MAINTENANC	DENNIS 1183319047	290.73
	DELTA DENTAL	5-01-503	GROUP INSURANCE	ELECTED- CITY	175.07
		5-01-503	GROUP INSURANCE	RETIREE-CITY	873.30
		5-01-503	GROUP INSURANCE	COBRA	43.42
	MAIN STREET OSCEOLA, INC	5-01-626	A & P EXPENSES	MAIN STREET OSCEOLA, INC	9,000.00
	DELTA VISION	5-01-503	GROUP INSURANCE	ELECTED-CITY	35.16
		5-01-503	GROUP INSURANCE	RETIREE-CITY	207.22
		5-01-503	GROUP INSURANCE	COBRA	5.86
	SILENT SECURITY, INC.	5-01-619	BUILDING EXPENSE	ADMIN	966.90
	EFTPS	5-01-502	PAYROLL TAX	FICA W/H	691.11
		5-01-502	PAYROLL TAX	MEDICARE W/H	161.63
	JOE HARRIS JR.,TRUCKING INC.	5-01-601	MATERIALS AND SUPPLI	CITY ADMIN	452.50
		5-01-601	MATERIALS AND SUPPLI	OMLP ADMIN	452.50
		5-01-898	ABANDONED/CONDEMNED	CODE ENF.	900.00
	OSCEOLA PRINTING & OFFICE SU	5-01-601	MATERIALS AND SUPPLI	ADMIN INV# 1689	206.80
	OSCEOLA HERITAGE MUSICFEST,I	5-01-626	A & P EXPENSES	OSCEOLA HERITAGE MUSICFEST	17,394.27
	BLACK HILLS ENERGY	5-01-750	ROSENWALD BLDG EXPEN	ROSENWALD# 2368 9136 35	121.56
		5-01-620	UTILITIES	CITY HALL# 2370 1026 74	100.31
	DELTA CREATIVE	5-01-607	PUBLISHING ORDINANCE	INVOICE# 0316	400.00
	MUNICIPAL HEALTH BENEFIT FUN	5-01-503	GROUP INSURANCE	ELECTED- CITY	1,147.50
		5-01-503	GROUP INSURANCE	RETIREE- CITY	3,060.00
	YIG ADMINISTRATION	5-01-503	GROUP INSURANCE	CITY INVOICE# 37850	907.95
	BURNETT LAW FIRM	5-01-644	LEGAL EXPENSES	BURNETT LAW FIRM	1,675.00
	AT&T	5-01-620	UTILITIES	AT&T	2,006.99
	XMC	5-01-601	MATERIALS AND SUPPLI	AGREE# 007-1700146-001	3,012.48
	CORNING CONSTRUCTION AND LA	5-01-619	BUILDING EXPENSE	CITY HALL- PARKING LOT-CLE	475.00

FUND: CITY GENERAL FUND

DEPARTMENT	VENDOR NAME	GL ACCOUNT	ACCOUNT DESCRIPTION	DESCRIPTION	AMOUNT
	ELITE CONTRACTOR L.L.C.	5-01-619	BUILDING EXPENSE	COMM. CENTER BLDG.	191,689.00
	ARKANSAS MUNICIPAL LEAGUE	5-01-510	TRAVEL & TRAINING EX	ARKANSAS MUNICIPAL LEAGUE	300.00
	AMERICAN EXPRESS	5-01-601	MATERIALS AND SUPPLI	CODY SHREVE	67.50-
		5-01-601	MATERIALS AND SUPPLI	CODY SHREVE	164.96
		5-01-899	MISCELLANEOUS	CODY SHREVE	40.69
		5-01-501	TRAVEL & PUBLIC RELA	JOE HARRIS, JR	102.50
		5-01-601	MATERIALS AND SUPPLI	JANE STANFORD	454.25
		5-01-640	DUES, MBRSHPS & SUBS	CODY SHREVE	35.78-
	VISUAL EDGE IT, INC.	5-01-601	MATERIALS AND SUPPLI	ADMIN: INV# 23AR1338056	132.99
	ARKANSAS BLACK MAYORS ASSOCI	5-01-640	DUES, MBRSHPS & SUBS	ARKANSAS BLACK MAYORS ASSO	150.00
			TOTAL:		240,616.17
POLICE DEPT	CAPITAL ONE	5-02-601	MATERIALS AND SUPPLI	OPD	49.45
	AR CRIME INFO CENTER	5-02-620	UTILITIES	OPD- INV# 18777926	206.36
	OPD OFFICERS CLUB	5-02-510	TRAVEL & TRAINING EX	OPD	293.38
	PEGGY MEATTE, COUNTY TREASUR	4-02-335	FINES & FORFEITURES	OSCEOLA APRIL ADMIN JUSTIC	7,090.13
	LEGAL SHIELD	5-02-503	GROUP INSURANCE	OPD	282.35
	DEPT OF FINANCE & ADMIN	4-02-335	FINES & FORFEITURES	DEPT OF FINANCE & ADMIN	9,956.81
		4-02-335	FINES & FORFEITURES	OSCEOLA DRUG CRIME APR 23	165.00
		4-02-335	FINES & FORFEITURES	DEPT OF FINANCE & ADMIN	1,431.31
		4-02-335	FINES & FORFEITURES	DEPT OF FINANCE & ADMIN	105.00
		4-02-335	FINES & FORFEITURES	DEPT OF FINANCE & ADMIN	4,293.93
	AMERICAN HERITAGE LIFE	5-02-503	GROUP INSURANCE	OPD	388.16
	CITIZENS FIDELITY INS	5-02-503	GROUP INSURANCE	OPD	62.00
	ARKANSAS STATE TREASURY	4-02-335	FINES & FORFEITURES	ARKANSAS STATE TREASURY	140.00
		4-02-335	FINES & FORFEITURES	ARKANSAS STATE TREASURY	165.00
	RITTER COMMUNICATIONS	5-02-620	UTILITIES	OPD INV# 500392939	585.86
	METLIFE GROUP BENEFITS	5-02-503	GROUP INSURANCE	OPD	285.36
		5-02-503	GROUP INSURANCE	OPD	169.26
	O'REILLY AUTO STORES INC	5-02-650	REPAIRS & MAINTENANC	WENDELL 1183320802	169.30
		5-02-650	REPAIRS & MAINTENANC	WENDELL 1183320850	25.31-
		5-02-650	REPAIRS & MAINTENANC	CHARITY 1183321274	17.20
		5-02-650	REPAIRS & MAINTENANC	HUNTER 1183322104	20.45
		5-02-650	REPAIRS & MAINTENANC	COLLARD 1183322297	18.00
	DELTA DENTAL	5-02-503	GROUP INSURANCE	OPD	761.55
	DELTA VISION	5-02-503	GROUP INSURANCE	OPD	150.40
	AT&T	5-02-610	TELEPHONE	OPD	1,082.07
		5-02-610	TELEPHONE	OPD ACCT# 8705634165 66 3	1,053.59
	EFTPS	5-02-502	PAYROLL TAX	FICA W/H	3,510.79
		5-02-502	PAYROLL TAX	FICA W/H	74.87
		5-02-502	PAYROLL TAX	FICA W/H	3,206.34
		5-02-502	PAYROLL TAX	FICA W/H	3,240.13
		5-02-502	PAYROLL TAX	MEDICARE W/H	846.84
		5-02-502	PAYROLL TAX	MEDICARE W/H	17.51
		5-02-502	PAYROLL TAX	MEDICARE W/H	774.69
		5-02-502	PAYROLL TAX	MEDICARE W/H	787.82
	OSCEOLA PRINTING & OFFICE SU	5-02-601	MATERIALS AND SUPPLI	OPD	88.00
	COLBY NEWELL	5-02-510	TRAVEL & TRAINING EX	OPD-COLBY NEWELL	160.00
	WEX FLEET UNIVERSAL	5-02-651	OPERATING EXPENSES -	OPD	801.08
		5-02-651	OPERATING EXPENSES -	OPD INV# 89245932	1,250.02
	BLACK HILLS ENERGY	5-02-620	UTILITIES	FIRE# 3057 3803 32	73.15
		5-02-620	UTILITIES	OPD # 0565 5557 91	239.63
	MUNICIPAL HEALTH BENEFIT FUN	5-02-503	GROUP INSURANCE	OPD	9,975.00
	OST, LLC.	5-02-648	IMMUNIZATIONS & PHYS	OPD	32.00

FUND: CITY GENERAL FUND

DEPARTMENT	VENDOR NAME	GL ACCOUNT	ACCOUNT DESCRIPTION	DESCRIPTION	AMOUNT
	AXON ENTERPRISES, INC	5-02-700	EQUIPMENT PURCHASES	OPD	34,202.40
	ARAMARK	5-02-515	SAFETY SUPPLIES	INV# 581610316	35.68
		5-02-515	SAFETY SUPPLIES	INV# 581610922	35.68
		5-02-515	SAFETY SUPPLIES	INV# 5816105142	35.68
		5-02-515	SAFETY SUPPLIES	INV# 5816107301	35.68
	VERIZON NETWORK FLEET, INC.(	5-02-651	OPERATING EXPENSES -	OPD	372.37
	PARMAN ENERGY GROUP	5-02-650	REPAIRS & MAINTENANC	POLICE	1,195.06
		5-02-650	REPAIRS & MAINTENANC	OPD	1,652.57
	QUEST DIAGNOSTIC	5-02-648	IMMUNIZATIONS & PHYS	OPD	71.99
	BOB'S AUTO CENTER, LLC	5-02-650	REPAIRS & MAINTENANC	OPD-STMT DATE 5/2/23	2,435.99
	KING FAMILY TIRE & AUTO	5-02-650	REPAIRS & MAINTENANC	INVOICE# 12844	180.82
		5-02-650	REPAIRS & MAINTENANC	INVOICE# 13112	376.29
	ASSOCIATED RADIOLOGISTS LTD	5-02-648	IMMUNIZATIONS & PHYS	ASSOCIATED RADIOLOGISTS LT	31.00
	UNITED POLICE SUPPLY	5-02-580	UNIFORM EXPENSE	OPD	2,787.38
	SMITH AUTO SALES AND TOWING	5-02-651	OPERATING EXPENSES -	OPD INV# 2171	110.00
	EDWARDS AUTOMOTIVE	5-02-650	REPAIRS & MAINTENANC	OPD	527.78
		5-02-650	REPAIRS & MAINTENANC	OPD	2,462.16
	AMERICAN EXPRESS	5-02-601	MATERIALS AND SUPPLI	WILLIAM FOSTER	1,415.10
		5-02-640	DUES, MBRSHPS & SUBS	JOHN WELDON	89.74
	JAMARIA HOPKINS	5-02-510	TRAVEL & TRAINING EX	OPD	200.00
			TOTAL:		102,247.85
FIRE DEPT	CAPITAL ONE	5-03-601	MATERIALS AND SUPPLI	FIRE	1,847.28
	BUGMOBILE OF AR INC	5-03-620	UTILITIES	FIRE DEPT 1&2	165.00
	KENNEMORE HOME	5-03-619	BUILDING EXPENSE	FIRE	97.66
		5-03-619	BUILDING EXPENSE	FIRE	298.67
		5-03-619	BUILDING EXPENSE	FIRE	1.31-
	NEXAIR LLC	5-03-686	EQUIPMENT RENTAL	FIRE: ACCT# 5339	301.86
	LEGAL SHIELD	5-03-503	GROUP INSURANCE	FIRE	256.10
	AMERICAN HERITAGE LIFE	5-03-503	GROUP INSURANCE	FIRE	248.84
	CITIZENS FIDELITY INS	5-03-503	GROUP INSURANCE	FIRE	37.59
	AUTOZONE	5-03-619	BUILDING EXPENSE	FIRE	122.09
		5-03-650	REPAIRS & MAINTENANC	FIRE	222.19
	RITTER COMMUNICATIONS	5-03-620	UTILITIES	FIRE #2	79.98
	METLIFE GROUP BENEFITS	5-03-503	GROUP INSURANCE	FIRE	232.92
		5-03-503	GROUP INSURANCE	FIRE	53.28
	O'REILLY AUTO STORES INC	5-03-651	OPERATING EXPENSES -	HUNTER 1183318801	59.37
		5-03-651	OPERATING EXPENSES -	AARON 1183319340	35.18
		5-03-601	MATERIALS AND SUPPLI	CASEY 1183320746	37.38
	DELTA DENTAL	5-03-503	GROUP INSURANCE	FIRE	586.97
	DELTA VISION	5-03-503	GROUP INSURANCE	FIRE	98.16
	AT&T	5-03-610	TELEPHONE	FIRE ACCT# 8705632222 980	322.48
	G & W DIESEL/EVS	5-03-700	EQUIPMENT PURCHASES	FIRE-US STEEL CONTR.	55,357.51
		5-03-650	REPAIRS & MAINTENANC	FIRE	6,803.19
	EFTPS	5-03-502	PAYROLL TAX	FICA W/H	152.48
		5-03-502	PAYROLL TAX	FICA W/H	67.37
		5-03-502	PAYROLL TAX	FICA W/H	89.10
		5-03-502	PAYROLL TAX	MEDICARE W/H	606.43
		5-03-502	PAYROLL TAX	MEDICARE W/H	494.13
		5-03-502	PAYROLL TAX	MEDICARE W/H	632.48
	MUNICIPAL EMERGENCY SERVICES	5-03-601	MATERIALS AND SUPPLI	FIRE	95,068.29
		5-03-651	OPERATING EXPENSES -	FIRE	117.86
		5-03-651	OPERATING EXPENSES -	FIRE	210.84
	BLACK HILLS ENERGY	5-03-620	UTILITIES	FIRE# 3058 0856 07	31.81

FUND: CITY GENERAL FUND

DEPARTMENT	VENDOR NAME	GL ACCOUNT	ACCOUNT DESCRIPTION	DESCRIPTION	AMOUNT
	MUNICIPAL HEALTH BENEFIT FUN	5-03-503	GROUP INSURANCE	FIRE	5,820.00
	NORTHSIDE SALES CO.	5-03-686	EQUIPMENT RENTAL	FIRE	746.16
	AT&T MOBILITY	5-03-610	TELEPHONE	FIRE	165.37
		5-03-686	EQUIPMENT RENTAL	FIRE ACCT# 287309559847	248.94
	PARMAN ENERGY GROUP	5-03-651	OPERATING EXPENSES -	FIRE	56.91
		5-03-651	OPERATING EXPENSES -	FIRE	221.63
		5-03-651	OPERATING EXPENSES -	FIRE	78.69
		5-03-651	OPERATING EXPENSES -	FIRE	275.26
	FAMILY CONCEPTS, LTD	5-03-510	TRAVEL & TRAINING EX	FIRE	143.17
	AMERICAN EXPRESS	5-03-601	MATERIALS AND SUPPLI	PETER HILL	12.08
		5-03-650	REPAIRS & MAINTENANC	PETER HILL	53.69
	NATIONAL FIRE SAFETY COUNCIL	5-03-515	SAFETY SUPPLIES	FIRE	261.28
				TOTAL:	172,816.36
PARKS & RECREATION DEP	CAPITAL ONE	5-04-601	MATERIALS AND SUPPLI	OPAR	1,088.14
	BUGMOBILE OF AR INC	5-04-619	BUILDING EXPENSE	INVOICE# 10912550	71.50
		5-04-619	BUILDING EXPENSE	INVOICE# 10913097	71.50
	KENNEMORE HOME	5-04-601	MATERIALS AND SUPPLI	OPAR	31.85
	LOWE'S BUSINESS ACCOUNT	5-04-601	MATERIALS AND SUPPLI	OPAR	42.74-
		5-04-601	MATERIALS AND SUPPLI	OPAR	108.48
	SPORTS HALL	5-04-725	ATHLETIC EQUIPMENT	OPAR	1,244.04
		5-04-725	ATHLETIC EQUIPMENT	OPAR	1,079.99
		5-04-725	ATHLETIC EQUIPMENT	OPAR	104.75
		5-04-725	ATHLETIC EQUIPMENT	OPAR	514.05
		5-04-725	ATHLETIC EQUIPMENT	OPAR	525.73
		5-04-725	ATHLETIC EQUIPMENT	OPAR	466.02
	LEGAL SHIELD	5-04-503	GROUP INSURANCE	OPAR	78.75
	LADD'S	5-04-650	REPAIRS & MAINTENANC	OPAR	446.68
	AMERICAN HERITAGE LIFE	5-04-503	GROUP INSURANCE	OPAR	181.00
	CITIZENS FIDELITY INS	5-04-503	GROUP INSURANCE	OPAR	104.08
	MICHAEL GODSEY	5-04-619	BUILDING EXPENSE	OPAR	117.70
		5-04-619	BUILDING EXPENSE	OPAR- LIGHTS	453.20
		5-04-619	BUILDING EXPENSE	OPAR	151.58
		5-04-619	BUILDING EXPENSE	OPAR	174.46
	RITTER COMMUNICATIONS	5-04-620	UTILITIES	OPAR	276.26
		5-04-620	UTILITIES	OPAR ACCT# 00210565-7	107.94
	METLIFE GROUP BENEFITS	5-04-503	GROUP INSURANCE	OPAR	73.38
		5-04-503	GROUP INSURANCE	OPAR	75.04
	O'REILLY AUTO STORES INC	5-04-650	REPAIRS & MAINTENANC	EPHLIN 1183321954	18.69
	DELTA DENTAL	5-04-503	GROUP INSURANCE	OPAR	293.24
	PNC EQUIPMENT FINANCE	5-04-895	CAPITAL LEASE PAYMEN	PNC EQUIPMENT FINANCE	1,365.73
	DELTA VISION	5-04-503	GROUP INSURANCE	OPAR	63.48
	SILENT SECURITY, INC.	5-04-619	BUILDING EXPENSE	OPAR	203.50
		5-04-619	BUILDING EXPENSE	OPAR	181.50
	EFTPS	5-04-502	PAYROLL TAX	FICA W/H	814.94
		5-04-502	PAYROLL TAX	FICA W/H	811.48
		5-04-502	PAYROLL TAX	FICA W/H	843.20
		5-04-502	PAYROLL TAX	MEDICARE W/H	190.59
		5-04-502	PAYROLL TAX	MEDICARE W/H	189.77
		5-04-502	PAYROLL TAX	MEDICARE W/H	197.19
	GREENPOINT Ag.LLC	5-04-601	MATERIALS AND SUPPLI	OPAR	462.00
	WEX FLEET UNIVERSAL	5-04-651	OPERATING EXPENSES -	OPAR	786.60
	MUNICIPAL HEALTH BENEFIT FUN	5-04-503	GROUP INSURANCE	OPAR	3,690.00
	OST, LLC.	5-04-648	IMMUNIZATIONS & PHYS	OPAR	32.00

## FUND: CITY GENERAL FUND

DEPARTMENT	VENDOR NAME	GL ACCOUNT	ACCOUNT DESCRIPTION	DESCRIPTION	AMOUNT
		5-04-648	IMMUNIZATIONS & PHYS	OPAR	32.00
	CINTAS UNIFORM CORP 206	5-04-619	BUILDING EXPENSE	OPAR: 15946848	1,096.80
	CORINTH COCA-COLA BOTTLING W	5-04-601	MATERIALS AND SUPPLI	OPAR	1,431.77
		5-04-601	MATERIALS AND SUPPLI	OPAR	998.91
		5-04-601	MATERIALS AND SUPPLI	OPAR	532.75
	ARAMARK	5-04-619	BUILDING EXPENSE	OPAR ACCT# 860068285	212.24
	AT&T MOBILITY	5-04-610	TELEPHONE	OPAR	165.37
	AMISH COUNTRY POPCORN INC.	5-04-601	MATERIALS AND SUPPLI	OPAR	259.65
	WELLS FARGO FINANCIAL LEASIN	5-04-895	CAPITAL LEASE PAYMEN	OPAR	1,113.20
	AMERICAN EXPRESS	5-04-601	MATERIALS AND SUPPLI	MICHAEL EPHLIN	1,984.93
			TOTAL:		25,474.91
MUNICIPAL COURT	DEPT OF FINANCE & ADMIN	5-05-421	JUDGE'S SALARY	MAY 23	2,443.75
	METLIFE GROUP BENEFITS	5-05-503	GROUP INSURANCE	COURT	41.70
		5-05-503	GROUP INSURANCE	COURT	24.38
	DELTA DENTAL	5-05-503	GROUP INSURANCE	COURT	44.81
	ARKANSAS DISTRICT AND CITY C	5-05-640	DUES, MBRSHPS & SUBS	DISTRICT COURT	75.00
		5-05-640	DUES, MBRSHPS & SUBS	DISTRICT COURT	75.00
	DELTA VISION	5-05-503	GROUP INSURANCE	COURT	8.88
	EFTPS	5-05-502	PAYROLL TAX	FICA W/H	253.76
		5-05-502	PAYROLL TAX	FICA W/H	252.81
		5-05-502	PAYROLL TAX	FICA W/H	252.81
		5-05-502	PAYROLL TAX	MEDICARE W/H	59.35
		5-05-502	PAYROLL TAX	MEDICARE W/H	59.13
		5-05-502	PAYROLL TAX	MEDICARE W/H	59.13
	MUNICIPAL HEALTH BENEFIT FUN	5-05-503	GROUP INSURANCE	COURT	382.50
	OSCEOLA DISTRICT COURT	5-05-899	MISCELLANEOUS	OSCEOLA DISTRICT COURT	4,620.00
	TERESA SMITH	5-05-510	TRAVEL & TRAINING EX	DISTRICT COURT	138.46
	SAVANNAH WINFORD	5-05-510	TRAVEL & TRAINING EX	DISTRICT COURT	235.37
			TOTAL:		9,026.84
JAIL DEPARTMENT	H & H BUSINESS MACHINES	5-11-601	MATERIALS AND SUPPLI	OPD	178.16
		5-11-601	MATERIALS AND SUPPLI	OPD	500.50
		5-11-601	MATERIALS AND SUPPLI	OPD	110.00
		5-11-601	MATERIALS AND SUPPLI	OPD	110.00
	CAPITAL ONE	5-11-601	MATERIALS AND SUPPLI	JAIL	102.33
	BUGMOBILE OF AR INC	5-11-655	JAIL MAINTENANCE FUN	JAIL	46.75
		5-11-655	JAIL MAINTENANCE FUN	JAIL	46.75
	ERVIN ENTERPRISE	5-11-601	MATERIALS AND SUPPLI	INVOICE# 1693	26.96
		5-11-601	MATERIALS AND SUPPLI	INV# 1809	26.96
	SYSCO MEMPHIS, LLC	5-11-601	MATERIALS AND SUPPLI	OPD	994.78
		5-11-601	MATERIALS AND SUPPLI	OPD	1,245.23
		5-11-601	MATERIALS AND SUPPLI	OPD	2,719.53
		5-11-655	JAIL MAINTENANCE FUN	OPD	366.05
		5-11-655	JAIL MAINTENANCE FUN	OPD	592.75
	LEGAL SHIELD	5-11-503	GROUP INSURANCE	JAIL	64.85
	METLIFE GROUP BENEFITS	5-11-503	GROUP INSURANCE	JAIL	92.13
		5-11-503	GROUP INSURANCE	JAIL	27.31
	DELTA DENTAL	5-11-503	GROUP INSURANCE	JAIL	131.65
	APF FBO TEMPS PLUS	5-11-455	TEMP SERVICE WAGES	JAIL	478.17
		5-11-455	TEMP SERVICE WAGES	JAIL	772.80
		5-11-455	TEMP SERVICE WAGES	JAIL	666.54
		5-11-455	TEMP SERVICE WAGES	JAIL	772.80
		5-11-455	TEMP SERVICE WAGES	JAIL	652.05

FUND: CITY GENERAL FUND

DEPARTMENT	VENDOR NAME	GL ACCOUNT	ACCOUNT DESCRIPTION	DESCRIPTION	AMOUNT
		5-11-455	TEMP SERVICE WAGES	JAIL	772.80
		5-11-455	TEMP SERVICE WAGES	JAIL	637.56
		5-11-455	TEMP SERVICE WAGES	JAIL	463.68
		5-11-455	TEMP SERVICE WAGES	JAIL	479.72
		5-11-455	TEMP SERVICE WAGES	JAIL	772.80
		5-11-455	TEMP SERVICE WAGES	JAIL	1,004.74
		5-11-455	TEMP SERVICE WAGES	JAIL	316.85
		5-11-455	TEMP SERVICE WAGES	JAIL	772.80
		5-11-455	TEMP SERVICE WAGES	JAIL	579.60
		5-11-455	TEMP SERVICE WAGES	JAIL	772.80
		5-11-455	TEMP SERVICE WAGES	JAIL	150.70
		5-11-455	TEMP SERVICE WAGES	JAIL	493.24
	ECOLAB	5-11-601	MATERIALS AND SUPPLI	OPD INV# 6338151865	165.00
		5-11-601	MATERIALS AND SUPPLI	OPD INV# 6338148918	120.16
	DELTA VISION	5-11-503	GROUP INSURANCE	JAIL	38.18
	PILL PEDDLER PHARMACY	5-11-655	JAIL MAINTENANCE FUN	OPD-STMT DATED 3/1/23	239.78
	EFTPS	5-11-502	PAYROLL TAX	FICA W/H	649.08
		5-11-502	PAYROLL TAX	FICA W/H	878.41
		5-11-502	PAYROLL TAX	FICA W/H	769.25
		5-11-502	PAYROLL TAX	MEDICARE W/H	151.81
		5-11-502	PAYROLL TAX	MEDICARE W/H	205.42
		5-11-502	PAYROLL TAX	MEDICARE W/H	179.92
	MUNICIPAL HEALTH BENEFIT FUN	5-11-503	GROUP INSURANCE	JAIL	2,677.50
	OST, LLC.	5-11-648	IMMUNIZATIONS & PHYS	JAIL	32.00
	HILAND DAIRY FOODS	5-11-601	MATERIALS AND SUPPLI	INVOICE# 5468418	125.14
		5-11-601	MATERIALS AND SUPPLI	INVOICE# 5468515	124.39
		5-11-601	MATERIALS AND SUPPLI	INVOICE# 5468616	124.39
		5-11-601	MATERIALS AND SUPPLI	INVOICE# 5468717	124.39
	MID-AMERICAN RESEARCH CHEMIC	5-11-655	JAIL MAINTENANCE FUN	ORDER# 5640921	1,190.48
	TURFMASTER LAWN CARE	5-11-619	BUILDING EXPENSE	OPD INV# 67858	135.96
	AMERICAN EXPRESS	5-11-601	MATERIALS AND SUPPLI	WILLIAM FOSTER	1,261.52
		5-11-601	MATERIALS AND SUPPLI	JOHN WELDON	387.09
				TOTAL:	27,522.21
CODE ENFORCEMENT	CAPITAL ONE	5-17-601	MATERIALS AND SUPPLI	CODE ENF	505.94
	JOHN DEERE FINANCIAL	5-17-650	REPAIRS & MAINTENANC	CODE ENF	15.19
		5-17-601	MATERIALS AND SUPPLI	CODE ENF	163.71
		5-17-601	MATERIALS AND SUPPLI	CODE ENF	6.57
	METLIFE GROUP BENEFITS	5-17-503	GROUP INSURANCE	CODE ENF	18.81
	DELTA DENTAL	5-17-503	GROUP INSURANCE	CODE ENF	134.43
	DELTA VISION	5-17-503	GROUP INSURANCE	CODE ENF	26.64
	EFTPS	5-17-502	PAYROLL TAX	FICA W/H	65.81
		5-17-502	PAYROLL TAX	FICA W/H	56.99
		5-17-502	PAYROLL TAX	MEDICARE W/H	49.64
		5-17-502	PAYROLL TAX	MEDICARE W/H	47.58
		5-17-502	PAYROLL TAX	MEDICARE W/H	34.25
	OSCEOLA PRINTING & OFFICE SU	5-17-601	MATERIALS AND SUPPLI	CODE ENF INV# 1703	77.00
	MUNICIPAL HEALTH BENEFIT FUN	5-17-503	GROUP INSURANCE	CODE ENF	1,612.50
	VERIZON NETWORK FLEET, INC.(	5-17-651	OPERATING EXPENSES-	CODE ENF	16.19
	PARMAN ENERGY GROUP	5-17-650	REPAIRS & MAINTENANC	CODE	85.36
		5-17-650	REPAIRS & MAINTENANC	CODE ENF	118.04
	BILL'S AUTO & TOWING, LLC	5-17-650	REPAIRS & MAINTENANC	COD ENEF	276.25
	AMERICAN EXPRESS	5-17-601	MATERIALS AND SUPPLI	CODY SHREVE	229.20
		5-17-601	MATERIALS AND SUPPLI	JANE STANFORD	50.86

FUND: CITY GENERAL FUND

DEPARTMENT	VENDOR NAME	GL ACCOUNT	ACCOUNT DESCRIPTION	DESCRIPTION	AMOUNT
		5-17-700	EQUIPMENT PURCHASES	JOHN WELDON	658.90
				TOTAL:	4,249.86
GOLF COURSE FUND	CAPITAL ONE	5-18-601	MATERIALS AND SUPPLI	GOLF	519.05
	BUGMOBILE OF AR INC	5-18-619	BUILDING EXPENSE	GOLF	158.40
	KENNEMORE HOME	5-18-601	MATERIALS AND SUPPLI	GOLF	55.06
		5-18-601	MATERIALS AND SUPPLI	GOLF	16.48
		5-18-601	MATERIALS AND SUPPLI	GOLF	211.57
	SMITH TIRE & AUTO INC	5-18-650	REPAIRS & MAINTENANC	GOLF	22.00
	LADD'S	5-18-650	REPAIRS & MAINTENANC	GOLF-CITY OF OSCE2	142.67
	MICHAEL GODSEY	5-18-651	OPERATING EXPENSES -	GOLF	162.58
	RITTER COMMUNICATIONS	5-18-620	UTILITIES	GOLF	233.77
	METLIFE GROUP BENEFITS	5-18-503	GROUP INSURANCE	GOLF	14.82
	DELTA DENTAL	5-18-503	GROUP INSURANCE	GOLF	21.71
	APF FBO TEMPS PLUS	5-18-455	TEMP SERVICE WAGES	GOLF	546.00
		5-18-455	TEMP SERVICE WAGES	GOLF	504.00
		5-18-455	TEMP SERVICE WAGES	GOLF	462.00
		5-18-455	TEMP SERVICE WAGES	GOLF	327.60
		5-18-455	TEMP SERVICE WAGES	GOLF	504.00
		5-18-455	TEMP SERVICE WAGES	GOLF	42.00
		5-18-455	TEMP SERVICE WAGES	GOLF	462.00
		5-18-455	TEMP SERVICE WAGES	GOLF	546.00
		5-18-455	TEMP SERVICE WAGES	GOLF	504.00
		5-18-455	TEMP SERVICE WAGES	GOLF	462.00
		5-18-455	TEMP SERVICE WAGES	GOLF	546.00
		5-18-455	TEMP SERVICE WAGES	GOLF	462.00
		5-18-455	TEMP SERVICE WAGES	GOLF	462.00
		5-18-455	TEMP SERVICE WAGES	GOLF	504.00
		5-18-455	TEMP SERVICE WAGES	GOLF	462.00
	DELTA VISION	5-18-503	GROUP INSURANCE	GOLF	5.86
	REGAL CHEMICAL CO	5-18-601	MATERIALS AND SUPPLI	GOLF	2,620.86
		5-18-601	MATERIALS AND SUPPLI	GOLF	7.58
		5-18-601	MATERIALS AND SUPPLI	GOLF	743.10
		5-18-601	MATERIALS AND SUPPLI	GOLF	75.00
	R&R PRODUCTS INC	5-18-651	OPERATING EXPENSES -	CD 2787281	484.22
		5-18-651	OPERATING EXPENSES -	CD 2787162	250.36
	TAYLOR MADE GOLF COMPANY	5-18-601	MATERIALS AND SUPPLI	GOLF	92.00
	SILENT SECURITY, INC.	5-18-619	BUILDING EXPENSE	GOLF # 59732	443.52
	BRIDGESTONE GOLF INC	5-18-601	MATERIALS AND SUPPLI	GOLF	57.92
		5-18-601	MATERIALS AND SUPPLI	INVOICE# 1003164683	57.92
		5-18-601	MATERIALS AND SUPPLI	INVOICE# 1003160085	57.92
	EFTPS	5-18-502	PAYROLL TAX	FICA W/H	135.90
		5-18-502	PAYROLL TAX	FICA W/H	135.90
		5-18-502	PAYROLL TAX	FICA W/H	135.90
		5-18-502	PAYROLL TAX	MEDICARE W/H	31.78
		5-18-502	PAYROLL TAX	MEDICARE W/H	31.78
		5-18-502	PAYROLL TAX	MEDICARE W/H	31.78
	GREENPOINT Ag.LLC	5-18-601	MATERIALS AND SUPPLI	GOLF	414.30
	ACUSHNET COMPANY	5-18-601	MATERIALS AND SUPPLI	GOLF	105.16
		5-18-601	MATERIALS AND SUPPLI	GOLF	190.00
		5-18-601	MATERIALS AND SUPPLI	GOLF	253.48
	MARMIC FIRE AND SAFETY CO.	5-18-619	BUILDING EXPENSE	GOLF	124.80
	SRIXON/ CLEVELAND GOLF /XXIO	5-18-601	MATERIALS AND SUPPLI	GOLF	1,620.00

FUND: CITY GENERAL FUND

DEPARTMENT	VENDOR NAME	GL ACCOUNT	ACCOUNT DESCRIPTION	DESCRIPTION	AMOUNT
	MUNICIPAL HEALTH BENEFIT FUN	5-18-503	GROUP INSURANCE	GOLF	382.50
	J. PACE GOLF	5-18-601	MATERIALS AND SUPPLI	GOLF	121.67
	AT&T MOBILITY	5-18-610	TELEPHONE	GOLF	165.37
	PARMAN ENERGY GROUP	5-18-651	OPERATING EXPENSES -	GOLF- INV# 0133203	2,042.18
	WELLS FARGO FINANCIAL LEASIN	5-18-895	CAPITAL LEASE PAYMEN	GOLF	1,716.49
		5-18-895	CAPITAL LEASE PAYMEN	GOLF	1,716.49
	AMERICAN EXPRESS	5-18-601	MATERIALS AND SUPPLI	CODY SHREVE	224.30
	STEVE BAILEY	5-18-619	BUILDING EXPENSE	GOLF	605.00
				TOTAL:	23,980.75
ANIMAL CONTROL FUND	CAPITAL ONE	5-19-601	MATERIALS AND SUPPLI	SHELTER	1,267.01
	BUGMOBILE OF AR INC	5-19-619	BUILDING EXPENSE	ANIMAL SHELTER	83.60
	KENNEMORE HOME	5-19-601	MATERIALS AND SUPPLI	SHELTER	194.37
		5-19-601	MATERIALS AND SUPPLI	SHELTER	194.37
		5-19-601	MATERIALS AND SUPPLI	SHELTER	54.76
		5-19-601	MATERIALS AND SUPPLI	SHELTER	29.67
		5-19-601	MATERIALS AND SUPPLI	SHELTER	194.37
	AMERICAN HERITAGE LIFE	5-19-503	GROUP INSURANCE	SHELTER	53.60
	RITTER COMMUNICATIONS	5-19-620	UTILITIES	SHELTER	133.89
	METLIFE GROUP BENEFITS	5-19-503	GROUP INSURANCE	SHELTER	8.73
	DELTA DENTAL	5-19-503	GROUP INSURANCE	SHELTER	21.71
	DELTA VISION	5-19-503	GROUP INSURANCE	SHELTER	5.86
	EFTPS	5-19-502	PAYROLL TAX	FICA W/H	163.67
		5-19-502	PAYROLL TAX	FICA W/H	168.79
		5-19-502	PAYROLL TAX	FICA W/H	165.72
		5-19-502	PAYROLL TAX	MEDICARE W/H	38.28
		5-19-502	PAYROLL TAX	MEDICARE W/H	39.47
		5-19-502	PAYROLL TAX	MEDICARE W/H	38.76
	WEX FLEET UNIVERSAL	5-19-651	OPERATING EXPENSES -	SHELTER	253.32
	MUNICIPAL HEALTH BENEFIT FUN	5-19-503	GROUP INSURANCE	SHELTER	382.50
	AT&T MOBILITY	5-19-610	TELEPHONE	SHELTER	165.37
	B.R. CATO DVM	5-19-611	VET BILLS	SHELTER	2,439.00
	BOB'S AUTO CENTER, LLC	5-19-650	REPAIRS & MAINTENANC	ANIMAL CONTROL INV# 5605	51.65
	CORNING CONSTRUCTION AND LA	5-19-619	BUILDING EXPENSE	SHELTER	225.00
		5-19-619	BUILDING EXPENSE	CORNING CONSTRUCTION AND	200.00
	AMERICAN EXPRESS	5-19-601	MATERIALS AND SUPPLI	JANE STANFORD	158.58
				TOTAL:	6,732.05

## FUND: STREET FUND

DEPARTMENT	VENDOR NAME	GL ACCOUNT	ACCOUNT DESCRIPTION	DESCRIPTION	AMOUNT
STREET DEPT	MISS CO COURTHOUSE	5-06-840	DUMPING-DISPOSAL	STREET	5,713.21
	CAPITAL ONE	5-06-601	MATERIALS AND SUPPLI	STREET	145.57
	KENNEMORE HOME	5-06-601	MATERIALS AND SUPPLI	STREET	570.81
	LEGAL SHIELD	5-06-503	GROUP INSURANCE	STREET	116.60
	AMERICAN HERITAGE LIFE	5-06-503	GROUP INSURANCE	STREET	95.68
	CITIZENS FIDELITY INS	5-06-503	GROUP INSURANCE	STREET	23.47
	JOHN DEERE FINANCIAL	5-06-601	MATERIALS AND SUPPLI	SAN	530.38
	METLIFE GROUP BENEFITS	5-06-503	GROUP INSURANCE	STREET	141.26
		5-06-503	GROUP INSURANCE	STREET	31.18
	O'REILLY AUTO STORES INC	5-06-650	REPAIRS & MAINTENANC	DENNIS 1183319645	43.98
		5-06-650	REPAIRS & MAINTENANC	DENNIS 1183320261	118.32
		5-06-650	REPAIRS & MAINTENANC	DENNIS 1183320313	17.68
		5-06-650	REPAIRS & MAINTENANC	DENNIS 1183320314	17.68-
		5-06-650	REPAIRS & MAINTENANC	DENNIS 1183321726	128.70
	DELTA DENTAL	5-06-503	GROUP INSURANCE	STREET	225.82
	APF FBO TEMPS PLUS	5-06-455	TEMP SERVICES WAGES	STREET	644.00
		5-06-455	TEMP SERVICES WAGES	STREET	756.00
		5-06-455	TEMP SERVICES WAGES	STREET	616.00
		5-06-455	TEMP SERVICES WAGES	STREET	644.00
		5-06-455	TEMP SERVICES WAGES	STREET	120.75
		5-06-455	TEMP SERVICES WAGES	STREET	756.00
		5-06-455	TEMP SERVICES WAGES	STREET	141.75
		5-06-455	TEMP SERVICES WAGES	STREET	508.20
		5-06-455	TEMP SERVICES WAGES	STREET	644.00
		5-06-455	TEMP SERVICES WAGES	STREET	756.00
		5-06-455	TEMP SERVICES WAGES	STREET	616.00
		5-06-455	TEMP SERVICES WAGES	STREET	644.00
		5-06-455	TEMP SERVICES WAGES	STREET	756.00
		5-06-455	TEMP SERVICES WAGES	STREET	644.00
		5-06-455	TEMP SERVICES WAGES	STREET	756.00
		5-06-455	TEMP SERVICES WAGES	STREET	616.00
	DELTA VISION	5-06-503	GROUP INSURANCE	STREET	54.70
	SILENT SECURITY, INC.	5-06-619	BUILDING EXPENSE	STREET	685.30
	EFTPS	5-06-502	PAYROLL TAX	FICA W/H	906.90
		5-06-502	PAYROLL TAX	FICA W/H	928.48
		5-06-502	PAYROLL TAX	FICA W/H	936.72
		5-06-502	PAYROLL TAX	MEDICARE W/H	212.10
		5-06-502	PAYROLL TAX	MEDICARE W/H	217.14
		5-06-502	PAYROLL TAX	MEDICARE W/H	219.07
	JOE HARRIS JR.,TRUCKING INC.	5-06-601	MATERIALS AND SUPPLI	STREET	770.00
	TRI STATE INDUSTRIAL SUPPLY	5-06-601	MATERIALS AND SUPPLI	STREET	110.47
	MUNICIPAL HEALTH BENEFIT FUN	5-06-503	GROUP INSURANCE	STREET	3,142.50
	CINTAS UNIFORM CORP 206	5-06-580	UNIFORM EXPENSE	STREET ACCT# 15946508	932.71
	RIGGS CAT	5-06-650	REPAIRS & MAINTENANC	STREET	1,204.93
		5-06-650	REPAIRS & MAINTENANC	STREET	51.41
	ARAMARK	5-06-515	SAFETY SUPPLIES	STREET & SANIT ACCT# 86006	142.72
	VERIZON NETWORK FLEET, INC.(	5-06-651	OPERATING EXPENSES -	STREET	161.90
	AT&T MOBILITY	5-06-610	TELEPHONE	STREET	165.37
	PARMAN ENERGY GROUP	5-06-650	REPAIRS & MAINTENANC	STREET	625.98
		5-06-650	REPAIRS & MAINTENANC	STREET	598.39
		5-06-650	REPAIRS & MAINTENANC	STREET	865.64
		5-06-650	REPAIRS & MAINTENANC	STREET	743.19
	NAPA AUTO PARTS	5-06-601	MATERIALS AND SUPPLI	STREET	306.56

FUND: STREET FUND

DEPARTMENT	VENDOR NAME	GL ACCOUNT	ACCOUNT DESCRIPTION	DESCRIPTION	AMOUNT
	BOOM COUNTRY TIRE	5-06-650	REPAIRS & MAINTENANC	INVOICE# 9640001582	677.76
		5-06-650	REPAIRS & MAINTENANC	INVOICE# 9640001602	604.60
		5-06-650	REPAIRS & MAINTENANC	INVOICE# 9640001648	123.20
		5-06-650	REPAIRS & MAINTENANC	INVOICE# 9640001668	537.37
		5-06-650	REPAIRS & MAINTENANC	INVOICE# 9640001678	74.80
	AMERICAN EXPRESS	5-06-640	DUES, MBRSHPS & SUBS	EDWARD RICHRDSON	102.50
		5-06-650	REPAIRS & MAINTENANC	EDWARD RICHRDSON	71.37
		5-06-601	MATERIALS AND SUPPLI	EDWARD RICHRDSON	215.61
	MELVIN HEATH	5-06-648	IMMUNIZATIONS & PHYS	MELVIN HEATH	75.00
	LEVI CAMBELL	5-06-515	SAFETY SUPPLIES	LEVI CAMPBELL	25.00
				TOTAL:	34,609.07

## FUND: SANITATION FUND

DEPARTMENT	VENDOR NAME	GL ACCOUNT	ACCOUNT DESCRIPTION	DESCRIPTION	AMOUNT
NON-DEPARTMENTAL	CADENCE EQUIPEMENT FINANCE	269	N/P BCS COMML ROLL-O	SAN	1,778.59
		263	N/P BCS COMML GARBAG	SAN	3,762.49
		267	N/P BCS KNUCKLEBOOM	SAN	1,766.00
				TOTAL:	7,307.08
SANITATION	MISS CO COURTHOUSE	5-07-840	DUMPING-DISPOSAL	SANITATION	17,400.80
	CAPITAL ONE	5-07-601	MATERIALS AND SUPPLI	SAN	119.35
	KENNEMORE HOME	5-07-601	MATERIALS AND SUPPLI	SAN	87.40
	NEXAIR LLC	5-07-601	MATERIALS AND SUPPLI	STREET # 0010909052	263.03
		5-07-601	MATERIALS AND SUPPLI	SANITATION # 0010896177	332.05
	LEGAL SHIELD	5-07-503	GROUP INSURANCE	SANITATION	51.80
	AMERICAN HERITAGE LIFE	5-07-503	GROUP INSURANCE	SANITATION	21.60
		5-07-503	GROUP INSURANCE	SANITATION	80.84
	RITTER COMMUNICATIONS	5-07-620	UTILITIES	SAN	280.12
	METLIFE GROUP BENEFITS	5-07-503	GROUP INSURANCE	SANITATION	80.73
	O'REILLY AUTO STORES INC	5-07-601	MATERIALS AND SUPPLI	BILLY 1183318918	26.73
		5-07-601	MATERIALS AND SUPPLI	LOUIS 1183320801	39.60
		5-07-601	MATERIALS AND SUPPLI	BILLY 1183321635	14.51
	DELTA DENTAL	5-07-503	GROUP INSURANCE	SANITATION	184.10
	APF FBO TEMPS PLUS	5-07-455	TEMP SERVICE WAGES	SANITATION	582.40
		5-07-455	TEMP SERVICE WAGES	SANITATION	616.00
		5-07-455	TEMP SERVICE WAGES	SANITATION	728.00
		5-07-455	TEMP SERVICE WAGES	SANITATION	492.80
		5-07-455	TEMP SERVICE WAGES	SANITATION	728.00
		5-07-455	TEMP SERVICE WAGES	SANITATION	308.00
		5-07-455	TEMP SERVICE WAGES	SANITATION	616.00
		5-07-455	TEMP SERVICE WAGES	SANITATION	728.00
		5-07-455	TEMP SERVICE WAGES	SANITATION	616.00
	DELTA VISION	5-07-503	GROUP INSURANCE	SANITATION	44.70
	EFTPS	5-07-502	PAYROLL TAX	FICA W/H	703.34
		5-07-502	PAYROLL TAX	FICA W/H	654.22
		5-07-502	PAYROLL TAX	FICA W/H	661.47
		5-07-502	PAYROLL TAX	MEDICARE W/H	164.49
		5-07-502	PAYROLL TAX	MEDICARE W/H	152.99
		5-07-502	PAYROLL TAX	MEDICARE W/H	154.70
	TRI STATE INDUSTRIAL SUPPLY	5-07-601	MATERIALS AND SUPPLI	SAN	75.63
	PRODUCTIVITY PLUS ACCOUNT	5-07-650	REPAIRS & MAINTENANC	SAN	252.25
	MUNICIPAL HEALTH BENEFIT FUN	5-07-503	GROUP INSURANCE	SANITATION	3,142.50
	CINTAS UNIFORM CORP 206	5-07-580	UNIFORM EXPENSE	SANITATION	386.02
		5-07-580	UNIFORM EXPENSE	BREAK ROOM	407.88
	VERIZON NETWORK FLEET, INC. (	5-07-651	OPERATING EXPENSES -	SAN	64.76
	AT&T MOBILITY	5-07-610	TELEPHONE	SAN	165.37
	PARMAN ENERGY GROUP	5-07-650	REPAIRS & MAINTENANC	SANITATION	113.81
		5-07-650	REPAIRS & MAINTENANC	SANITATION	953.00
		5-07-650	REPAIRS & MAINTENANC	SANITATION	157.39
		5-07-650	REPAIRS & MAINTENANC	SANITATION	1,183.60
	NAPA AUTO PARTS	5-07-601	MATERIALS AND SUPPLI	STREET	22.18
		5-07-601	MATERIALS AND SUPPLI	STREET	470.53
	CADENCE EQUIPEMENT FINANCE	5-07-886	INTEREST EXPENSE	SAN	285.49
		5-07-886	INTEREST EXPENSE	SAN	560.80
		5-07-886	INTEREST EXPENSE	SAN	405.67
		5-07-886	INTEREST EXPENSE	SAN	4,346.63
	AMERICAN EXPRESS	5-07-601	MATERIALS AND SUPPLI	EDWARD RICHARDSON	528.60
				TOTAL:	40,455.88

FUND:   SANITATION FUND

DEPARTMENT	VENDOR NAME	GL ACCOUNT	ACCOUNT DESCRIPTION   DESCRIPTION	AMOUNT
PEST CONTROL FUND	VECTOR DISEASE CONTROL	5-20-602	CHEMICALS AND SUPPLI MOSQUITO CONTROL PI-A00012	7,875.45
			TOTAL:	7,875.45

FUND:   FIREMEN'S PENSION FU

DEPARTMENT	VENDOR NAME	GL ACCOUNT	ACCOUNT DESCRIPTION	DESCRIPTION	AMOUNT
NON-DEPARTMENTAL	CITY GENERAL FUND	207	GROUP INSURANCE W/H	HEALTH INSURANCE FIRE PENS	19.40
		207	GROUP INSURANCE W/H	HEART STROKE FIRE PENSION	100.44
		207	GROUP INSURANCE W/H	LIFE INSURANCE-FIRE PENSIO	18.96
		207	GROUP INSURANCE W/H	DENTAL FIRE PENSION	164.18
		207	GROUP INSURANCE W/H	VISION FIRE PENSION	45.16
	EFTPS	202	FEDERAL W/H PAYABLE	FEDERAL W/H	1,492.00
				TOTAL:	1,840.14

```

===== FUND TOTALS =====
01  OSCEOLA LIGHT & POWER      1,685,335.35
02  CITY GENERAL FUND          1,179,890.42
03  STREET FUND                 34,609.07
04  SANITATION FUND             55,638.41
07  FIREMEN'S PENSION FUND      1,840.14
-----
                        GRAND TOTAL:      2,957,313.39
-----

```

TOTAL PAGES:    19

## SELECTION CRITERIA

-----  
SELECTION OPTIONS

VENDOR SET: 01-City of Osceola  
VENDOR: All  
CLASSIFICATION: All  
BANK CODE: All  
ITEM DATE: 5/01/2023 THRU 5/31/2023  
ITEM AMOUNT: 99,999,999.00CR THRU 99,999,999.00  
GL POST DATE: 5/01/2023 THRU 5/31/2023  
CHECK DATE: 0/00/0000 THRU 99/99/9999

-----  
PAYROLL SELECTION

PAYROLL EXPENSES: NO  
EXPENSE TYPE: N/A  
CHECK DATE: 0/00/0000 THRU 99/99/9999

-----  
PRINT OPTIONS

PRINT DATE: None  
SEQUENCE: By Department  
DESCRIPTION: Distribution  
GL ACCTS: YES  
REPORT TITLE: C O U N C I L R E P O R T  
SIGNATURE LINES: 0

-----  
PACKET OPTIONS

INCLUDE REFUNDS: YES  
INCLUDE OPEN ITEM:NO

-----

# **OSCEOLA POLICE DEPARTMENT**

Monthly Report for

**May-23**

**William Foster  
Chief of Police**

**OSCEOLA POLICE DEPARTMENT  
GENERAL FUND INCOME  
May-23**

<b><u>INCOME</u></b>	<b><u>May</u></b>	<b><u>Year to Date</u></b>
Automation Fund (paid to District Court)	\$ (3,227.04)	\$ (8,159.78)
Bail Bond Fees	\$ 160.00	\$1,060.00
Bonds Paid to OMC	\$ 13,500.00	\$114,030.00
Credit Card Fees	\$ -	\$45.00
Drug Fess (paid to District Court)	\$ -	
Fines & Cost pd to OMC	\$ 44,709.37	\$143,151.96
Freedom of Information	\$ -	\$0.00
Interest Earned	\$ 6.79	\$39.28
Miscellaneous	\$ 310.00	\$310.00
Postage	\$ -	\$0.00
Rebate	\$ -	\$76.04
Restitution to OPD	\$ -	\$0.00
SCC/Civil Services	\$ -	\$0.00
Unclaimed Restitution	\$ -	\$0.00
Yard Sales	\$ 70.00	\$105.00
 Sub-Total	 <u>\$55,529.12</u>	 <u>\$250,657.50</u>
 <b><u>DETENTION FACILITY INCOME:</u></b>		
Background Checks	\$ -	\$15.00
Fingerprints	\$ 45.00	\$165.00
Incident Reports	\$ 195.00	\$810.00
Jail Board	\$ 5,240.00	\$24,680.00
Misc/Comm balances unclaimed	\$ -	\$11.00
Vin Inspection	\$ 630.00	\$5,286.00
Work Release	\$ -	\$150.00
 Sub-Total	 <u>\$6,110.00</u>	 <u>\$31,117.00</u>
 Grand Total	 <u>\$61,639.12</u>	 <u>\$281,774.50</u>

**OSCEOLA POLICE DEPARTMENT**  
**BONDS & FINES ACCOUNT**  
**May**

Register Ending Balance	\$	20,416.00	
Bonds Payable	\$	20,416.00	
General	\$	9.58	
Bond Refund			
Checkbook Balance			<u>20,425.58</u>

# Bonds & Fines May 2023

Page 1

Bonds & Fines  
6/7/2023

## Reconciliation Summary

### BANK STATEMENT -- CLEARED TRANSACTIONS:

Previous Balance:			57,237.30
Checks and Payments	20	Items	-53,331.95
Deposits and Other Credits	35	Items	72,750.01
Service Charge	0	Items	0.00
Interest Earned	0	Items	0.00
Ending Balance of Bank Statement:			76,655.36

### YOUR RECORDS -- UNCLEARED TRANSACTIONS:

Cleared Balance:			76,655.36
Checks and Payments	72	Items	-8,317.94
Deposits and Other Credits	6	Items	12,245.32
Register Balance as of 6/7/2023:			80,582.74
Checks and Payments	0	Items	0.00
Deposits and Other Credits	0	Items	0.00
Register Ending Balance:			80,582.74

# Bonds & Fines May 2023

Page 2

Bonds & Fines  
6/7/2023

## Uncleared Transaction Detail up to 6/7/2023

Date	Num	Payee	Memo	Category	Clr	Amount
Uncleared Checks and Payments						
5/14/2010	3552	Ronald Simmons	08-3445 Scott Bateman	Restitution		-1.30
6/17/2010	3568	Fred's	91-320 Frank Bailey	Restitution		-35.10
6/30/2010	3580	Pafford Medical Services	10-1657 Bobby Sellars	Restitution		-150.00
7/16/2010	3592	Tuesday Morris	06-6090 Walter McFarland	Restitution		-5.00
7/16/2010	3593	Daniel Thomas	10-613 Jamar Woodson	Restitution		-20.00
12/16/2010	3679	Fred's	98-226 Marcia Williams ...	Restitution		-89.41
11/30/2011	3859	Fred's	96-6225 Tina Johnson	Restitution		-58.41
8/17/2012	4024	Olivia Crisp	12-600 Blake Wright	Restitution		-10.00
8/17/2012	4030	Carolyn Robinson	10-1188 Prince Robinson	Restitution		-5.00
10/19/2012	4058	Kedrick Bolton	09-591 Alisha Cody	Restitution		-20.00
10/30/2012	4073	Daniel Thomas	10-613 Jamar Woodson	Restitution		-1.94
12/14/2012	4095	Osceola Animal Hospital	10-4095 Marcus Lewis	Restitution		-83.45
2/15/2013	4120	Joann McCadney	11-3803 Tommy Davis	Restitution		-125.00
2/15/2013	4121	Osceola Animal Hospital	11-4540 Brian Thomas	Restitution		-85.00
4/19/2013	4150	Barbara Donn	07-2834 James Harper	Restitution		-100.00
5/16/2013	4164	Barbara Donn	07-2834 James Harper	Restitution		-53.70
10/17/2014	4414	Fred Riley	07-224 J, Long	Restitution		-50.00
7/16/2015	4568	Janelle Vornes	14-1080 D.Gilmore	Restitution		-5.00
10/26/2015	4632	Danny Seaton	NSB Overpayment Rec#...	Refund		-30.00
2/29/2016	4718	Kevin Beecham	06-5233 C. Ware	Restitution		-2.00
2/29/2016	4721	PJ's Food Mart	13-592 Bennie Cannon, ...	Restitution		-5.00
2/29/2016	4723	Ronald Simmons	08-3445 Scott Bateman	Restitution		-1.01
4/15/2016	4766	Wal-mart	15-517 A.Askew	Restitution		-80.00
11/30/2016	4895	Verna Henderson	10-1142 G.Rose	Restitution		-80.00
1/13/2017	4918	Thomas Pate	96-6238 C.Davis	Restitution		-60.00
2/17/2017	4933	Thomas Pate	96-6238 C.Davis	Restitution		-15.00
3/17/2017	4948	Thomas Pate	96-6238 C.Davis	Restitution		-70.00
5/26/2017	4986	Eloise McLaurin	12-747 C Cannon	Restitution		-40.00
7/18/2017	5008	Margaret Long	Over paid for Inc rpt	Misc		-20.00
2/28/2018	5079	Randy Nichols	15-1579 L.Wandicks	Restitution		-15.00
3/30/2018	5086	Christopher Martin	M.Johnson 13-2073	Restitution		-5.00
3/30/2018	5090	Randy Nichols	15-1579 L.Wandicks	Restitution		-15.00
5/31/2018	5111	Randy Nichols	15-1579 L.Wandicks	Restitution		-5.00
7/31/2018	5127	Mona Decamp	14-2203 Tina Ashley	Restitution		-25.00
8/30/2018	5141	Mona Decamp	14-2203 Tina Ashley	Restitution		-50.00
8/30/2018	5146	Randy Nichols	15-1579 L.Wandicks	Restitution		-10.00
9/28/2018	5153	Mona Decamp	14-2203 Tina Ashley	Restitution		-26.75
1/22/2020	5308	Thomas Kennedy	2018-4319	Bond Refund		-5.00
5/1/2020	Ach D...	Bank Fees	Stop Check #5342 Tere...	Bank Fees		-36.00
7/31/2020	5378	Jason Routledge	18-4160 L.Doss	Restitution		-20.00
8/31/2020	5386	Godsey's Exxon	terry baker 94-1721	Restitution		-8.60
8/31/2020	5388	Mcso	C. Rodgers 19-1858	Restitution		-10.00
9/30/2020	5399	Eloise McLaurin	12-747 C Cannon	Restitution		-20.00
9/30/2020	5400	Mcso	Seat belt fee	Restitution		-10.00
4/30/2021	5474	Shereka Lewis	21-794	Restitution		-25.00
5/27/2021	5486	Kevin Beecham	06-5233 C. Ware	Restitution		-150.00
6/30/2021	5498	Kevin Beecham	06-5233 C. Ware	Restitution		-80.00
9/30/2021	5543	Ronald Simmons	08-3445 Scott Bateman	Restitution		-500.00
12/1/2021	5569	Staci Collins	21-3005	Bond Refund		-25.00
3/22/2022	Ach D...	Bank Error	Deposit entered wrong w...	Misc		-0.03
5/4/2022	Cash	Appeal On Hold In Genera...	Brian Holthouse Vs. Matt...			-1,350.00
7/12/2022	5647	Christopher Adams		Bond Refund		-25.00
7/12/2022	5648	Fabian Rucker		Bond Refund		-20.00
7/29/2022	5651	Latasha Tonson	DFA Refund	Refund		-275.50
8/8/2022	5660	Ralph Mason	2022-1108	Bond Refund		-20.00
8/22/2022	5663	Willie Pugh	2022-1992	Bond Refund		-20.00
10/12/2022	Cash	Holding Dispute For Santo...				-173.00
10/14/2022	5688	Phillip Stokes	Partail Bond Refund	Bond Refund		-1,666.00
12/8/2022	5710	Rosemary James	14-3235 T. Lambert	Restitution		-25.99
2/6/2023	5721	Kevin Beecham	06-5233 C. Ware	Restitution		-40.00

# Bonds & Fines May 2023

Bonds & Fines  
6/7/2023

Page 3

## Uncleared Transaction Detail up to 6/7/2023

Date	Num	Payee	Memo	Category	Clr	Amount
2/9/2023	5726	Kareen Taylor	2023-0017	Bond Refund		-20.00
3/1/2023	5743	Tyrek Coleman	2022-3587	Bond Refund		-20.00
3/8/2023	5746	Debbie Woods	2022-2827	Bonds Refund		-255.00
4/4/2023	5765	Debbie Woods	Over Payment on fine	Reimbursement		-20.00
5/25/2023	5784	Osceola District Court	Automation Fund 04/5 to...			-1,431.31
5/25/2023	5787	Kenneth Camp	11-4142 L.Dixon	Restitution		-2.44
5/25/2023	5789	Wal-mart Restitution & Re...	Aaron Deramus 20-3683	Restitution		-90.00
5/31/2023	5793	Baraa Hajjeh	over payment on fine	Refund		-5.00
5/31/2023	5794	MCSO	Chasity Williams Fine P...	MCSO Bonds		-50.00
5/31/2023	5795	Tina Jones	over payment on fine	Refund		-50.00
5/31/2023	5796	MCSO	LaNasia Buchanan pd o...	MCSO Bonds		-215.00
5/31/2023	5797	Milton Miller	over payment on fines	Refund		-201.00
Total Uncleared Checks and Payments				72 Items		-8,317.94
Uncleared Deposits and Other Credits						
6/1/2023	DEP					3,014.32
6/1/2023	EFT					2,175.00
6/2/2023	DEP					1,080.00
6/2/2023	EFT					325.00
6/5/2023	EFT					1,966.00
6/6/2023	EFT					3,685.00
Total Uncleared Deposits and Other Credits				6 Items		12,245.32
Total Uncleared Transactions				78 Items		3,927.38



32/20

CITY OF OSCEOLA  
POLICE DEPT BONDS AND FINES  
PO BOX 443  
OSCEOLA AR 72370-0443

STATEMENT DATE  
05/31/23  
ACCOUNT NUMBER  
015-407-5

INFOLINE 1-888-797-7711

\*\*\*\*\* CHECKING ACCOUNT SUMMARY \*\*\*\*\*  
PREVIOUS BALANCE 57,237.30 AVERAGE BALANCE  
+ 34 CREDITS 72,740.43 75,214  
- 20 DEBITS 53,331.95 YTD INTEREST PAID  
- SERVICE CHARGES .00 42.02  
+ INTEREST PAID 9.58  
ENDING BALANCE 76,655.36

DAYS IN PERIOD

31

\*\*\*\*\* CHECKING ACCOUNT TRANSACTIONS \*\*\*\*\*  
DEPOSITS AND OTHER CREDITS

DATE.....	AMOUNT.	TRANSACTION DESCRIPTION	CHK NO/ATM CD
05/01	85.00	AIC_PORTAL 1200680589	
		OSCEOLA PD OTC 6338	CCD
05/02	189.00	RIVERSIDE PA9886 1465387319	
		CASH C&D	CCD
05/02	310.00	AIC_PORTAL 1200680589	
		OSCEOLA PD OTC 6340	CCD
05/02	3,879.25	DEPOSIT	
05/03	1,750.00	AIC_PORTAL 1200680589	
		OSCEOLA PD OTC 6342	CCD
05/04	330.00	AIC_PORTAL 1200680589	
		OSCEOLA PD OTC 6344	CCD
05/04	2,643.00	DEPOSIT	
05/05	1,385.00	AIC_PORTAL 1200680589	
		OSCEOLA PD OTC 6346	CCD
05/05	1,895.00	DEPOSIT	
05/08	1,110.00	AIC_PORTAL 1200680589	
		OSCEOLA PD OTC 6348	CCD
05/08	1,957.00	DEPOSIT	
05/09	2,538.13	AIC_PORTAL 1200680589	
		OSCEOLA PD OTC 6350	CCD
05/10	743.00	AIC_PORTAL 1200680589	
		OSCEOLA PD OTC 6352	CCD
05/10	2,395.00	DEPOSIT	
05/11	1,285.00	AIC_PORTAL 1200680589	
		OSCEOLA PD OTC 6354	CCD
05/12	3,435.00	DEPOSIT	



CITY OF OSCEOLA  
POLICE DEPT BONDS AND FINES  
PO BOX 443  
OSCEOLA AR 72370-0443

32/20  
PAGE 2

STATEMENT DATE  
05/31/23  
ACCOUNT NUMBER  
015-407-5

\* \* \* \* \* CHECKING ACCOUNT TRANSACTIONS \* \* \* \* \*

DEPOSITS AND OTHER CREDITS

DATE.....	AMOUNT.	TRANSACTION DESCRIPTION	CHK NO/ATM CD
05/15	1,440.00	AIC_PORTAL 1200680589	
		OSCEOLA PD OTC 6358	CCD
05/15	3,671.45	DEPOSIT	
05/17	2,130.00	AIC_PORTAL 1200680589	
		OSCEOLA PD OTC 6362	CCD
05/17	3,530.00	DEPOSIT	
05/18	960.00	AIC_PORTAL 1200680589	
		OSCEOLA PD OTC 6364	CCD
05/19	3,005.00	AIC_PORTAL 1200680589	
		OSCEOLA PD OTC 6366	CCD
05/19	3,608.00	DEPOSIT	
05/22	570.00	AIC_PORTAL 1200680589	
		OSCEOLA PD OTC 6368	CCD
05/23	50.00	AIC_PORTAL 1200680589	
		OSCEOLA PD OTC 6370	CCD
05/24	2,400.00	AIC_PORTAL 1200680589	
		OSCEOLA PD OTC 6372	CCD
05/24	8,525.00	DEPOSIT	
05/25	1,925.00	AIC_PORTAL 1200680589	
		OSCEOLA PD OTC 6374	CCD
05/26	440.00	AIC_PORTAL 1200680589	
		OSCEOLA PD OTC 6376	CCD
05/26	5,114.00	DEPOSIT	
05/30	835.00	AIC_PORTAL 1200680589	
		OSCEOLA PD OTC 6378	CCD
05/30	6,409.65	DEPOSIT	
05/31	1,947.95	AIC_PORTAL 1200680589	
		OSCEOLA PD OTC 6380	CCD
05/31	250.00	DEPOSIT	
05/31	9.58	IOD INTEREST PAID	

CHECKS

DATE..	CHECK NO.....	AMOUNT	DATE..	CHECK NO.....	AMOUNT
05/10	5671*	1,356.10	05/10	5774*	2,156.69
05/10	5685*	919.46	05/04	5779*	200.00
05/10	5698*	1,209.68	05/04	5780	345.00
05/10	5707*	1,231.40	05/04	5781	215.00
05/10	5717*	1,064.46	05/05	5782	5.00
05/10	5738*	623.62	05/25	5783	38,816.38
05/10	5751*	734.13	05/31	5785*	165.00
05/03	5756*	200.00	05/25	5786	1,670.03



CITY OF OSCEOLA  
POLICE DEPT BONDS AND FINES  
PO BOX 443  
OSCEOLA AR 72370-0443

32/20  
PAGE 3

STATEMENT DATE  
05/31/23  
ACCOUNT NUMBER  
015-407-5

CHECKS

DATE..	CHECK NO.....	AMOUNT	DATE..	CHECK NO.....	AMOUNT
05/31	5788*	40.00	05/26	5791	1,015.00
05/25	5790*	10.00	05/30	5792	1,355.00
***** DAILY BALANCE SUMMARY *****					
DATE.....BALANCE		DATE.....BALANCE		DATE.....BALANCE	
04/30	57237.30	05/10	68186.14	05/22	91820.59
05/01	57322.30	05/11	69471.14	05/23	91870.59
05/02	61700.55	05/12	72906.14	05/24	102795.59
05/03	63250.55	05/15	78017.59	05/25	64224.18
05/04	65463.55	05/17	83677.59	05/26	68763.18
05/05	68738.55	05/18	84637.59	05/30	74652.83
05/08	71805.55	05/19	91250.59	05/31	76655.36
05/09	74343.68				

\*\*\*\*\* INTEREST RATE SUMMARY \*\*\*\*\*  
EFF-DATE RATE EFF-DATE RATE

09-26-22 0.00150000

	Citation	Warning	Warrant	Total
BATTERY - 3RD DEGREE	0	0	1	1
CARELESS AND PROHIBITED DRIVING	1	0	0	1
CITY OF OSCEOLA - INATTENTIVE DRIVING	27	2	0	29
CONTEMPT OF COURT FOR FAILURE TO PAY FINES (FTP)	0	0	26	26
DEFECTIVE TIRES	0	1	0	1
DISORDERLY CONDUCT	0	0	5	5
DRIVING LEFT OF CENTER	4	1	0	5
DRIVING ON SUSPENDED LICENSE	25	0	0	25
DRIVING VEHICLE IMPROPER WINDOW TINTING	1	0	0	1
DRIVING VEHICLE WITHOUT TAGS	2	0	0	2
DRIVING WHILE INTOXICATED - DWI 1ST	2	0	2	4
ENGAGE IN CONTACT W/CRIM GANG	0	0	4	4
FAIL TO APPEAR ON CLASS A MISDEMEANOR (FTA)	0	0	2	2
FAIL TO APPEAR ON CLASS C MISDEMEANOR (FTA)	0	0	6	6
FAIL TO APPEAR ON UNCLASSIFIED MISDEMEANOR (FTA)	0	0	3	3
FAIL TO APPEAR ON VIOLATION (FTA)	0	0	3	3
FAIL TO OBEY STOP SIGN	18	12	2	32
FAIL TO OBEY TRAFFIC CONTROL DEVICE	0	1	0	1
FAIL TO PRESENT PROOF OF INSURANCE (NO PROOF)	8	1	0	9
FAIL TO STOP AT RED LIGHT	1	0	0	1
FAIL TO TRANSFER TO AR DRIVERS LICENSE	0	1	0	1
FAIL TO YIELD AT INTERSECTION	0	1	0	1
FAIL TO YIELD RIGHT OF WAY	1	0	0	1
FICTITIOUS LICENSE STICKER	1	0	0	1
FICTITIOUS TAGS	4	0	2	6
FLEEING - ON FOOT	0	0	1	1
FOLLOWING TOO CLOSELY	0	1	0	1
IMPROPER DISPLAY OF LICENSE TAGS	3	5	0	8
IMPROPER LANE CHANGE/USAGE	0	1	0	1
IMPROPER TURN SIGNAL	1	3	0	4
INATTENTIVE DRIVING	7	1	0	8
NO CHILD PASSENGER RESTRAINT	4	0	0	4
NO DRIVER LICENSE OR LICENSE EXPIRED	35	3	0	38
NO LIABILITY INSURANCE	16	0	2	18
NO LIABILITY INSURANCE 2ND	1	0	0	1
NO SEATBELT	51	4	0	55
OPEN CONTAINER CONTAINING ALCOHOL IN MOTOR VEHICLE	2	0	0	2
OWNER FAIL TO REGISTER VEHICLE - EXPIRED TAGS	26	8	0	34
OWNER FAIL TO REGISTER VEHICLE 2ND - EXPIRED TAGS	2	0	0	2
PARKED IN FIRE LANE	0	1	0	1
PARKING IMPROPER	0	1	0	1
POSSESS/CONSUME CONTROLLED SUBSTANCE OR INTOXICATING LIQUOR IN CMV	0	0	1	1
POSSESSION OF A CONTROLLED SUBSTANCE SCHEDULE IV OR SCHEDULE V, <28 GRAMS (CLASS A MISDEMEANOR)	0	0	1	1
PUBLIC INTOXICATION	0	0	2	2
RECKLESS DRIVING - 1ST	3	0	0	3
SIGNALS FOR TURNING, STOPPING, OR DECREASING SPEED REQUIRED	0	1	0	1
SPEEDING - 1 TO 15 MPH OVER LIMIT	11	9	0	20
SPEEDING - MORE THAN 15 MPH OVER LIMIT	12	0	0	12
THEFT OF PROPERTY <= \$1,000	0	0	1	1
UNLAWFUL USE OF RED OR AMBER ROTATING OR FLASHING LIGHT ON VEHICLE	1	0	0	1
UNSAFE VEHICLE -- DEFECTIVE EQUIPMENT	2	6	0	8
VEH LIGHTS - DEFECTIVE/IMPROPER HEAD LAMPS	0	17	0	17
VEH LIGHTS - DEFECTIVE/IMPROPER TAIL LAMPS AND REFLECTORS	3	27	0	30
VEH LIGHTS - LAMPS ON BICYCLE	0	1	0	1
VEH LIGHTS - NO LIGHTS AT NIGHT	4	1	0	5
VEH LIGHTS - NO LIGHTS WITH WINDSHIELD WIPERS IN USE	1	0	0	1
VEH LIGHTS - USE OF MULTIPLE-BEAM ROAD LIGHTING EQUIPMENT - HIGH BEAM	2	2	0	4
<b>Totals</b>	<b>282</b>	<b>112</b>	<b>64</b>	<b>458</b>
<b>Averages</b>	<b>4.95</b>	<b>1.96</b>	<b>1.12</b>	<b>8.04</b>

# OSCEOLA FIRE DEPARTMENT MONTHLY FIRE REPORT 2023

**The Osceola Fire Department responded to (29) alarms in the month of May  
The runs are as follows:**

	<b>MONTH</b>	<b>YTD</b>
Structure Fire	1	5
Vehicle Fires	0	4
Brush/Grass Fires	2	7
Trash Fires	3	11
Lift Assist/Medical Assist	4	27
Electrical Equipment	1	7
MVA assist	2	5
Mutual Aid	2	4
Rescue/Extrication	3	4
Smoke Scare	1	4
Spill/Leaks	0	7
Flammable Gas	0	0
Alarm Malfunction	2	17
Fire Alarm	1	5
Unintentional False Alarm	6	39
Confined Space Standby	0	20
Good Intent Call	1	12
<b>TOTALS</b>	<b>29</b>	<b>178</b>

Total dollar loss estimated from Structure Fires in month of May  
\$2,500.00

Script cost in class time	\$44.00
Script cost in alarms	\$20.00
Total Script Cost	\$64.00
Injuries	0
Deaths	0

Respectfully submitted,

Peter Hill Chief  
Osceola Fire Dept.

# **Osceola Parks & Recreation**

## **Dickie Kennemore Community Center**

**Director: Michael Ephlin**

### **June 2023 Report**

- **Community Center**
- **Tip Tap Toes Dance Class**
- **Roof Repairs & Sr. Citizens Building**
- **OPAR Youth Girl's Volleyball**
- **Master Plan: Water Park**

#### **Community Center**

We are still seeing growth at our community center. Many people are getting back into the routine of working out. It's good to see new members along with our regular crowd. The Arkansas State Police gives the Arkansas Driver's test on Thursday's and always has great participation. We did some electrical upgrades to the outlets and the small gym. We will hold our OPAR Youth Girl's Volleyball Camp on June 13<sup>th</sup> & 14<sup>th</sup> here at the center. Taylor Starkey will run the camp. We look forward to having this camp. We will also hold the Osceola Girl's Basketball Team Camp here at our center on June 20<sup>th</sup> - 23<sup>rd</sup>. A lot is going on at our great center, we are blessed to have this great facility!!!

#### **OPAR's Tip Tap toes Dance Class**

OPAR's Tip Tap Toes Dance Class held their end of the year recital on Saturday June 3<sup>rd</sup> at the Osceola High School Auditorium. It was standing room only and everything went great! Thank you to Robin Chandler for taking her time to teach dance to the kids of our community! She does an awesome job, and the kids are the reason she does it.

### **Roof Repairs & Senior Building**

The OPAR Sports Complex Concession Stand, dugouts, Rosenwald Building and Sr. Citizen's Center have all received new roofs. These are shingle roofs. These were replaced due to the hail damage claims with insurance. One of our two shop buildings has had the new metal roof replaced. We still have one shop building remaining. The roofers finished the community center about a week ago with no trouble.

### **OPAR Youth Girls Volleyball**

OPAR is currently signing up for our Youth Girl's Volleyball League. Registrations will end on Friday June 16<sup>th</sup>. We look forward to having a great season.

### **Master Plan: Water Park**

I would like to take this time to ask each and every one of you to start brainstorming ways that we can revisit our master plan: water park idea. I feel that we are missing the boat with this idea and I feel that it would be very beneficial to our city and would really boost our quality of life. As you know we tried to pass a 1 cent sales tax last year to fund the project and it was defeated. As you know our sales tax has doubled and really almost tripled since the workers are here building the industry that has located here. I feel that we are missing the boat on this idea and I feel that it is still not too late to do something about it. I challenge you to come up with ideas so we can revisit this project in the very near future. This would be just another improvement to our great city and another quality of life amenity that would benefit all of the great citizens of our awesome community!!!!

**“Great Things Are Happening At Osceola Parks And Recreation, Come Out And Be A Part”.**

Golf Report  
June City Council Meeting 2023

Our golf course is continuing to take shape and fill in all around the course. We are staying busy trying to stay caught up with our weekly mowing duties. Our bunkers are improved and looking good. We have more weeds around the course than we like and we will be spraying this upcoming week and follow up with an additional application in two weeks. We will be verticutting all greens in the next month as time allows.

Ladds still has one of our rental carts as they are waiting on a wiring harness to come in before work can be completed. All other carts are operational as of now.

The 19th annual Osceola Fire Department tournament was completed and was fantastic. We had a couple of industry teams not able to fulfill their commitments but still managed to have 39 of 42 available teams filled. The tournament ran smooth and was highly competitive. Thank you to all the firemen who along with our staff for their hard work in making this tournament a great success. As always if you have any questions please feel free to call or stop by and see me.

Thank you.

Dylan Bowles  
870-549-0189

2023 April  
**Osceola Light & Power Report**

Preformed line maintenance through out the system this also included cutting trees.  
Preformed meter reading.  
Preformed Disconnects for non payment.  
Programmed new water meters that was put in service.  
Installed Primary at New River Back Estates Subdivision ( 2 Padmount Transformers and 1 Junctionbox)  
Replaced Primary Underground on ROHM's main feed (540' - 4/0 AWG UG PRIMARY)

**Electric Work Orders**

Poles Installed	7
Poles Removed	2
Transformers Installed	2
Transformers Replaced	2
Services Installed	21
Services Removed	3
Service Repaired	26
Street Lights Installed	8
Street Lights Removed	1
Street Lights Repaired	34
Line Locates	82

**Meter Service Orders**

Connects	80
Disconnects	35
Meter Changes	8
Occupant Change	31
Reinstate	120
Service Changes	9
Misc.	3
Meter Info.	0
Re-Reads	19
<u>Check for Leaks</u>	<u>19</u>

<b>Total Meter Service Orders</b>	<b>324</b>
-----------------------------------	------------

**OSCEOLA WATER & SEWER  
MONTHLY REPORT  
May, 2023**

Water Taps	3
Water Leaks	26
Fire Hydrants Repaired/Replaced	0
First Time Water Meters	6
Water Meters Replaced	14
Water Lines Installed	1
Pumps Repaired	2
Sewer Taps	1
Manholes Repaired	0
Sewer Lines Repaired	2
Sewers Unstopped	23
Sewer Lines Installed	

Tim Jones, Superintendent  
Water & Wastewater Distribution

# **ANIMAL CONTROL REPORT**

**MAY 2023**

**MONTH**

**YTD**

**DOG 6 56**

**CATS 5 21**

**OTHER 0 1**

**TOTAL 11 76**

**COMPLAINTS 12 110**

**CITATIONS 0 4**

**VERBAL WARNINGS 1 15**

**WRITTEN WARNINGS 2 14**

**DOG/CAT BITES 0 4**

**SUBMITTED BY PAULA EDWARDS WITH OSCEOLA ANIMAL SHELTER**

# **CODE ENFORCEMENT, BUILDING INSPECTION, and HOUSING REPORT**

**Cody Shreve**

**6/19/2023**

## **Report: Code Enforcement & Building Inspection**

### **Code Enforcement**

Code Enforcement field team is continuing to clear city owned easements, ditches, and city owned properties.

We continue to monitor garbage being put out to early and on the wrong day. Warnings and fines will be issued to people putting garbage out to early and on the wrong days.

Code Enforcement department reported (27) code issues and violations.

Code Enforcement continues to develop the condemn/urgent action property list.

### **Building Inspection**

Building Inspection and permit department have a total of six new permits issued. We have issued (4) electrical permits, (2) privilege license permits, (2) residential permits, (1) commercial permits, (1) sign permit, (0) HVAC permit, (4) Plumbing Permit

**Codes and Inspection information is located on the iWorQ system or city website OsceolaArkansas.com.**

### **New Development**

- Three possible Hotels – 1 hotel has been approved
- Various retail
- River Back Estates – Housing 25 permits approved
- Various Industry

## **Osceola Street & Sanitation Department May Report for 2023**

**City Council Meeting:** 6-19-23

**From:** Ed Richardson

**Subject:** Daily Operations

### **March Updates**

#### **Street & Sanitation Department Update**

The sanitation department is continuing to run smoothly. For the month of May there was a few issues we had to address. I will point out those issues further into this report. Refuse trucks 29, and 31 didn't experience any mechanical downtime during the month of May. Our commercial front-end loader is running well without any major complaints. We did pick up some new commercial customers, and some existing customers increased their pickup route. Transfer Station is complying with solid waste regulations and staying clean. We received an inspection from ADEQ at the transfer station. ADEQ inspector stated everything looks great.

The street department is well into the grass season. It's the departments policy to ensure our streets are kept clean and looking good daily. The two leaf vac machines have been greased up and serviced. A full-time employee will be placed on the chip machine during our spring and summer months. Truck 88 which is our dump truck has been modified to handle all chipping. Daily maintenance checks are being done each day.

Street department has started cutting ditches, interstate, airport and big lots throughout the city. The main Kubota tractor went down with two major and costly mechanical breakdowns in the Def system. Right now, our operator is using the old tractor, until the new one is fixed. We're still doing pothole repairs and if you have pothole issues in your ward, please notify me and we'll get them repaired.

The street department has purchased the forestry mulcher. The forestry mulcher is here and the operator getting familiar with the operating components. We should be ready to demonstrate around the middle of June what this machine can do and its primary purpose.

#### **Mosquito & Bird Control**

There were no complaints for the month of May. We will continue to monitor everything and stay in contact Vector on spraying and areas where traps are being set.

**Thank You,**

**Ed Richardson**

**Osceola Street, Sanitation, MRF & Mosquito Control Departments**

### **TERMINATION AND RELEASE OF EASEMENTS**

This **TERMINATION AND RELEASE OF EASEMENTS** (this “**Termination**”) is made as of this \_\_\_\_ day of \_\_\_\_\_, 2023 by the **CITY OF OSCEOLA, ARKANSAS**, a municipal corporation of the State of Arkansas (the “**City**”).

### **BACKGROUND**

**A.** The City, or its predecessors-in-interest, as the case may be, and the grantors set forth on **Exhibit A**, attached hereto and incorporated herein by reference, entered into those respective easement agreements recorded in the land records of the Osceola District of Mississippi County, Arkansas and referenced on **Exhibit A** (each an “**Easement**” and, collectively, the “**Easements**”) for purposes of granting to the City certain rights relating to certain real property owned by such grantors, as are more fully-described in the Easements referenced on **Exhibit A**;

**B.** The City has determined that the Easements are no longer necessary and the City has approved the release of the Easements pursuant to that certain Ordinance No. \_\_\_\_\_, passed on June 19, 2023; and

**C.** The City desires to hereby terminate the Easements in their entirety and hereby instructs the Recorder for the Osceola District of Mississippi County, Arkansas to release the Easements from the land records.

### **RELEASE AND TERMINATION OF EASEMENTS**

**NOW, THEREFORE**, for good and valuable consideration received, the City hereby releases all its rights, title and interest in and to the Easements and all restrictions, conditions and obligations set forth therein, and declares the Easements terminated, extinguished and of no further force or effect.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the City has caused this Termination to be executed as of the date and year first above written.

**CITY OF OSCEOLA, ARKANSAS,**  
a municipal corporation of the State of Arkansas

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF ARKANSAS     )  
  ) SS:  
COUNTY OF MISSISSIPPI )

On this day, before me, the undersigned, a Notary Public duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named \_\_\_\_\_, to me personally well known, who stated the \_\_\_\_\_ was the \_\_\_\_\_ of the **CITY OF OSCEOLA, ARKANSAS**, a municipal corporation of the State of Arkansas, and was duly authorized in that capacity to execute the foregoing instruments for and in the name and behalf of said corporation, and further stated and acknowledged that \_\_\_\_\_ had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Notary Public

My commission expires:

\_\_\_\_\_  
(SEAL)

This instrument prepared by:  
Robert L. McEvoy, Esq.  
Baker & Hostetler LLP  
127 Public Square, Suite 2000  
Cleveland, Ohio 44114

## **EXHIBIT A**

### **Easements**

1. Easement dated October 17, 1952 by R.C. and Willie Bryan to City of Osceola, filed October 27, 1952 in Book 98, Page 599 of the Osceola District of Mississippi County, Arkansas land records.
2. Easement dated June 30, 1951, by Jettie and Virginia Driver, his wife, to Osceola Chamber of Commerce, filed July 17, 1951 in Book 98, Page 51 of the Osceola District of Mississippi County, Arkansas land records, as assigned to the Crompton Company, a Delaware corporation, on July 18, 1951 in Book 98, Page 59 of the Osceola District of Mississippi County, Arkansas land records.
3. Easement dated July 17, 1951 by R.C. and Willie Bryan, to Osceola Chamber of Commerce, filed July 17, 1951 in Book 98, Page 54 of the Osceola District of Mississippi County, Arkansas land records, as assigned to Crompton Company, a Delaware corporation, on July 18, 1951 in Book 98, Page 59 of the Osceola District of Mississippi County, Arkansas land records.

## BOND PURCHASE AGREEMENT

\_\_\_\_\_, 2023

City of Osceola, Arkansas  
303 W. Hale  
Osceola, Arkansas 72370

[ \$ \_\_\_\_\_ ]  
**CITY OF OSCEOLA, ARKANSAS**  
**UTILITY REVENUE REFUNDING AND IMPROVEMENT BONDS**  
**Consisting of:**

[ \$ \_\_\_\_\_ ]  
**Series 2023A**

[ \$ \_\_\_\_\_ ]  
**Taxable Series 2023B**

Ladies and Gentlemen:

On the basis of the representations, warranties and covenants contained in this Bond Purchase Agreement, and upon the terms and conditions contained herein, the undersigned, Crews & Associates, Inc., or its successor in interest, (the “**Underwriter**”), hereby offers to enter into this Bond Purchase Agreement (this “**Purchase Agreement**”) with the City of Osceola, Arkansas (the “**City**”) which, upon your acceptance of this offer, will be binding upon you and upon the Underwriter. Terms not otherwise defined herein shall have the same meanings as set forth in the Indenture described below.

This offer is made subject to your mutual acceptance of this Purchase Agreement on or before noon on \_\_\_\_\_, 2023.

1. Upon the terms and conditions and in reliance upon the respective representations, warranties and covenants herein, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to sell to the Underwriter, all (but not less than all) of its [ \$ \_\_\_\_\_ ] aggregate principal amount of Utility Revenue Refunding and Improvement Bonds consisting of [ \$ \_\_\_\_\_ ] Series 2023A (the “**Series 2023A Bonds**”) and [ \$ \_\_\_\_\_ ] Taxable Series 2023B Bonds (the “**Series 2023B Bonds**”, and collectively with the Series 2023A Bonds, the “**Bonds**”).

The purchase price (the “**Purchase Price**”) of the Series 2023A Bonds shall be \$ \_\_\_\_\_ (equal to the par amount of the Series 2023A Bonds less/plus a [net] original issue discount/premium of \$ \_\_\_\_\_ less Underwriter’s discount of \$ \_\_\_\_\_). The Purchase Price of the Series 2023B Bonds shall be \$ \_\_\_\_\_ (equal to the par amount of the Series 2023B Bonds less/plus a [net] original issue discount/premium of \$ \_\_\_\_\_ less Underwriter’s discount of \$ \_\_\_\_\_).

The Bonds shall be issued by the City pursuant to the provisions of the Constitution and laws of the State of Arkansas (the “**State**”).

The Bonds will be issued pursuant to the provisions of the Constitution and laws of the State of Arkansas, including particularly Amendment No. 65 to the Constitution of the State and Title 14, Chapter 234, Subchapter 2, Title 14, Chapter 235, Subchapter 2, Title 14, Chapter 203, subchapter 12, and Title 14, Chapter 164, Subchapter 4 of the Arkansas Code of 1987 Annotated (collectively, the “**Act**”). The Bonds shall be issued and secured under and pursuant to Ordinance No. 2023-\_\_\_\_ of the City adopted on June 19, 2023 (the “**Ordinance**”) and the Trust Indenture dated as of the Closing Date (the “**Indenture**”) by and between the City and \_\_\_\_\_, \_\_\_\_\_, Arkansas, as trustee (the “**Trustee**”). The Trustee will serve as paying agent and registrar with respect to the Bonds. The Bonds shall have the maturities and interest rates as set forth in Exhibit A hereto. The Bonds shall be subject to redemption as set forth in the Indenture and the Official Statement. The Bonds are not general obligations of the City, but are special obligations payable solely from the net revenues (the “**Revenues**”) derived from the operation of the City’s combined water, sewer and electric system (the “**System**”).

The proceeds of the Bonds are being used to finance the costs of constructing certain improvements to the System, and paying costs incidental to the issuance of the Bonds, including but not limited to a bond insurance policy and a debt service reserve insurance policy, and paying expenses of issuing the Bonds.

The City will undertake, pursuant to a Continuing Disclosure Agreement to be dated as of the date of delivery of the Bonds (the “**Continuing Disclosure Agreement**”), to provide certain annual financial and operating information and to provide notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement hereinafter described and will also be set forth in the final Official Statement.

2. The Underwriter agrees to make a bona fide public offering of all of the Bonds at the offering prices set forth on the inside front cover of the final Official Statement described below.

3. (a) The City agrees to deliver to the Underwriter, at such addresses as the Underwriter shall specify, as many copies of the final Official Statement, relating to the Bonds as the Underwriter shall reasonably request as necessary to comply with paragraph (b)(4) of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “**Rule**”) and with Rule G-32 and all other applicable rules of the Municipal Securities Rulemaking Board. The City agrees to deliver such final Official Statement within seven business days after the execution hereof.

(b) The City hereby authorizes and approves the Preliminary Official Statement dated \_\_\_\_\_, 2023, and the final Official Statement (the final Official Statement, the Preliminary Official Statement and any amendments or supplements that may be authorized for use with respect to the Bonds are herein referred to collectively as the “**Official Statement**”), consents to their distribution and use by the Underwriter and authorizes the execution of the final Official Statement by a duly authorized officer of the City. As of its date, the Preliminary Official Statement is “deemed final” by the City for purposes of paragraph (b)(1) of the Rule.

(c) The Underwriter shall give notice to the City on the date after which no participating underwriter, as such term is defined in the Rule, remains obligated to deliver final Official Statements pursuant to paragraph (b)(4) of the Rule.

4. The City represents and warrants to the Underwriter that:

(a) The City is a political subdivision and city of the first class duly organized and existing under the Constitution and laws of the State.

(b) The City has the full legal right, power and authority (i) to adopt the Ordinance authorizing the issuance of the Bonds, (ii) to enter into the Indenture, (iii) to enter into this Purchase Agreement, (iv) to execute the Continuing Disclosure Agreement and the Indenture (collectively, the “**Issuer Documents**”), (v) to issue, sell and deliver the Bonds to the Underwriter as provided herein, and (vi) to carry out and consummate all other transactions contemplated by each of the aforesaid documents, and the City has complied with all provisions of applicable law, including the Act, in all matters relating to such transactions.

(c) The City has, or prior to the Closing Date shall have, duly authorized (i) the execution and delivery of the Bonds and the execution, delivery and due performance of this Purchase Agreement and the Issuer Documents, (ii) the distribution and use of the Preliminary Official Statement and execution, delivery and distribution of the final Official Statement, and (iii) the taking of any and all such actions as may be required on the part of the City to carry out, give effect to and consummate the transactions contemplated by such instruments. All consents or approvals necessary to be obtained by the City in connection with the foregoing have been received, and the consents or approvals so received are still in full force and effect.

(d) The Ordinance has been duly adopted by the City, shall be in full force and effect and shall constitute the legal, valid and binding act of the City; and the Indenture, this Purchase Agreement and the Issuer Documents, when executed and delivered, will constitute legal, valid and binding obligations of the City, and the Purchase Agreement and the Issuer Documents are enforceable against the City in accordance with their respective terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors’ rights generally.

(e) When delivered to the Underwriter, the Bonds will have been duly authorized, executed, authenticated, issued and delivered and will constitute legal, valid and binding obligations of the City in conformity with the laws of the State, including the Act, and will be entitled to the benefit and security of the Indenture.

(f) The information relating to the City and the System contained in the Preliminary Official Statement is, and as of the Closing Date such information in the final Official Statement will be, true and correct in all material respects, and the Preliminary Official Statement does not, and the final Official Statement will not, contain any untrue or misleading statement of a material fact relating to the City or the System or omit to state any material fact relating to the City or the System necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) If, at any time prior to the earlier of (i) receipt of notice from the Underwriter pursuant to Section 3(c) hereof that Official Statements are no longer required to be delivered under the Rule or (ii) 90 days after the Closing, any event occurs with respect to the City or the System as a result of which the Official Statement as then amended or supplemented might include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the City shall promptly notify the Underwriter in writing of such event. Any information supplied by the City for inclusion in any amendments or supplements to the Official Statement will not contain any untrue or misleading statement of a material fact relating to the City or the System or omit to state any material fact relating to the City or the System necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) Neither the adoption of the Ordinance, the execution and delivery of this Purchase Agreement, the Bonds, the Indenture, and the Issuer Documents nor the consummation of the transactions contemplated herein or therein or the compliance with the provisions hereof or thereof will conflict with, or constitute on the part of the City a violation of, or a breach of or default under, (i) any statute, indenture, mortgage, commitment, note or other agreement or instrument to which the City is a party or by which it is bound, (ii) any provision of the Arkansas Constitution, or (iii) any existing law, rule, regulation, ordinance, judgment, order or decree to which the City is subject.

(i) The City has never been in default at any time as to principal of or interest on any obligation that it has issued, except as specifically disclosed in the Official Statement.

(j) Except as is specifically disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the best knowledge of the City, threatened, that in any way questions the powers of the City referred to in paragraph (b) above, or the validity of any proceeding taken by the City in connection with the issuance of the Bonds, or wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by this Purchase Agreement, or of any other document or instrument required or contemplated by this financing, or that, in any way, could adversely affect the validity or enforceability of the Issuer Documents, the Bonds or this Purchase Agreement or, to the knowledge of the City, that in any way questions the status and powers of the City or in any other way questions the status of the Bonds under State or federal tax laws or regulations or in any way questions or affects any authority for the issuance of the Bonds or the validity or enforceability of the Bonds, the Indenture, or any ordinance of the City establishing rates to be charged for the water or sewer services of the System (collectively, the “**Rate Ordinance**” or “**Rate Ordinances**”).

(k) Any certificate signed by any official of the City and delivered to the Underwriter shall be deemed a representation and warranty by the City to the Underwriter as to the truth of the statements therein contained.

(l) The City will not knowingly take or omit to take any action, which action or omission will in any way cause the proceeds from the sale of the Bonds to be applied in a manner other than as provided in the Indenture.

(m) The financial statements of the System presented as a part of the Official Statement, presents fairly the financial position of the System as of the date indicated, and such financial reports and statements have been prepared in conformity with generally accepted accounting principles consistently applied in all material respects to the periods involved, except as otherwise stated in the notes thereto. There has been no material change in the general affairs, properties, financial position, or results of operation of the System since the date of such financial statements except as set forth in the final Official Statement.

5. The City acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the City and the Underwriter, (ii) in connection with such transaction, including the process leading thereto, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the City; (iii) the Underwriter has neither assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the City or the State on other matters) nor has it assumed any other obligation to the City except the obligations expressly set forth in this Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of the City; and (v) the City has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

6. The City covenants with the Underwriter as follows:

(a) The City will cooperate with the Underwriter in qualifying the Bonds for offer and sale under the securities or Blue Sky laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the City shall not be required to consent to suit or to service of process in any jurisdiction. The City consents to the use by the Underwriter in the course of its compliance with the securities or Blue Sky laws of the jurisdiction of the documents relating to the Bonds, which jurisdiction is the State, subject to the right of the City to withdraw such consent for cause by written notice to the Underwriter.

(b) Prior to the earlier of (i) receipt of notice from the Underwriter pursuant to Section 3(c) hereof that final Official Statements are no longer required under the Rule or (ii) 90 days after the Closing, the City shall provide the Underwriter with such information regarding the City and the System, their current financial condition and ongoing operations as the Underwriter may reasonably request.

(c) The City will provide annual audited financial statements of the System to the Municipal Securities Rulemaking Board and, upon request, will provide annual audited financial statements, to the Underwriter, each national rating service that maintains a rating on the Bonds, and to the Municipal Securities Rulemaking Board consistent with the continuing disclosure standards then promulgated by the U.S. Securities and Exchange Commission.

7. At 9:00 a.m. CDT on \_\_\_\_\_, 2023 (the “**Closing Date**”), or at such other time and/or date as shall have been mutually agreed upon by the City and the Underwriter, the City will deliver, or cause to be delivered, to the Underwriter the Bonds, in definitive form duly executed and authenticated by the Trustee, together with the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the Purchase Price of the Bonds by making a wire transfer in federal reserve funds payable to the order of the Trustee for the account of the City (the “**Closing**”).

Provided, however, that in any event, the Bonds shall be delivered in physical form to the Trustee in Little Rock, Arkansas, and the activities relating to the final execution and delivery of the other documents related to the Bonds and the payment for the Bonds and the delivery of the certificates, opinions and other instruments as described in Section 7 of this Purchase Agreement shall occur at Little Rock, Arkansas. The Bonds will be delivered as typewritten bonds, one for each maturity, and registered in such names and in such amounts as the Underwriter may request not less than two business days prior to the Closing, and will be made available for checking and packaging by the Underwriter at such place in Little Rock, Arkansas as the Underwriter and the Trustee shall agree not less than 24 hours prior to the Closing Date. The City will cause the Trustee to either (i) deliver the Bonds to the Depository Trust Company, New York, New York (“**DTC**”) not later than 1:15 P.M. Eastern Time on the last business day preceding the Closing Date, with instructions to place the Bonds in safekeeping and await further instructions from the Trustee, or (ii) hold the Bonds in safekeeping under procedures acceptable to DTC. Upon receipt of the Purchase Price, the Trustee shall authorize DTC to credit the Bonds to the Underwriter’s account.

8. The Underwriter shall have the right to cancel its obligations to purchase the Bonds if between the date hereof and the Closing Date:

(a) Any legislation shall have been enacted by the Congress of the United States, or adopted by either House or any committee thereof, or a decision shall have been rendered by a court of the United States or the Tax Court of the United States, or a ruling shall have been made or regulations shall have been proposed or made by the Treasury Department of the United States, the Internal Revenue Service or any other governmental agency with respect to federal taxation upon revenues or other income of the general character to be derived by the City or by any similar body, or upon interest received on obligations of the general character of the Bonds that, in the opinion of the Underwriter, materially adversely affects the market price of the Bonds or the market price generally of obligations of the general character of the Bonds; or

(b) any legislation, ordinance, rule or regulation shall be enacted or be actively considered for enactment by any governmental body, department or agency of the State of Arkansas (excluding the City), or a decision by any court of competent jurisdiction within the State of Arkansas shall be rendered that, in the opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(c) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating services with respect to the Bonds or any of the obligations of the City; or

(d) Any legislation shall have been enacted, or actively considered for enactment with an effective date prior to the Closing, or a decision by a court of the United States shall have been rendered, the effect of which is that the Bonds, including any underlying obligations, or the Indenture, as applicable, is not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(e) a stop order, ruling, regulation or official statement by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, including any underlying obligations, or the execution and delivery of the Indenture as contemplated hereby or by the Official Statement, is or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(f) any event shall have occurred or any information shall have become known to the Underwriter that causes the Underwriter to reasonably believe that the Official Statement as then amended or supplemented includes an untrue statement of a material fact, or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; or

(g) there shall have occurred (whether or not foreseeable) any (a) new material outbreak of hostilities (including, without limitation, an act of terrorism) or (b) new material other national or international calamity or crisis, or any material adverse change in the financial or economic conditions affecting the United States, including, but not limited to, an escalation of hostilities that existed prior to the date hereof; or

(h) (i) Any restriction on, or general suspension of, trading in securities on the New York Stock Exchange or any banking moratorium, or the establishment by the New York Stock Exchange, by the Securities and Exchange Commission, by any Federal or state agency, or by the decision of any court, of any limitation on prices for such trading or (ii) any new outbreak of hostilities or other national or international calamity or crisis, the effect of which on the financial markets of the United States shall be such as to make it impracticable, in the reasonable judgment of the Underwriter, for the Underwriter to enforce contracts for the sale of the Bonds; or

(i) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the City; or

(j) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of the Underwriter; or

(k) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by disruptive events, occurrences or conditions in the securities or debt markets or by any decision by a court of the United States of America (including the United States Tax Court) or of the State, any ruling or regulation (final, temporary, or proposed) issued by or on behalf of the Treasury Department of the United States of America, or other governmental agency of the United States of America or any governmental agency of the State, or legislation enacted by or favorably reported to either the House of Representatives or the Senate of the United States (or a tentative decision with respect to any legislation has been reached by any committee thereof) or either house of the General Assembly of the State or formally proposed to Congress by the President of the United States or to the General Assembly of the State by the Governor of the State in an executive communication, affecting the tax status of the City, its property or income, its bonds (including the Bonds) or the interest thereon, or any tax exemption granted or authorized by the Act or the Internal Revenue Code of 1986, as amended.

9. The obligations of the Underwriter to purchase the Bonds shall be subject (i) to the performance by the City of its obligations to be performed hereunder at and prior to the Closing, (ii) to the accuracy of the representations and warranties of the City herein as of the date hereof and as of the time of the Closing, and (iii) to the following conditions, including the delivery by the City of such documents as are enumerated herein in form and substance satisfactory to the Underwriter:

(a) At the time of Closing, (i) the Official Statement, the Ordinance, the Rate Ordinances, the Indenture, and this Purchase Agreement shall be in full force and effect and shall not have been amended, modified or supplemented from the date hereof except as may have been agreed to in writing by the Underwriter, (ii) the proceeds of the sale of the Bonds and other funds shall be deposited and applied as described in the Indenture, and (iii) the City shall have duly adopted and there shall be in full force and effect such resolutions and ordinances as, in the opinion of Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., as bond counsel ("**Bond Counsel**"), shall be necessary in connection with the transactions contemplated hereby.

(b) Receipt of the Issuer Documents at or prior to the Closing. The terms of the Bonds, as delivered, shall in all instances be as described in the final Official Statement.

(c) At or prior to the Closing, the Underwriter shall receive the following documents in such number of counterparts as shall be mutually agreeable to the Underwriter, and the City:

(1) A final approving opinion of Bond Counsel dated the date of Closing, in form and substance satisfactory to the Underwriter, and a supplemental opinion of Bond Counsel, dated the date of the Closing, in form and substance satisfactory to the Underwriter, to the effect that, (i) this Agreement has been duly authorized, executed, and delivered by the City and, assuming due execution by the Underwriter, and subject to the extent that (A) the enforceability of the rights and remedies set forth herein may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights generally and (B) that the rights to indemnification hereunder may be limited by federal or state

securities laws or public policy underlying such laws and may not be enforceable, constitutes a valid and binding agreement in accordance with its terms; (ii) the City has ratified the distribution of the Preliminary Official Statement; (iii) the Indenture conforms as to form and tenor with the terms and provisions thereof as summarized and set out in the Official Statement; and (v) the Continuing Disclosure Agreement has been duly authorized, executed and delivered by the City and, assuming due execution by the Trustee, and subject to the extent that (A) the enforceability of the rights and remedies set forth therein might be limited by bankruptcy, insolvency, or other laws affecting creditors' rights generally and (B) that the right to indemnification thereunder may be limited by federal and state securities laws or public policy underlying such laws and may not be enforceable, constitutes a valid and binding agreement in accordance with its terms;

(2) A Letter of Bond Counsel addressed to the Underwriter and dated the date of Closing, to the effect that Bond Counsel's final approving opinion referred to above may be relied upon by the Underwriter to the same extent as if such opinion were addressed to the Underwriter;

(3) A supplemental opinion of Bond Counsel to the Underwriter, to the effect that: (i) the Bonds are exempt securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and it is not necessary, in connection with the public offering and sale of the Bonds, to register the Bonds under the Securities Act of 1933, as amended; (ii) it is not necessary to qualify the Indenture under the Trust Indenture Act of 1939, as amended; (iii) this Purchase Agreement has been duly authorized, executed, and delivered by the Underwriter and, assuming due execution by the City, and subject to the extent that the enforceability of the rights and remedies set forth herein may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights generally, constitutes a valid and binding agreement enforceable against the Underwriter in accordance with its terms; and (iv) based upon the examinations that they have made, which may be specified, nothing has come to their attention that would lead such counsel to believe that the Official Statement (except for the financial statements and other financial data included in the Official Statement and in the appendices thereto, as to which no view need be expressed) contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(4) The Official Statement executed by an authorized officer of the City;

(5) Certified copies or originals of all resolutions and ordinances of the City relating to the Bonds;

(6) Photocopies of the Bonds;

(7) A certificate, in form and substance satisfactory to the Underwriter, of the City or any duly authorized officer or official of the City satisfactory to the Underwriter, dated as of the Closing Date, to the effect that: (i) each of the City's representations, warranties and covenants contained herein are true and correct as of the Closing; (ii) the

City has duly authorized, by all action necessary under the Act and the laws and Constitution of the State, the adoption of the Ordinance, and the execution, delivery and due performance of the Bonds, the Indenture, and the Issuer Documents; (iii) no litigation is pending, or to the knowledge of the officer or official of the City signing the certificate after due investigation and inquiry threatened, to restrain or enjoin the issuance or sale of the Bonds or in any way affecting any authority for or the validity of the Bonds, the Indenture, the Issuer Documents or this Purchase Agreement; (iv) the Bonds, this Purchase Agreement, and the Issuer Documents, as adopted or executed by the City, are in the form or in substantially the form approved for such execution by appropriate proceedings of the City; (v) the Indenture has not been amended, modified or repealed as of the Closing Date, and the Indenture is in full force and effect; (vi) none of the proceedings of the City taken preliminary to the issuance of the Bonds, as certified in such certificate, has been in any manner repealed, amended or changed; (vii) the City has complied in all respects with the Act and has full legal right, power and authority to issue the Bonds for the purposes stated in the Act, and to enter into this Purchase Agreement, to adopt, execute and deliver the Indenture, to issue, sell and deliver the Bonds as provided in this Purchase Agreement, and to carry out and consummate all other transactions contemplated by this Purchase Agreement and the Indenture; (viii) neither the Official Statement nor any amendment or supplement thereto contains, with respect to the City and the State, any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading; and (ix) to the best knowledge of the officer or official of the City signing the certificate, no event affecting the City or the System has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purposes for which it is necessary to disclose therein in order to make the statements and information therein not misleading in any respect;

(8) [Reserved];

(9) [A letter from Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business ("S&P") to the effect that an insured credit rating of "AA" (stable outlook) has been assigned based upon the issuance of the municipal bond insurance policy of Build America Mutual Assurance Company, which rating shall be in effect as of the date of Closing;]

(10) [A Municipal Bond Insurance Policy issued by Build America Mutual Assurance Company guaranteeing the scheduled payment of principal and interest on the Bonds;]

(11) [A Municipal Bond Debt Service Reserve Insurance Policy issued by Build America Mutual Assurance Company guaranteeing payment of an amount not to exceed the debt service reserve requirement for the Bonds;]

(12) All requirements of Act 605 of 2021 of the Arkansas Legislature, which is codified at Ark. Code Ann. §14-234-801, *et seq.* and took effect on July 30, 2021 have been met; and

(13) Such additional legal opinions, certificates, proceedings, instruments and other documents as counsel to the Underwriter or the Bond Counsel may reasonably request to evidence compliance by the City with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of the City herein contained and the due performance or satisfaction by the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the City.

If the City shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase and accept delivery of the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter nor the City shall be under further obligation hereunder; except that the respective obligations to pay expenses, as provided in Section 12 hereof, shall continue in full force and effect.

10. The obligations of the City hereunder are subject to the performance by the Underwriter of its obligations hereunder.

11. All representations, warranties and agreements of the City shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter or the City, and shall survive the Closing.

12. The Underwriter shall be under no obligation to pay, and the City will cause to be paid all reasonable expenses incident to the performance of its obligations under this Purchase Agreement; (from proceeds of sale of the Bonds or otherwise), any expenses incident to the performance of the City's obligations hereunder, including, but not limited to: (i) the fees and disbursements of Bond Counsel; (ii) the fees and disbursements of the City's counsel or accountants, and of any other experts or consultants retained by the City; (iii) charges for obtaining CUSIP numbers on the Bonds; (iv) the Trustee's fees and expenses and the fees and expenses of any counsel retained by the Trustee; (v) legal publication costs, if any; (vi) the Underwriter's costs payable to third parties, including, but not limited to, fees and expenses payable to DTC, IPREO, and underwriter's counsel; (vii) the cost of preparation and printing of the Bonds, the Preliminary Official Statement, and the Official Statement; (viii) the rating fee of Moody's; (ix) the insured rating fee of S&P; (x) the costs of the bond insurance policy and of the debt service reserve insurance policy issued by Assured Guaranty Municipal Corp.; and (xi) miscellaneous expenses approved by the City. The Underwriter shall pay all advertising expenses in connection with the public offering of the Bonds, and all other expenses incurred by them in connection with their public offering and distribution of the Bonds.

13. Should the City fail to cause the Trustee to deliver the Bonds to DTC as provided herein, or should the City be unable to satisfy the conditions set forth in this Agreement (unless waived by the Underwriter), or should any obligation of the Underwriter hereunder be terminated for any reason permitted by this Agreement, except as set forth in Paragraph 12 hereof, neither party hereto shall have any further rights against the other hereunder. The Underwriter and the City understand that in any of such events the City's and the Underwriter's actual expenses, costs, or damages may be unequal, and any such amounts incurred by either party may be greater or may be less than those amounts incurred by the other. Accordingly, and subject to Paragraph 16, the Underwriter hereby waives any right to claim that the Underwriter's actual expenses,

costs, or damages are or will be greater than the actual expenses, costs, or damages incurred or suffered by the City, and the City hereby waives any right to claim that the City's actual expenses, costs, or damages are or will be greater than any actual expenses, costs, or damages incurred or suffered by the Underwriter, and neither party shall be entitled to claim any damages from the other.

14. Any notice or other communication to be given to the City under this Purchase Agreement may be given by delivering the same in writing at its address set forth above, and any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Crews & Associates, Inc., 521 President Clinton Avenue, Suite 800, Little Rock, Arkansas 72201, Attention: Public Finance.

15. (a) The Underwriter agrees to assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) Except as otherwise set forth in Exhibit A attached hereto, the City will treat the first price at which 10% of each maturity of the Bonds (the "**10% test**") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Agreement, the Underwriter shall report to the City the price or prices at which the Underwriter sold to the public each maturity of the Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the City the prices at which Bonds of that maturity have been sold by the Underwriter to the public. That reporting obligation shall continue, whether or not the Closing 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 to the public.

(c) The Underwriter confirms that it offered the Bonds to the public on or before the date of this Agreement at the offering price or prices (the "**initial offering price**"), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the City and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the City to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "**hold-the-offering-price rule**"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity 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 Underwriter has 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 Underwriter shall promptly advise the City when the Underwriter has 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.

The City acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) the agreement of the Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters, if applicable, 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 the 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 City further acknowledges that the 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.

(d) The Underwriter confirms that:

(i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the Underwriter 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 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 Underwriter and as set forth in the related pricing wires, and

(ii) any agreement among underwriters relating to the initial sale of the Series 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 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 Underwriter and as set forth in the related pricing wires.

(e) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “**maturity**” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities;

(ii) “**public**” means any person other than an underwriter or a related party;

(iii) “**underwriter**” means (A) any person that agrees pursuant to a written contract with the City (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 Series Bonds to the public);

(iv) 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

(v) “**sale date**” means the date of execution of this Agreement by all parties.

16. This Purchase Agreement is made solely for the benefit of the City and the Underwriter (including the successors or assigns of the Underwriter) and no other person, including any purchaser of the Bonds, shall acquire or have any right hereunder or by virtue hereof.

17. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

18. This Purchase Agreement shall become effective upon your mutual acceptance hereof and may be executed in counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

Very truly yours,

**CREWS & ASSOCIATES, INC.**

By: \_\_\_\_\_  
Authorized Signature

Accepted and agreed to as of  
\_\_\_\_\_, 2023:

**CITY OF OSCEOLA, ARKANSAS**

By: \_\_\_\_\_  
Authorized Signature

**EXHIBIT A**

Exhibit A

The following are the maturities of the Bonds for which the 10% test has not been satisfied and for which the City and the Underwriter agree that the hold-the-offering-price rule shall apply.

**Hold-the-Offering-Price Maturities**

<u>Maturity</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Initial</u> <u>Offering Price</u>
NONE			

**EXHIBIT B**

[ \$ \_\_\_\_\_ ]  
**CITY OF OSCEOLA, ARKANSAS**  
**UTILITY REVENUE REFUNDING AND IMPROVEMENT BONDS**  
**Consisting of:**

[ \$ \_\_\_\_\_ ]  
**Series 2023A**

[ \$ \_\_\_\_\_ ]  
**Taxable Series 2023B**

**ISSUE PRICE CERTIFICATE**

Crews & Associates, Inc. (the “**Underwriter**”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “**Bonds**”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “**Initial Offering Prices**”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, the members of the Underwriter have agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “**hold-the-offering-price rule**”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) “**Bond Purchase Agreement**” means the Bond Purchase Agreement dated \_\_\_\_\_, 2023 by and between the City and the Underwriter.

(b) “**General Rule Maturities**” means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(c) **“Hold-the-Offering-Price Maturities”** means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(d) **“Holding Period”** means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (i.e. May 18, 2022), or (ii) the date on which the Underwriters have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(e) **“City”** means the City of Osceola, Arkansas.

(f) **“Maturity”** means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(g) **“Public”** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(h) **“Sale Date”** means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is \_\_\_\_\_, 2023.

(i) **“Underwriter”** means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph 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).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the Arbitrage and Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., bond counsel, in connection with rendering their opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the City from time to time relating to the Bonds.

**CREWS & ASSOCIATES, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_, 2023.

Exhibit B-1

*Signature Page to Issue Price Certificate*

**SCHEDULE A**

**SALE PRICES OF THE GENERAL RULE MATURITIES**  
**AND**  
**INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE**  
**MATURITIES**

**SCHEDULE B**  
**PRICING WIRE OR EQUIVALENT COMMUNICATION**  
**(ATTACHED)**

THIS PRELIMINARY OFFICIAL STATEMENT AND INFORMATION CONTAINED HEREIN ARE SUBJECT TO CHANGE, COMPLETION OR AMENDMENT WITHOUT NOTICE. THE BONDS MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE OFFICIAL STATEMENT IS DELIVERED IN FINAL FORM. UNDER NO CIRCUMSTANCES SHALL THIS PRELIMINARY OFFICIAL STATEMENT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE BONDS IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE VIOLATIVE OF THE SECURITIES LAWS OF ANY SUCH JURISDICTION.

DATED [\_\_\_\_], 2023

## PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE  
BOOK-ENTRY ONLY

NOT RATED  
INSURED RATING: \_\_\_\_\_

*In the opinion of Bond Counsel, based on existing statutes, regulations, rulings and court decisions, (i) interest on the Series 2023A Bonds is excludable from gross income for federal income tax purposes subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended, that must have been or must be satisfied prior to or subsequent to the issuance of the Series 2023A Bonds, (ii) interest on the Series 2023A 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** herein.*

### CITY OF OSCEOLA, ARKANSAS UTILITY REVENUE REFUNDING AND IMPROVEMENT BONDS SERIES 2023

\$ \_\_\_\_\_  
\*  
SERIES 2023A

\$ \_\_\_\_\_  
\*  
TAXABLE SERIES 2023B

Dated: As of the date of delivery.

Due: [\_\_\_\_] 1, as described below

The Utility Revenue Refunding and Improvement Bonds, Series 2023 (the "Bonds") will not be general obligations of the City of Osceola, Arkansas (the "City"), but will be special obligations secured by a pledge of and payable from the operation of the City's municipal water, sewer and electric system (the "System").

Interest on the Bonds is payable on [\_\_\_\_] 1 and [\_\_\_\_] 1 of each year, commencing [\_\_\_\_] 1, 20[\_\_\_\_], and the Bonds mature on [\_\_\_\_] 1 of each year, bear interest and are priced to yield as shown on the succeeding page.

#### [FOR THE MATURITY SCHEDULE, SEE THE INSIDE FRONT COVER]

The Bonds are payable solely from revenues derived from the operation of the System, which amount will be sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable. The payment of principal of and interest on the Bonds is secured by and payable from a pledge of the System's revenues and other resources pursuant to the terms of a Trust Indenture dated [\_\_\_\_], 2023 (the "Indenture") between the City and [\_\_\_\_] Bank, [\_\_\_\_], Arkansas, as Trustee (the "Trustee").

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 paid by check or draft by the Trustee to the registered owners of the Bonds as of the record date for such payment, as shown on the bond registration books of the City maintained by the Trustee and will be made by 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.

Concurrently with the issuance of the Bonds, \_\_\_\_\_ ("Bond Insurer") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Preliminary Official Statement. The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law. See **BOND INSURANCE** herein.

#### [BOND INSURER LOGO]

The Bonds are offered, subject to prior sale, when, as and if issued and received by the Underwriter named below, subject to approval as to legality by Mitchell, Williams, Selig, Gates and Woodyard, P.L.L.C., Little Rock, Arkansas, Bond Counsel, and subject to satisfaction of certain other conditions. It is expected that the Bonds will be available for delivery on or about [\_\_\_\_], 2023.

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



Dated: As of the date of delivery.

(THIS PAGE INTENTIONALLY LEFT BLANK)

## BONDS MATURITY SCHEDULE\*

\$\_\_\_\_\_ Term Bonds

\$\_\_\_\_\_ % Term Bonds Due [ ] 1, 20[ ]; Yield \_\_\_\_\_%; CUSIP \_\_\_\_\_  
\$\_\_\_\_\_ % Term Bonds Due [ ] 1, 20[ ] Yield \_\_\_\_\_%; CUSIP \_\_\_\_\_

\_\_\_\_\_  
\*Preliminary, subject to change.

No dealer, broker, salesman or any other person has been authorized by the City or the Underwriter to give any information or to make any representations other than those contained in this Preliminary Official Statement in connection with the offering of the Bonds described herein and, if given or made, such information or representations must not be relied upon as having been authorized by the City. Neither the delivery of this Preliminary Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the business, operations or financial condition of the City since the date hereof. This Preliminary Official Statement does not constitute an offer or solicitation in any state in which such offer or solicitation is not authorized, or in which the person making such offer or solicitation is not qualified to do so, or is made to any person to whom it is unlawful to make such offer or solicitation.

The Underwriter has gathered the information in this Preliminary Official Statement from sources it believes to be reliable, including primarily the City. The Underwriter does not guarantee this information as to its completeness or its accuracy.

By its purchase of the Bonds, an investor is acknowledging that it has reviewed all the information it deems necessary to make an informed decision, and that it is not relying on any representation of the Underwriter or any of its officers, representatives, agents, or directors in reaching its decision to purchase the Bonds.

The investor, by its purchase of the Bonds, acknowledges its consent for the Underwriter to rely upon the investor's understanding of and agreement to the preceding two paragraphs as such relates to the disclosure and fair dealing obligations that may be applicable to the Underwriter under applicable securities laws and regulations.

The Bonds have not been registered under the Securities Act of 1933, as amended, nor has the Trust Indenture described herein been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions in such laws from such registration and qualification.

The CUSIP numbers shown herein have been assigned by an organization not affiliated with the City. Neither the City, nor the Underwriter nor the Trustee were responsible for the selection of CUSIP numbers, and neither make any representation as to the accuracy of such numbers on the or as indicated herein.

This Preliminary Official Statement contains descriptions and summaries of the Bonds, the City, the Authorizing Legislation, and the Trust Indenture, and related matters. Such descriptions and summaries do not purport to be comprehensive or definitive. All references to the Bonds, the City, the Authorizing Legislation, the Trust Indenture, and the Escrow Agreement are qualified in their entirety by reference to the actual texts of the Bonds, the City, the Authorizing Legislation, and the Trust Indenture. All terms capitalized herein and not otherwise defined shall have the meanings set forth in the Trust Indenture. A summary of the Trust Indenture, including definitions of certain terms contained therein, is included in this Preliminary Official Statement.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Build America Mutual Assurance Company ("Bond Insurer") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, Bond Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Preliminary Official Statement or any information or disclosure contained herein, or omitted

herefrom, other than with respect to the accuracy of the information regarding Bond Insurer, supplied by Bond Insurer and presented under the heading **BOND INSURANCE** and Appendix D - Specimen Municipal Bond Insurance Policy.

(THIS PAGE INTENTIONALLY LEFT BLANK)

## CONTENTS OF PRELIMINARY OFFICIAL STATEMENT

INTRODUCTION TO THE PRELIMINARY OFFICIAL STATEMENT .....	1
AUTHORITY TO ISSUE BONDS .....	2
THE BONDS .....	3
Book-Entry Only System .....	3
Generally .....	4
Redemption .....	5
Security .....	6
BOND INSURANCE .....	8
Bond Insurance Policy .....	8
Build America Mutual Assurance Company .....	8
Credit Insights Videos.....	10
Credit Profiles .....	10
Disclaimers.....	10
PURPOSES OF BONDS .....	11
Purposes .....	11
The Improvements .....	11
SOURCES AND USES .....	12
Sources and Uses of Bonds .....	12
THE CITY AND THE COUNTY .....	11
Location .....	11
Population .....	12
Transportation .....	12
City Council and Administration .....	12
Medical Facilities .....	12
Financial Institutions .....	13
Education .....	13
Employers .....	13
Litigation.....	13
City and County Economic Data.....	14
THE SYSTEM.....	15
General.....	15
Description of the Sewer System .....	15
Sewer Users.....	15
Sewer Rates.....	16
Description of the Water System .....	16
Water Users.....	18
Water Consumption .....	18
Water Rates .....	18
System Litigation .....	18
THE TRUST INDENTURE .....	20
Rates and General Covenants to Operate.....	20
Funds and Disposition of Revenues.....	20

Parity Bonds.....	24
Accounts and Records.....	23
Maintenance; Insurance .....	23
Statutory Mortgage; Mortgage.....	24
Defeasance .....	26
Default and Remedies .....	24
Amendment of Trust Indenture.....	28
The Trustee .....	29
Investments .....	29
Nonarbitrage.....	30
 FINANCIAL INFORMATION.....	 30
System Revenues and Expenses.....	30
 DEBT SERVICE REQUIREMENTS .....	 31
 DEBT SERVICE COVERAGE .....	 33
Debt Service Coverage For the System.....	33
 BONDHOLDERS' RISKS.....	 37
General.....	37
 THE CONTINUING DISCLOSURE AGREEMENT .....	 39
 LEGAL MATTERS.....	 37
Legal Proceedings .....	37
Legal Opinions .....	37
Tax Exemption .....	37
Discount Bonds.....	41
Premium Bonds.....	38
Future Legislative Changes.....	38
 MISCELLANEOUS .....	 38
Enforceability of Remedies.....	38
Underwriting .....	39
Ratings .....	39
Information in the Preliminary Official Statement .....	39
 APPENDIX A - Audited Financial Statements of the System for the Fiscal Years Ended December 31, 2021 and 2020 and Preliminary Unaudited Financial Statements of the System for the Fiscal Year Ended December 31, 2022	
 APPENDIX B - Form of Bond Counsel Opinion for Bonds	
 APPENDIX C - Form of Continuing Disclosure Agreement for Bonds	
 APPENDIX D - Bond Insurer Specimen Municipal Bond Insurance Policy	

**PRELIMINARY OFFICIAL STATEMENT**  
**CITY OF OSCEOLA, ARKANSAS**  
**UTILITY REVENUE REFUNDING AND IMPROVEMENT BONDS**  
**SERIES 2023**

\$ \_\_\_\_\_<sup>\*</sup>  
**SERIES 2023A**

\$ \_\_\_\_\_<sup>\*</sup>  
**TAXABLE SERIES 2023B**

**INTRODUCTION TO THE PRELIMINARY OFFICIAL STATEMENT**

This Introduction is subject in all respects to the more complete information contained in this Preliminary Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Preliminary Official Statement, including the cover page hereof and appendices hereto. A full review should be made of the entire Preliminary Official Statement, as well as the Trust Indenture described herein.

This Preliminary Official Statement is provided to furnish certain information in connection with the issuance by the City of Osceola, Arkansas (the “City”) of its \$26,000,000<sup>\*</sup> Utility Revenue Refunding and Improvement Bonds, Series 2023 (the “Bonds”). The Bonds are dated [\_\_\_\_], 2023<sup>\*</sup>. The Bonds are being issued to refund its Electric, Water and Sewer Revenue Bonds, Series 2016, dated October 5, 2016, in the original principal amount of \$[\_\_\_\_] (the “Series 2016 Bonds”), its Electric, Water and Sewer Revenue Bonds, Series 2018, dated May 22, 2018, in the original principal amount of \$[\_\_\_\_] (the “Series 2018 Bonds”), and its Surplus Utility Revenue Refunding and Improvement Bonds, Series 2022, dated [\_\_\_\_], 2022, in the original principal amount of \$[\_\_\_\_] (the “Series 2022 Bond” and collectively with the 2016 Bonds and the 2018 Bonds, the “Refunded Bonds”), to finance the cost of constructing certain extensions, betterments and improvements the City’s municipal waterworks system (the “Water System”) and the City’s municipal sewer facilities system (the “Sewer System”), and paying costs incidental thereto, including but not limited to a bond insurance policy. See **THE BONDS, Purposes for Bonds**.

The Bonds will be issued in book-entry form and purchasers of Bonds will not receive certificates representing their interest in the Bonds purchased. The Bonds will contain such other terms and provisions as described in **THE BONDS**.

The City is a city of the first class organized under the laws of the State of Arkansas (the “State”) located in Mississippi County, Arkansas (the “County”), which is in the northeast portion of the State. The City is authorized and empowered under the laws of the State, including particularly Title 14, Chapter 234, Subchapter 2, Title 14, Chapter 235, Subchapter 2, Title 14, Chapter 203, Subchapter 12, and Title 14, Chapter 164, Subchapter 4 of the Arkansas Code of 1987 Annotated (the “Authorizing Legislation”), to issue revenue bonds and expend the proceeds thereof for improvements to the City’s Water System, Sewer System and the City’s municipal electric system (the “Electric System” and collectively with the Water System and Sewer System, the “System”) operated as a single, integrated municipal undertaking. See **THE CITY AND THE COUNTY**.

The Bonds are not general obligations of the City, but are special obligations payable solely from the net revenues derived from the operation of the System (the “Revenues”). See **THE BONDS, Security**.

The Bonds shall be subject to redemption at the option of the City from funds from any source, on and after [\_\_\_\_] 1, 20\_\_<sup>\*</sup>, in whole at any time or in part on any interest payment date, at a redemption

price equal to the principal amount being redeemed to the redemption date. See **THE BONDS, Redemption.**

---

\*Preliminary. Subject to change.

Under existing law and assuming compliance with certain covenants described herein, (i) interest on the Bonds is excludable from gross income for federal income tax purposes subject to the condition that the Board comply with all requirements of the Internal Revenue Code of 1986, as amended, that must have been or must be satisfied prior to or subsequent to the issuance of the Bonds, (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**.

It is expected that the Bonds will be available for delivery on or about [\_\_\_\_], 2023\* through the facilities of The Depository Trust Company, in New York, New York.

The City and [\_\_\_\_] Bank, [\_\_\_\_], Arkansas, as dissemination agent, have entered into a Continuing Disclosure Agreement with regards to the Bonds (the “Continuing Disclosure Agreement”) in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). See **THE CONTINUING DISCLOSURE AGREEMENT**.

This Preliminary Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of the Trust Indenture and the Continuing Disclosure Agreement, each summarized herein, are available upon request from Crews & Associates, 521 President Clinton Avenue, Suite 800, Little Rock, Arkansas, 72201, Attention: Public Finance.

## **AUTHORITY TO ISSUE BONDS**

The Bonds are being issued pursuant to and in full compliance with the Constitution and laws of the State, including particularly the Authorizing Legislation, and Ordinance No. 2023-[\_\_\_\_] adopted by the City Council of the City on June 13, 2023 (the “Authorizing Ordinance”) and a Trust Indenture (the “Trust Indenture”) to be entered into by and between the City and [\_\_\_\_] Bank, [\_\_\_\_], Arkansas (the “Trustee”). See **THE TRUST INDENTURE**. The Bonds will not be general obligations of the City. The Bonds will be special obligations secured by a pledge of and payable solely from revenues derived from the operation of the System and will not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation. See **THE BONDS, Security**.

## **THE BONDS**

**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 post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry changes in Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S.

---

\*Preliminary. Subject to change.

securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, GSCC, MBSCC, AND EMCC, also subsidiaries of DTCC), as well as 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, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

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. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any 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. (nor any other DTC nominee) will consent to vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s Procedures. 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, interest and premium, if any, payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the City or Trustee, on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by 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 City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of 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 City 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 City 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 City make 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 Trust Indenture, 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 Trust Indenture. The City and the Trustee have no responsibility or obligation to 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 which is required or permitted under the terms of the Trust Indenture 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 shall be dated, mature and bear interest and interest is payable on the Bonds as set forth on the cover page hereof. The Bonds are issuable in the form of registered Bonds without coupons in the denomination of \$5,000 each or any integral multiple number thereof. In the event any Bond is mutilated, lost or destroyed, the Trustee shall authenticate and deliver to the registered owner a new Bond in accordance with the provisions therefor in the Trust Indenture.

Each Bond is exchangeable or transferable by any registered owner thereof or by his attorney duly authorized in writing at the principal office of the Trustee. Upon such transfer a new fully registered Bond or Bonds of the same issue and maturity, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefor.

No charge shall be made to the owner of any Bond for the privilege of registration, but any owner requesting any such registration shall pay any tax or other governmental charge required to be paid with respect thereto. Except as otherwise provided in the immediately preceding sentence, the cost of preparing each new Bond upon each exchange or transfer and any other expenses of the City or the Trustee incurred in connection therewith shall be paid by the City. Neither the City nor the Trustee shall be required to transfer or exchange any Bonds selected for redemption in whole or in part.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of, premium, if any, or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

In any case where the date of maturity of interest on or principal of any Bonds or the date fixed for redemption of any Bonds shall be a Saturday or Sunday or shall be in the State a legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal (and premium, if any) need not be made on such date but may be made on the next succeeding business day not a Saturday or Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after the date of maturity or date fixed for redemption.

**Redemption.** The Bonds are subject to optional redemption as follows:

Optional Redemption. The Bonds shall be subject to redemption at the option of the City from funds from any source, on and after [ ] 1, 20[ ]\*, in whole at any time or in part on any interest payment date, at a redemption price equal to the principal amount being redeemed to the redemption date. If fewer than all of the Bonds shall be called for redemption, the particular maturities of the Bonds to be redeemed shall be selected by the City in its discretion. If fewer than all of the Bonds of any one 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. To the extent not previously redeemed, the Bonds maturing on December 1 in 20[ ] and 20[ ]\* are subject to mandatory sinking fund redemption (selected by lot by the Trustee by any method utilized by the Trustee), at a price equal to the principal amount being redeemed plus accrued interest to the redemption date, on December 1 of each of such years as follows:

Bonds Maturing [ ] 1, 20[ ]

<u>Year</u>	<u>Principal Amounts</u>
20[ ]	\$
20[ ] (maturity)	

Bonds Maturing [ ] 1, 20[ ]

<u>Year</u>	<u>Principal Amounts</u>
20[ ]	\$
20[ ]	
20[ ] (maturity)	

In case any outstanding Bond is in a denomination greater than \$5,000, each \$5,000 of face value of such Bond shall be treated as a separate Bond of the denomination of \$5,000.

The Trustee shall give notice of the call for redemption by first class mail or by any other standard means, including electronic or facsimile communication, not less than thirty (30), nor more than sixty (60) days prior to the date fixed for redemption, to the registered owner of any Bond called for redemption, addressed to such registered owner's registered address. After the date for redemption no further interest shall accrue on any Bond called for redemption if funds for their redemption have been deposited with the Trustee as provided in the Trust Indenture.

---

\*Preliminary. Subject to change.

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.**

**Security.** The Bonds are not general obligations of the City, but are special obligations payable solely from and secured by a pledge of the Revenues and Income of the System, as more particularly described below.

General. The Bonds are not general obligations of the City, but are special obligations payable solely from and secured by a pledge of Revenues and Income (as defined in both the Trust Indenture) of the System. Pursuant to Ark. Code Ann., § 14-234-208 (1987), there shall exist a statutory mortgage lien upon the System, which shall exist in favor of the Beneficial Owners of the Bonds until payment in full of the interest on and principal of the Bonds.

The Bonds are secured under the Trust Indenture. For a summary of the terms of the Trust Indenture, see **THE TRUST INDENTURE** herein. The City may issue additional bonds on a parity of security with the Bonds, but the authority to issue any additional bonds on a parity with the Bonds is contingent upon compliance with the requirements of the Trust Indenture. See **THE TRUST INDENTURE, Parity Bonds.**

Rate Covenants. In the Trust Indenture, the City covenants and agrees that the rates and charges fixed for services of the System will produce Revenues and Income at least sufficient to (1) pay the System's operation, repair and maintenance expenses, (2) make all required deposits to the Debt Service Reserve Fund for the Bonds, if there is not a Reserve Policy in place, or to reimburse the Reserve Insurer for any amounts owing with respect to the Reserve Policy if there is a Reserve Policy in place, (3) reimburse the Bond Insurer (described below) for any amounts owing with respect to the Bond Insurance Policy (described below), and (4) leave a balance equal to 110% of the maximum annual debt service requirements for Bonds and all other additional parity obligations. The City further covenants and agrees that the rates, fees and charges shall, if and when necessary from time to time, be increased in such manner as will produce Revenues and Income sufficient to meet these requirements. See **THE TRUST INDENTURE, Rates and General Covenants to Operate.**

Debt Service Reserve and Reserve Policy. The Debt Service Reserve, established within the Bond Fund, will be funded with proceeds of the Bonds. The amount of the initial deposit into the Debt Service Reserve Fund will be an amount equal to the lesser of (i) one-half (i.e. 50%) of the maximum annual principal and interest requirements on the Bonds, (ii) 10% of the original proceeds of the Bonds or (iii) 125% of the maximum annual principal and interest requirements on the Bonds, as applicable. See **THE TRUST INDENTURE, Funds and Disposition of Revenues.**

## **BOND INSURANCE**

**Bond Insurance Policy.** Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("Bond Insurer") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

**Build America Mutual Assurance Company.** Bond Insurer is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. Bond Insurer provides credit enhancement products solely to issuers in the U.S. public finance markets. Bond Insurer will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of Bond Insurer is liable for the obligations of Bond Insurer. The address of the principal executive offices of Bond Insurer is: 200 Liberty Street, 27<sup>th</sup> Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: [www.buildamerica.com](http://www.buildamerica.com).

Bond Insurer is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

Bond Insurer's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at [www.standardandpoors.com](http://www.standardandpoors.com). The rating of Bond Insurer should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of Bond Insurer and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of Bond Insurer in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. Bond Insurer only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and Bond Insurer does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of Bond Insurer. Bond Insurer's total admitted assets, total liabilities, and total capital and surplus, as of December 31, 2021 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$481.5 million, \$183.4 million and \$298.1 million, respectively.

Bond Insurer is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by Bond Insurer, subject to certain limitations and restrictions.

Bond Insurer's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on Bond Insurer's website at [www.buildamerica.com](http://www.buildamerica.com), is incorporated herein by reference and may be obtained, without charge, upon request to Bond Insurer at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

Bond Insurer makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, Bond Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding Bond Insurer, supplied by Bond Insurer and presented under the heading **BOND INSURANCE**.

Bond Insurer GreenStar Bonds. The Bonds have been designated *Bond Insurer GreenStar Bonds* because Bond Insurer has determined that the use of bond proceeds by the Issuer as described in this Official Statement and in any additional information obtained by Bond Insurer aligns with one of the Green Bond Principles (“GBPs”) developed by the International Capital Markets Association (“ICMA”). The GBPs were developed by the ICMA with the goal of establishing universally accepted guidelines for the issuance of green bonds, and one of the key requirements addresses the use of proceeds. Bond Insurer has been identified by the ICMA as an observer organization that is active in the field of green and/or social or sustainability finance and as a Climate Bond Initiative approved verifier. The GreenStar Credit Profile prepared by Bond Insurer for the Bonds will identify which of the following GBP categories applies to the Bonds:

- renewable energy
- energy efficiency
- pollution prevention and control
- environmentally sustainable management of living natural resources and land use
- terrestrial and aquatic biodiversity
- clean transportation
- climate change adaptation
- sustainable water and wastewater management
- green buildings

Each of the GBPs correlates to one of the following UN Sustainable Development Goals which will also be included in the GreenStar Credit Profile for the Bonds:

- clean water and sanitation
- affordable and clean energy
- sustainable cities and communities
- industry innovation and infrastructure
- responsible consumption and production
- climate action
- life below water
- life on land

*The City makes no representation regarding the applicability of or suitability of the GreenStar designation. The term “GreenStar” is neither defined in, nor related to, the security documents relating to the Bonds. The GreenStar designation is solely for identification purposes and is not intended to provide or imply that the owners of the Bonds are entitled to any security other than that described in this preliminary official statement. The City is under no contractual or other legal obligation to ensure compliance with any legal or other principles relating to “GreenStar” designation. The City has made no commitment to provide ongoing reporting or information regarding the designation or compliance with the GBPs.*

The Bond Insurer GreenStar designation is based upon an assessment by Bond Insurer at the time of the issuance of the Bonds and such designation by Bond Insurer reflects only the views of Bond Insurer. Bond Insurer does not charge a fee in connection with the designation, does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. The designation is provided on an “AS IS” basis and is based on Bond Insurer’s own investigation, studies, assumptions, and criteria using its reasonable best efforts. In issuing its GreenStar designation, Bond Insurer has assumed and relied upon the accuracy and completeness of the information made publicly available by the Issuer or that was otherwise made available to Bond Insurer. Bond Insurer makes no representation or warranty, express or implied, including, but not limited to, the accuracy, results, timeliness, completeness, merchantability or fitness for any particular purpose with respect to the designation. A complete

description of Bond Insurer GreenStar, and its limitations and terms of use, are available on Bond Insurer's website <https://buildamerica.com/greenstar> and <https://buildamerica.com/terms-of-use> and incorporated herein by reference. The Bond Insurer GreenStar designation is determined solely by Bond Insurer; it has not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for such designation.

Bond Insurer's GreenStar designation does not and is not intended to make any representation or give any assurance with respect to any other matter relating to the Bonds and is not a recommendation to any person to purchase, hold, or sell the Bonds. Such labeling does not address the market price, marketability or suitability of these Bonds for a particular investor. There is no assurance that the designation will be retained for any given period of time or that the designation will not be revised, suspended, or withdrawn by Bond Insurer if, in its judgment, circumstances so warrant.

#### Additional Information Available from Bond Insurer.

**Credit Insights Videos.** For certain Bond Insurer-insured issues, Bond Insurer produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors Bond Insurer's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on Bond Insurer's website at <http://www.buildamerica.com/videos>. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

**Credit Profiles.** Prior to the pricing of bonds that Bond Insurer has been selected to insure, Bond Insurer may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by Bond Insurer, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. Bond Insurer pre-sale and final Credit Profiles are easily accessible on Bond Insurer's website at [www.buildamerica.com/credit-profiles](http://www.buildamerica.com/credit-profiles). Bond Insurer will produce a Credit Profile for all bonds insured by Bond Insurer, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

**Disclaimers.** The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and Bond Insurer assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by Bond Insurer; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

Bond Insurer receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither Bond Insurer nor any affiliate of Bond Insurer has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

## **PURPOSES OF BONDS**

**Purposes.** The Bonds are being issued to refund the City's Electric, Water and Sewer Revenue Bonds, Series 2016, dated October 5, 2016, in the original principal amount of \$[\_\_\_\_\_] (the "Series 2016 Bonds"), its Electric, Water and Sewer Revenue Bonds, Series 2018, dated May 22, 2018, in the original principal

amount of \$[ ] (the “Series 2018 Bonds”), and its Surplus Utility Revenue Refunding and Improvement Bonds, Series 2022, dated [ ], 2022, in the original principal amount of \$[ ] (the “Series 2022 Bond” and collectively with the 2016 Bonds and the 2018 Bonds, the “Refunded Bonds”), finance the cost of constructing the Improvements (as described below) and paying costs incidental to the issuance of the Bonds, including but not limited to a bond insurance policy. Proceeds of the Bonds may be invested in Permitted Investments as set forth in the Trust Indenture.

**The Improvements.** The City anticipates that the improvements to the System to be constructed with proceeds of the Bonds will include splitting of industrial/residential sewer lines, cured in place pipe relining, pump replacement and modification in effluent lift station, and construction of a new water treatment plant (the “Improvements” or the “Project”). See **THE TRUST INDENTURE, Parity Bonds** for a description of the requirements for issuance of additional bonds.

## SOURCES AND USES

**Sources and Uses of Bonds.** The sources and uses of funds to finance construction of the Improvements to the System are estimated to be as follows<sup>+</sup>:

### Sources of Funds

Par Amount of Bonds	\$26,000,000.00
Net Original Issue Discount/Reoffering Premium	( )

<b>TOTAL SOURCES</b>	<b>\$</b>
----------------------	-----------

### Uses of Funds

Refunding of the Refunded Bonds	\$
Deposit to Series 2023 Construction Fund	\$
Costs of Issuance*	_____
Rounding Amount	_____

<b>TOTAL USES</b>	<b>\$</b>
-------------------	-----------

\* Includes, among other costs, underwriter’s discount, trustee fees, bond counsel fees, publication costs, and bond insurance.

<sup>+</sup> Preliminary. Subject to change

The payment of Underwriters’ discount and the costs of issuing the Bonds relating to the payment of professional fees will be contingent on the Bonds being issued. See **MISCELLANEOUS, Underwriting** for a description of the Underwriters’ discount. The net proceeds of the Bonds, consisting of the principal amount of the Bonds, [less net original issue discount/plus net reoffering premium], less Underwriters’ discount, will be (a) transferred to the Trustee to be applied to the payment of costs of issuance of the Bonds, and (b) deposited to the Series 2023 Construction Fund for construction of the Improvements.

The Bonds are secured under the Trust Indenture. For a summary of the terms of the Trust Indenture, see **THE TRUST INDENTURE** herein. The City may issue additional bonds on a parity of security with the Bonds, but the authority to issue any additional bonds on a parity with such Bonds is contingent upon compliance with the requirements of the Trust Indenture. See **THE TRUST INDENTURE, Parity Bonds**.

## THE CITY AND THE COUNTY

**Location.** The City is located in Mississippi County, Arkansas (the “County”), and is a city of the first class organized and existing under the laws of the state of Arkansas. The City is located in northeastern

Arkansas on the banks of the Mississippi River and is approximately 175 miles northeast of Little Rock, Arkansas. The City is approximately 50 miles north of Memphis, Tennessee and approximately 26 miles south of the Arkansas and Missouri border.

**Population.** The County is comprised of 17 cities and towns and a number of unincorporated townships. Since 1970, the population trend for the City and the County is as follows<sup>1</sup>:

<u>Year</u>	<u>City Population</u>	<u>County Population</u>
1970	7,892	62,060
1980	8,881	59,517
1990	9,206	57,525
2000	8,938	51,979
2005	8,039	47,237
2010	7,757	46,480
2015	7,320	43,692
2020	6,976	40,685
2021	6,779	39,577
2022*	6,664	38,896

\* Population estimate as of July 1, 2022.

**Transportation.** The City is served by Interstate 55, U.S. Highway 61 and State Highway 140. The City is served by the Arkansas International Airport, located in Blytheville, Arkansas.

**City Council and Administration.**<sup>2</sup> The government of the City operates under the mayor-city council form of government, pursuant to which the mayor is elected for four-year terms and the members of City Council are elected for four-year terms. The current mayor (whose term expires \_\_\_\_\_, 20\_\_) and members of the City Council (whose terms expire December 31 of the year below) are as follows:

<u>Name</u>	<u>Office</u>	<u>Term Expiration</u>
Joe Harris, Jr.	Mayor	20
Jessica Griffin	City Clerk/Treasurer	20
David Burnett	City Attorney	20
Donnie Ray Pugh	City Council Member	20
Joe Guy	City Council Member	20
Sandra Brand	City Council Member	20
Linda Watson	City Council Member	20
Tyler Dunegan	City Council Member	20
Gary Cooper	City Council Member	20

**Medical Facilities.** The County is served by the Mississippi County Hospital System which includes two hospitals and several clinics. Great River Medical Center in Blytheville is a full-service hospital with approximately 99 beds, and South Mississippi County Regional Medical Center in Osceola is a critical access hospital with approximately 25 beds.

<sup>1</sup> Source: U.S. Bureau of the Census.

<sup>2</sup> Source: Issuer.

**Financial Institutions.** Banks having branches in the City include Cadence Bank, Cross County Bank, Regions Bank, and First National Bank Eastern Arkansas. Bank deposits in Mississippi County have been as follows for the years indicated<sup>3</sup>:

Year (as of June 30)	Total Deposits	Average Annual Growth (%)
2015	531,691,000	--
2016	544,386,000	2.4
2017	536,934,000	(1.4)
2018	549,383,000	2.3
2019	556,893,000	1.4
2020	646,905,000	16.1
2021	674,221,000	4.2
2022	704,826,000	4.5

**Education.** Primary and secondary education for the City's inhabitants is provided by a public school system. The City is in the Osceola School District, which has a total of 4 schools. Arkansas Northeastern College is located in Blytheville, Arkansas.

**Employers.** The following are the 10 largest major employers within the County<sup>4</sup>:

<u>Employer</u>	<u>Industry</u>
Nucor Yamato Steel Company and Nucor Corporation	Iron and Steel Mills and Ferroalloy Manufacturing
Big River Steel LLC	Iron and Steel Mills and Ferroalloy Manufacturing
American Greetings Corporation	Printing
Denso Manufacturing Arkansas	Motor Vehicle Parts Manufacturing
Walmart Stores, Inc.	Retail Department Stores
Mississippi County Ark EOC	Child Day Care Services
Blytheville School District	Public Schools
Phoenix Services LLC	Iron and Steel Mills and Ferroalloy Manufacturing
Maverick Tube Corporation	Iron and Steel Mills and Ferroalloy Manufacturing
Mississippi County Hospital System	Hospitals

**Litigation.** There is no material litigation pending or threatened against the City that would materially adversely affect the financial condition of the City, except as disclosed under the heading **THE SYSTEM, System Litigation**

<sup>3</sup> Source: Federal Deposit Insurance Corporation

<sup>4</sup> Source: Arkansas Economic Development Commission

### City and County Economic Data.

Per Capita Personal Income. Per capita personal income estimates for the County are as follows<sup>5</sup>:

<u>Year</u>	<u>Per Capita Personal Income</u>	<u>Average Annual Growth (%)</u>
2013	29,454	--
2014	28,401	(3.6)
2015	29,021	2.2
2016	29,362	1.2
2017	30,867	5.1
2018	32,493	5.3
2019	35,086	8.0
2020	38,264	9.1
2021	42,273	10.5

Total Personal Income. Total personal income estimates for the County are as follows<sup>6</sup>:

<u>Year</u>	<u>Personal Income (in 000's)</u>	<u>Average Annual Growth (%)</u>
2013	1,319,507	--
2014	1,261,142	(4.4)
2015	1,275,077	1.1
2016	1,266,930	(1.0)
2017	1,309,277	3.3
2018	1,351,729	3.2
2019	1,442,547	6.7
2020	1,549,819	7.4
2021	1,676,594	8.2

Average Unemployment. The annual average unemployment rates for the County and the State of Arkansas since 2013 are as follows<sup>7</sup>:

<u>Year</u>	<u>Mississippi County (%)</u>	<u>State (%)</u>
2013	11.1	7.1
2014	9.0	5.9
2015	8.9	5.0
2016	6.8	4.0
2017	6.0	3.7
2018	5.6	3.7
2019	5.0	3.5
2020	9.3	6.2
2021	7.1	4.1
2022	5.2	3.3

<sup>5</sup> Source: Federal Reserve Economic Data.

<sup>6</sup> Source: Federal Reserve Economic Data.

<sup>7</sup> Source: Arkansas Department of Workforce Services.

## THE SYSTEM

**General.** The System, consisting of the Sewer System, the Electric System, and the Water System, are each owned by the City and operated under the control of the City Council by the Osceola Municipal Light & Power department and the Osceola Water and Wastewater department, as a single, integrated municipal undertaking.

The Water and Wastewater Superintendent is Brandon Haynes [and is appointed by the City Council]. The Osceola Municipal Light & Power department is headed by [ ] [who is appointed by the City Council.]

Operation and management of the combined utilities is provided by utility staff under the direction of Frank Holzkamper, Director. Mr. Holzkamper has been Director since April of 2012.

The City employs approximately [ ] persons in the System.

**Description of the Sewer System.** The Sewer System consists of a sewer collection system with one primary lift station and 18 satellite lift stations. The primary lift station includes four pumps, each of which can pump 2.5 million gallons per day (2.5 MGD) to the City of Decatur for sewer treatment services. The City is also a member of the Northwest Arkansas Conservation Authority, a regional sewer treatment authority. The average daily flows during each of the years 2015 through 2021 in millions of gallons (MGD) were as follows:

<u>Year</u>	<u>Average Daily Flow</u>
2015	0.678 MGD
2016	0.629 MGD
2017	0.689 MGD
2018	0.743 MGD
2019	0.915 MGD
2020	0.952 MGD
2021	1.100 MGD

**Sewer Users.** The Sewer System serves approximately 6,500 retail customers in the City and in certain nearby areas. The table below shows the number of customers in the Sewer System for the years 2015 through 2021.

<u>Fiscal Year Ending December 31</u>	<u>Residential Sewer Users</u>	<u>Commercial and Industrial Sewer Users</u>
2015	3,883	44
2016	4,239	48
2017	4,567	47
2018	4,900	65
2019	5,286	68
2020	5,792	75
2021	6,536	88

No Sewer System users account for more than 5% of annual Sewer System revenues.

**Sewer Rates.** Pursuant to Ordinance No. [\_\_ - \_\_] of the City adopted by the City Council of the City on [\_\_, 20\_\_], the current monthly charge to each Sewer System customer is as follows:

<u>All Users by Location</u>	<u>Monthly Minimum</u>	<u>Rates Per 1,000 Gallons</u>
<b>All Inside City:</b>	\$16.76	\$7.99/1,000 gallons < 300,000 \$8.57 gallons ≥ 300,000
<b>All Outside City:</b>	\$18.18	\$9.08/1,000 gallons < 300,000 \$9.66 gallons ≥ 300,000

Pursuant to Ordinance No. [\_\_ - \_\_] of the City adopted by the City Council of the City on [\_\_, 20\_\_], the current base fees (minimum monthly charges) for sewer services based on meter size are as follows:

	<u>Inside City</u>	<u>Outside City</u>
3/4"	\$16.76	\$18.18
1"	\$27.99	\$30.36
1.5"	\$55.81	\$60.54
2"	\$89.33	\$96.90
3"	\$195.59	\$212.16
4"	\$335.20	\$363.60
6"	\$754.20	\$818.10
8"	\$893.81	\$969.54

In addition to monthly service fees, and pursuant to Ordinance No. [\_\_ - \_\_] of the City adopted by the City Council of the City on [\_\_, 20\_\_], a one-time capacity or impact fee based on meter size is assessed to each residence or business at the time a new connection is made to the Sewer System.

**Description of the Water System.** The Water System receives treated water from Benton-Washington Regional Public Water Authority, a regional public water authority. The Water System has a storage capacity of approximately 7.2 million gallons (7.2 MG). It operates over 300 miles of water distribution lines. The Water System has mutual support connections with neighboring water systems in case of emergencies.

**Water Users.** The Water System serves nearly 9,000 retail customers in the City and in certain nearby areas. The table below shows the number of customers in the Water System for the years 2015 through 2021.

<u>Fiscal Year Ending</u> <u>December 31</u>	<u>Residential Water</u> <u>Users</u>	<u>Commercial and</u> <u>Industrial Water Users</u>
2015	5,617	157
2016	5,994	180
2017	6,446	196
2018	7,180	197
2019	7,645	200
2020	8,439	205
2021	8,800	218

No Water System users account for more than 5% of annual Water System revenues. During the summer, nearly 1,000 additional customers turn on their irrigation meters for the season.

**Water Consumption.** The Water System current serves approximately 8,800 retail customers in the City. The average daily consumption and total annual consumption during each of the years 2015 through 2021 in millions of gallons (MGD) were as follows:

<u>Year</u>	<u>Average Daily</u> <u>Consumption</u>	<u>Total Annual</u> <u>Consumption</u>
2015	1.162 MGD	424 MGY
2016	1.381 MGD	504 MGY
2017	1.499 MGD	547 MGY
2018	1.047 MGD	382 MGY
2019	1.181 MGD	431 MGY
2020	1.441 MGD	526 MGY
2021	1.567 MGD	572 MGY

**Water Rates.** Pursuant to Resolution No. 2015-10 of the Commission adopted November 19, 2015, the current monthly charge to each Water System customer is as follows:

<u>User Type</u>	<u>Monthly Minimum</u>	<u>Rates Per 1,000 Gallons</u>
<b><u>Residential:</u></b>		
Inside City Residential	\$20.00	\$4.65/1,000 gallons
Outside City Residential	\$25.00	\$4.95/1,000 gallons
Outside City Double Residence	\$50.25	\$4.95/1,000 gallons
<b><u>Irrigation:</u></b>		
Inside City Irrigation	\$20.00	\$4.65/1,000 gallons
Outside City Irrigation	\$25.00	\$4.95/1,000 gallons
<b><u>Commercial and Tax –Exempt Users:</u></b>		
Inside City Commercial and Tax-Exempt	\$34.50	\$3.45/1,000 gallons 1-99,999 \$3.25/1,000 gallons 100,000-499,999 \$3.15/1,000 gallons ≥500,000
Outside City Commercial and Tax-Exempt	\$34.50	\$3.45/1,000 gallons 1-99,999 \$3.25/1,000 gallons 100,000-499,999 \$3.15/1,000 gallons ≥500,000

Pursuant to Ordinance No. [\_\_ - \_\_] of the City adopted by the City Council of the City on [\_\_, 20\_\_], the current base fees (minimum monthly charges) for water services based on meter size are as follows:

	Inside City Residential	Outside City Residential	Inside and Outside City Commercial
3/4"	\$20.00	\$25.00	\$34.50
1"	\$33.40	\$41.75	\$57.62
1.5"	\$66.60	\$83.25	\$114.89
2"	\$106.60	\$133.25	\$183.89
3"	\$233.40	\$291.75	\$402.62
4"	\$400.00	\$500.00	\$690.00
6"	\$900.00	\$1,125.00	\$1,552.50
8"	\$1,066.00	\$1,333.25	\$1,839.89

In addition to monthly service fees, and pursuant to Ordinance No. [\_\_ - \_\_] of the City adopted by the City Council of the City on [\_\_, 20\_\_], a one-time capacity or impact fee based on meter size is assessed to each residence or business at the time a new connection is made to the Water System, and pursuant to

Resolution No. 2017-05 of the commission adopted on February 21, 2017, certain deposits and other on-time service charges are also assessed.

**System Litigation.** There is no material litigation pending or threatened against the City or the System that could have a material adverse impact on the financial condition of the System.

[Remainder of Page Intentionally Blank]

## THE TRUST INDENTURE

The Bonds are being issued and secured pursuant to the Trust Indenture, to which reference may be had in their entirety for a detailed statement of their provisions, the description set forth below being a summary of certain provisions. The City will covenant as set forth below in the Trust Indenture.

### **Rates and General Covenants to Operate.**

(a) The rates charged for services of the System previously fixed by ordinances of the City and the conditions, rights and obligations pertaining thereto, as set out in those ordinances, are ratified, confirmed and continued.

The City covenants and agrees that the rates and charges fixed for services of the System will produce Revenues and Income at least sufficient to (1) pay the System's operation, repair and maintenance expenses, (2) make all required deposits to the Debt Service Reserve Fund for the Bonds, if there is not a Reserve Policy in place, or to reimburse the Reserve Insurer for any amounts owing with respect to the Reserve Policy if there is a Reserve Policy in place, (3) reimburse the Bond Insurer (described below) for any amounts owing with respect to the Bond Insurance Policy (described below), and (4) leave a balance equal to 110% of the maximum annual debt service requirements for the Bonds and all other additional parity obligations. The City further covenants and agrees that the rates, fees and charges shall, if and when necessary from time to time, be increased in such manner as will produce Revenues and Income sufficient to meet these requirements.

(b) The System shall be continuously operated as revenue producing undertakings, and all moneys received from their operation shall be deposited in such depository or depositories for the City as may be lawfully designated from time to time by the Commission, subject, however, to the giving of security as now or as hereafter may be required by law, and provided that such depositories shall hold membership in the Federal Deposit Insurance Corporation ("FDIC").

**Funds and Disposition of Revenues.** The following is a summary of the funds and dispositions of Revenues as set forth in the Trust Indenture:

(a) Revenue Fund. All Revenues and Income shall be deposited upon receipt into a special account of the City designated "Revenue Fund" under the Trust Indenture (the "Revenue Fund").

(b) Operation and Maintenance Fund. On the first business day of each month, there shall be paid from the Revenue Fund into a special fund designated "Operation and Maintenance Fund," the estimated amount necessary, together with moneys then held for the credit of the Operation and Maintenance Fund, to pay the operation and maintenance expenses of the System for such month.

(c) Bond Fund. By the 15th day of each month, after making the required payment into the Operation and Maintenance Fund, there shall be paid from the Revenue Fund into the special fund created and designated by the Trust Indenture as the "2023 Bond Fund" amounts equal to the required monthly deposit into such fund. If the City issues any additional parity bonds, the obligation to make payments into the bond funds for those bonds shall rank on a parity of security with the obligation to make payments into the 2023 Bond Fund. In the event the Revenues and Income of the System remaining after making the required monthly deposit into the Operation and Maintenance Fund are insufficient to make the full monthly deposits into the 2023 Bond Fund and the bond funds for the additional parity bonds, the amount deposited into each shall be reduced proportionately.

The required monthly deposit into the 2023 Bond Fund shall continue to be an amount equal to 1/6 of the next installment of interest and 1/12 of the next installment of

principal on the Series 2023 Bonds, plus such additional sums as necessary to provide for the fees and expenses of the Trustee for the Series 2023 Bonds, plus any arbitrage rebate due the United States Treasury under Section 148(f) of the Code on account of arbitrage earnings on proceeds of the Series 2023 Bonds.

All moneys in the 2023 Bond Fund shall be used solely for the purpose of paying the principal of, premium, if any, and interest on the Series 2023 Bonds when due, Trustee's fees, the amounts necessary to pay any arbitrage rebate due the United States Treasury under Section 148(f) of the Code on account of arbitrage earnings on the gross proceeds of the 2023 Bonds, and amounts due the Reserve Insurer for the Series 2023 Bonds, except as specifically provided in the Trust Indenture. When the aggregate moneys held in the 2023 Bond Fund and the 2023 Debt Service Reserve Fund (hereinafter described), shall be and remain sufficient to make all principal and interest payments and to pay all fees due, the City shall not be obligated to make any further payments into the 2023 Bond Fund.

The 2023 Bonds shall be specifically secured by a pledge of all Revenues and Income required to be placed into the 2023 Bond Fund. The pledge in favor of the 2023 Bonds is irrevocably made according to the terms of the Trust Indenture, and the City and its officers and employees shall execute, perform and carry out the terms thereof in strict conformity with the provisions of the Trust Indenture.

The City shall receive a credit against monthly deposits into the 2023 Bond Fund from Series 2023 Bond proceeds deposited therein, all interest earning on moneys in the 2023 Bond Fund, and for transfers into the 2023 Bond Fund derived from earnings in the 2023 Debt Service Reserve Fund during the preceding month as hereinafter provided. The depository of the 2023 Bond Fund shall be and remain the Trustee.

The moneys in the 2023 Bond Fund shall be used solely for the purpose of paying the principal of and interest on the 2023 Bonds, the Trustee's fees and expenses, and making required arbitrage rebate payments due the United States Treasury.

So long as there is no default in the obligation to make payments into the 2023 Bond Fund, any amount credited to the 2023 Bond Fund that is in excess of required credits to such account shall be transferred from such account to the Revenue Fund.

(d) Debt Service Reserve Fund. After making the monthly deposits into the Operation and Maintenance Fund, and after making required monthly deposits to the 2023 Bond Fund, the City shall make any required payments into the special fund created by the Trust Indenture and designated "2023 Debt Service Reserve Fund" amounts equal to the required monthly deposit into each fund.

(i) The required monthly deposit into the 2023 Debt Service Reserve Fund shall be an amount equal to the lesser of (i) one-half (i.e. 50%) of the maximum annual principal and interest requirements on the 2023 Bonds, (ii) 10% of the original proceeds of the 2023 Bonds or (iii) 125% of the maximum annual principal and interest requirements on the 2023 Bonds (the "2023 Debt Service Reserve Fund Requirement"). The 2023 Debt Service Reserve Requirement may be satisfied by cash (which may be invested in Permitted Investments, as hereinafter defined) or surety bond (a "Reserve Policy") issued by Build America Mutual Assurance Company or any successor thereto or replacement insurer (the "Reserve Insurer").

(ii) In the event the amount in the 2023 Debt Service Reserve Fund is ever reduced to less than the 2023 Debt Service Reserve Fund Requirement, it shall be restored to an amount equal to the 2023 Debt Service Reserve Fund Requirement in twelve substantially equal payments from the Revenue Fund on the first business day of each month. The depository of the 2023 Debt Service Reserve Fund shall be and remain the

Trustee. The City is obligated to repay the Reserve Insurer for any draws under the Reserve Policy and pay all related reasonable expenses incurred by the Reserve Insurer. Repayment of draws on the Reserve Policy shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate policy costs related to such draw.

If for any reason there shall be a deficiency in the payments made into the 2023 Bond Fund so that there are unavailable sufficient moneys therein to pay the principal of, premium, if any, and interest on the Bonds as the same become due, any sums then held in the 2023 Debt Service Reserve Fund shall be used to the extent necessary to pay such principal, premium, interest and fees of the Trustee, but the 2023 Debt Service Reserve Fund shall be reimbursed as described above. The 2023 Debt Service Reserve Fund shall be used solely as described in the Trust Indenture, but the moneys therein may be invested as set forth in the Trust Indenture. Any earnings on moneys in the 2023 Debt Service Reserve Fund that increase the amount therein above the 2023 Debt Service Reserve Requirement Fund shall be transferred into the 2023 Bond Fund.

(e) Excess Moneys. Moneys remaining in the Revenue Fund after making all required monthly fund deposits shall first be used to reimburse the Reserve Insurer for any expenses owing with respect to the Reserve Policy and the balance may be used may be used for any lawful municipal purpose relating to the System.

(f) Construction Fund. The Trust Indenture creates with the Trustee a special fund to be designated “Series 2023 System Construction Fund” or “2023 Construction Fund.”

Moneys in the Series 2023 Construction Fund may be disbursed to the City for Project costs that shall include costs of acquisition, costs of construction, architect’s and engineer’s fees, and other allowable costs of the Project. Such expenditures shall be paid in accordance with and pursuant to written draw requests that shall be signed by the mayor or his designee. Upon receipt of each draw requests the Trustee shall issue its check upon the Series 2023 Construction Fund payable to the person, firm or corporation designated in the draw requests. In making any such payment from the Series 2023 Construction Fund, the Trustee may rely on any such requisitions and any such certificates delivered to it pursuant to the Trust Indenture and the Trustee shall be relieved of all liability with respect to making such payments in accordance with any such requisitions and such supporting certificate or certificates without inspection of the Project or any other investigation.

**Parity Bonds.** So long as any Bonds are outstanding under the provisions of the Trust Indenture, the City shall not issue any water or sewer bonds claimed to be entitled to a priority of lien on Revenues and Income of the System over the lien securing the Bonds.

The City reserves the right to issue additional bonds for the System to finance or refinance the cost of constructing any extensions, betterments or improvements to the System, but the City shall not authorize or issue any such additional bonds ranking on a parity with the applicable outstanding Bonds unless and until there shall have been procured and filed with the Trustee a statement by an independent certified public accountant not in the regular employ of the City (“Accountant”) reciting the opinion, based upon necessary investigation, that either (1) net revenues of the System for the fiscal year immediately preceding the fiscal year in which it is proposed to issue such additional bonds were equal to not less than 110% of the maximum annual principal and interest requirements on the applicable Bonds, any outstanding bonds issued on a parity with the applicable Bonds, and the additional parity bonds then proposed to be issued, or (2) net revenues of the System for the next ensuing fiscal year, including any increase in revenues attributable to the proposed extensions, betterments and improvements as reflected by the written opinion of a duly qualified consulting engineer not in the regular employ of the City (“Engineer”), shall be equal to not less than 110% of the maximum annual principal and interest requirements on the applicable Bonds,

any outstanding bonds issued on a parity with the applicable Bonds, and the additional parity bonds then proposed to be issued. For the purposes of the computation required by this paragraph, additional amounts may be added to the net revenues of the completed fiscal year immediately preceding the issuance of additional bonds, as follows: if, prior to the issuance of the additional bonds and subsequent to the first day of such preceding fiscal year, the City shall have increased its rates or charges imposed for services of the System there may be added to the net revenues of such fiscal year the additional net revenues that would have been received from the operation of the System during such fiscal year had such increase been in effect throughout such fiscal year, as reflected by a certificate of an Engineer.

The term “net revenues” as used in this Section shall mean gross Revenues and Income of the System, less operation and maintenance expenses (exclusive of depreciation and debt service expenses) of the System, determined in accordance with generally accepted accounting principles applicable to municipal water or sewer systems, as applicable.

Notwithstanding satisfaction of the other conditions to the issuance of additional bonds as set forth in this Section, no such issuance may occur if a default or breach (or any event which, once all notice or grace periods have passed, would constitute a breach) exist unless such breach shall be cured upon such issuance.

**Accounts and Records.** The City will keep proper books of accounts and records (separate from all other records and accounts) in which complete and correct entries shall be made of all transactions relating to the operation of each System, and such books shall be available for inspection by the registered owner of any Bond at reasonable times and under reasonable circumstances. The City agrees to have these records audited by an Accountant at least once each year, and a copy of the audit shall be delivered to the Trustee and made available to registered owners requesting the same in writing. In the event that the City fails or refuses to make the audit, the Trustee or any registered owner of a Bond may have the audit made, and the cost thereof shall be charged against the Operation and Maintenance Fund.

**Maintenance; Insurance.** The City covenants and agrees that it will maintain the System in good condition and operate the same in an efficient manner and at reasonable cost. While any of the Bonds are outstanding, the City agrees that, to the extent comparable protection is not otherwise provided to the satisfaction of the Trustee, it will insure in a commercially reasonable manner, and with such coverages in such amounts as are commercially reasonable under the circumstances, and at all times keep insured, in the amount of the full insurable value thereof, in a responsible insurance company or companies selected by the City and authorized and qualified under the laws of the State of Arkansas to assume the risk thereof, properties of the applicable System, to the extent that such properties would be covered by insurance by private companies engaged in similar types of businesses, against loss or damage thereto from fire, lightning, tornados, winds, earthquakes and other hazards that may be reasonably anticipated. Any insurance policies are to carry a clause making them payable to the City and the Trustee as their interests may appear, and are either to be placed in the custody of the Trustee or satisfactory evidence of said insurance shall be filed with the Trustee. In the event of loss, the proceeds of such insurance shall be applied solely toward the reconstruction, replacement or repair of the applicable System, and in such event the City will, with reasonable promptness, cause to be commenced and completed the reconstruction, replacement and repair work. If such proceeds are more than sufficient for such purposes, the balance remaining shall be deposited to the credit of the Revenue Fund, and if such proceeds shall be insufficient for such purposes the deficiency shall be supplied first from moneys in the Depreciation Fund and second from moneys in the Operation and Maintenance Fund for the applicable System. Nothing shall be construed as requiring the City to expend any moneys for operation and maintenance of the System or for premiums on its insurance which are derived from sources other than the operation of the System, but nothing shall be construed as preventing the City from doing so.

**Statutory Mortgage; Mortgage.** Pursuant to Ark. Code Ann. § 14-234-208 (1987), there shall be a statutory mortgage lien upon the Water System, which shall exist in favor of the registered owners of the Bonds until payment in full of the interest on and principal of the Bonds. Pursuant to the Trust Indenture, there shall also be a mortgage lien upon the Sewer System and all other properties of whatever nature now owned by the City and used as part of the System and all replacement properties, which shall exist in favor of the registered owners of the Bonds until payment in full of the interest on and principal of the Bonds.

**Defeasance.** Any Bond shall be deemed to be paid within the meaning of the Trust Indenture when payment of the principal of and interest on such Bond (whether at maturity or upon redemption as provided herein, or otherwise), either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment (1) cash sufficient to make such payment and/or (2) United States Treasury Certificates, Notes and Bonds (including State and Local Government Series) (“Defeasance Securities”) (provided that such deposit will not affect the tax-exempt status of the interest on any of the Bonds or cause any of the Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code), maturing as to principal and interest in such amounts and at such times as will provide sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee shall have been paid or the payment thereof provided for to the satisfaction of the Trustee.

On the payment of any such Bonds within the meaning of the Trust Indenture, the Trustee shall hold in trust, for the benefit of the owners of such Bonds, all such moneys and/or Defeasance Securities.

When all the Bonds shall have been paid within the meaning of the Trust Indenture, if the Trustee has been paid its fees and expenses and if any arbitrage rebate due the United States Treasury has been paid or provided for to the satisfaction of the Trustee, the Trustee shall take all appropriate action to cause (i) the pledge and lien of the Trust Indenture to be discharged and cancelled, and (ii) all moneys held by it pursuant to the Trust Indenture and which are not required for the payment of the Bonds to be paid over or delivered to or at the direction of the City. In determining the sufficiency of the deposit of Defeasance Securities there shall be considered the principal amount of such Defeasance Securities and interest to be earned thereon until the maturity of such Defeasance Securities.

#### **Default and Remedies.**

Events of Default. If any of the following events occur, it is defined as and declared to be and to constitute an “event of default” under the Trust Indenture;

- (i) Default in the due and punctual payment of any interest on any Bond secured and outstanding by the Trust Indenture;
- (ii) Default in the due and punctual payment of the principal of, and premium, if any, on any Bond secured and outstanding under the Trust Indenture, whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;
- (iii) Default in the performance or observance of covenants, agreements or conditions on its part to be performed in the Trust Indenture, and the continuance thereof for a period of fifteen (15) days after written notice to the City by the Trustee or by the owners of not less than ten percent (10%) in aggregate principal amount of Bonds outstanding under the Trust Indenture;

The term “default” shall mean default by the City in the performance or observance of any of the covenants, agreements or conditions on its part contained in the Trust Indenture, or in the Bonds outstanding under the Trust Indenture, exclusive of any period of grace required to constitute a default an “event of default” as hereinabove provided.

Acceleration. Upon the occurrence of an event of default, the Trustee may, and at the written direction of the Bond Insurer or upon the written request of the owners of fifty percent (50%) in aggregate principal amount of Bonds outstanding under the Trust Indenture, shall, with the written consent of the Bond Insurer, by notice in writing delivered to the City, declare the principal of all Bonds hereby secured then outstanding and the interest accrued thereon immediately due and payable and such principal and interest shall thereupon become and be immediately due and payable.

Trustee's Right to Enter and Take Possession. Upon the occurrence of an event of default, the City, upon demand of the Trustee, shall forthwith surrender to it the actual possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of, all or any part of the Pledged Property with the books, papers and accounts of the City pertaining thereto and to hold, operate and manage the same, and from time to time to make all needful repairs and improvements as the Trustee shall deem wise; and the Trustee, with or without such permission, may collect, receive and sequester the rents, revenues, issues, earnings, income, products and profits therefrom (exclusive of any of the foregoing that may have been pledged to secure other obligations of the City) and out of the same and any moneys received from any receiver of any part thereof pay, and/or set up proper reserves for the payment of, all proper costs and expenses of so taking, holding and managing the same, including reasonable compensation to the Trustee, its agents and counsel, and any charges of the Trustee under the Trust Indenture and any taxes, assessments and other charges prior to the lien of the Trust Indenture that the Trustee may deem it wise to pay, and all expenses of such repairs and improvements, and apply the remainder of the moneys so received by the Trustee in accordance with the provisions of the Trust Indenture. Whenever all that is due upon such Bonds and installments of interest under the terms of the Trust Indenture shall have been paid and all defaults made good, the Trustee shall surrender possession to the City, its successors or assigns; the same right of entry, however, to exist upon any subsequent event of default.

While in possession of such property the Trustee shall render annually to the owners of the Bonds, at their addresses as set forth on the bond registration book maintained by the Trustee, a summarized statement of income and expenditures in connection therewith.

Other Remedies; Rights and Obligations with Reference to Remedies. Upon the occurrence of an event of default, the Trustee may, as an alternative, proceed either after entry or without entry, to pursue any available remedy by suit at law or in equity to enforce the payment of the principal of and interest on the Bonds then outstanding under the Trust Indenture, including without limitation, foreclosure and mandamus.

If an event of default shall have occurred, and if it shall have been requested in writing so to do by the owners of fifty percent (50%) in aggregate principal amount of Bonds outstanding under the Trust Indenture and shall have been indemnified as provided in the Trust Indenture, the Trustee shall be obligated to exercise such one or more of the rights and power conferred upon it as the Trustee, being advised by counsel, shall deem most expedient in the interests of the bondowners.

No remedy by the terms of the Trust Indenture conferred upon or reserved to the Trustee (or to the bondowners) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given under the Trust Indenture or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any default or event of default shall impair any such right or power or shall be construed to be a waiver of any such default or event of default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or event of default under the Trust Indenture, whether by the Trustee or by the bondowners, shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereon.

Right of Majority of Bondowners to Take Charge. Anything in the Trust Indenture to the contrary notwithstanding, the owners of a majority in aggregate principal amount of Bonds outstanding under the Trust Indenture shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Trust Indenture, or for the appointment of a receiver or any other proceeding under the Trust Indenture; subject to the provisions of the Trust Indenture and provided that such direction shall not be otherwise than in accordance with the provision of law and of the Trust Indenture.

Appointment of Receiver. Upon the occurrence of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the bondowners under the Trust Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the security pledged under the Trust Indenture and of the rents, revenues, issues, earnings, income, products and profits thereof, pending such proceedings with such powers as the court making such appointment shall confer.

Waiver by City of Benefit of Laws and Rights of Appraisalment and Redemption. In case of an event of default on its part, as aforesaid to the extent that such rights may then lawfully be waived, neither the City nor anyone claiming through it or under it shall or will set up, claim or seek to take advantage of any appraisalment, valuation, stay, extension or redemption as now or hereafter in force, in order to prevent or hinder the enforcement of the Trust Indenture, but the City, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws and all right of appraisalment and redemption to which it may be entitled under the laws of the State of Arkansas.

Application of Available Moneys. Available moneys shall be applied by the Trustee as follows:

(i) To the payment of costs and expenses of suit, if any, and the reasonable compensation of the Trustee, its agents, attorneys and counsel, and of all proper expenses, liabilities and advances incurred or made under the Trust Indenture by the Trustee or by any bondowner.

(ii) Unless the principal of all the Bonds all have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST: To the payment to the persons entitled thereto of all installments of interest then due, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege;

SECOND: To the payment to persons entitled thereto of the unpaid principal of any of the Bonds that shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Trust Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege; and

THIRD: To the payment of the interest on and the principal of the Bonds, and to the redemption of Bonds.

(iii) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any bond over any other Bond, ratably, according to the amounts due respectively for principal and or privilege.

(iv) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article then, subject to the provisions of paragraph (c) of this Section, in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (b) of this Section.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as it shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the owner of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Remedies Vested in Trustee. All rights of action (including the right to file proof of claim) under the Trust Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any owners of the Bond hereby secured, and any recovery of judgment shall be for the equal benefit for the owners of the outstanding Bonds in the order herein provided.

Rights and Remedies of Bondowners. No owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Trust Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy under the Trust Indenture, unless a default has occurred of which the Trustee has been notified as provided in the Trust Indenture or of which by the subsection it is deemed to have notice, nor unless such default shall have become an event of default and the owners of fifty percent (50%) in aggregate principal amount of Bonds outstanding under the Trust Indenture shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in the Trust Indenture; nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such notification request and offer of indemnity are hereby declared in every such case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of the Trust Indenture, and to any action or cause of action for the enforcement of the Trust Indenture or for the appointment of a receiver for any other remedy under the Trust Indenture; it being understood and intended that not one or more owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Trust Indenture by his or their action or to enforce any right under the Trust Indenture except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided for the equal benefit of the owners of all Bonds outstanding under the Trust Indenture. Nothing in the Trust

Indenture contained shall, however, affect or impair the right of any bondowners to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof, or to the obligation of the City to pay the principal of and interest on each of the Bonds issued under the Trust Indenture to the respective owners thereof at the time and place in the Bonds expressed.

Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under the Trust Indenture by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the City and the Trustee shall be restored to their former positions and rights under the Trust Indenture with respect to the property herein conveyed, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken, except to the extent the Trustee is legally bound by such adverse determination.

Waivers of Events of Default. The Trustee may in its discretion waive any event of default under the Trust Indenture and its consequences and rescind any declaration of maturity of principal, and shall do so upon the written request of the owners of (i) 50% in aggregate principal amount of all the Bonds outstanding under the Trust Indenture in respect of which default in the payment of principal and/or interest exists, or (ii) 50% in principal amount of all the Bonds outstanding under the Trust Indenture in the case of any other default, provided, however, that there shall not be waived (a) any event of default in the payment of the principal of any Bonds issued under the Trust Indenture and outstanding at the date of maturity specified therein or (b) any default in the payment of the interest or of Bond Fund moneys, unless prior to such waiver or rescission all arrears of interest, with interest at the rate borne by the Bonds in respect of which such default shall have occurred on overdue installments of interest or all arrears of Bond Fund payments, as the case may be, and all expenses of the Trustee and Paying Agent, shall have been paid or provided for, and in case of any such waiver or rescission or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the City, Trustee and the bondowners shall be restored to their former positions and rights under the Trust Indenture respectively; but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

#### **Amendment of Trust Indenture.**

(a) The terms of the Trust Indenture constitute a contract between the City and the owners of the Bonds issued thereunder. No variation or change in the undertaking set forth in the Trust Indenture shall be made while any of the Bonds issued thereunder are outstanding, except as hereinafter set forth below.

(b) The Trustee may consent to any variation or change in the Trust Indenture without the consent of the owners of the outstanding Bonds thereunder (1) in order to cure any ambiguity or correct any defect therein as the City may deem necessary or desirable and not inconsistent therewith or (2) in order to make any other variation or change that the Trustee determines shall not materially adversely affect the interests of the owners of the Bonds issued thereunder.

(c) The owners of not less than 75% in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, anything contained in the Trust Indenture to the contrary notwithstanding, to consent to and approve the adoption by the City of such ordinance supplemental hereto as shall be necessary or desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Trust Indenture or in any supplemental ordinance; provided, however, that nothing contained in the Trust Indenture shall permit or be construed as permitting (i) an extension of the maturity of the principal of or the interest on any Bond issued thereunder, or (ii) a reduction in the principal amount of any Bond issued thereunder or the rate of interest thereon, or (iii) the creation of a lien or pledge superior to the lien and pledge created by the Trust Indenture, or (iv) a

privilege or priority of the Bonds, or (v) a reduction in the aggregate principal amount of the applicable Bonds required for consent to such supplemental ordinance.

**The Trustee.** The Trustee shall only be responsible for the exercise of good faith and reasonable prudence in the execution of its trust. The Trustee shall not be required to take any action as Trustee unless it shall have been requested to do so in writing by the registered owners of not less than ten percent (10%) in principal amount of the Bonds then outstanding and shall have been offered reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby. The Trustee may resign at any time by giving sixty (60) days' notice in writing to the City Clerk and the registered owners of the Bonds, and the City, so long as the City is not in default under the Trust Indenture, upon notice to the majority in value of the registered owners of the outstanding Bonds issued thereunder, with or without cause, may remove the Trustee. In the event of a vacancy in the office of Trustee, either by resignation or by removal, the City shall forthwith designate a new Trustee by a written instrument filed in the office of the City Clerk. Every successor Trustee shall be a trust company or bank in good standing, duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$75,000,000. The original Trustee and any successor Trustee shall file with the City a written acceptance and agreement to execute the trusts imposed upon it or them but only upon the terms and conditions set forth in the Trust Indenture and subject to the provisions of the Trust Indenture, to all of which the respective registered owners of the Bonds issued thereunder agree. Any successor Trustee shall have all the powers granted to the original Trustee. Notwithstanding the above, neither the removal of the Trustee nor the resignation by the Trustee shall be effective until a successor Trustee shall have been appointed.

#### **Investments.**

(a) Moneys held for the credit of all funds created by the Trust Indenture may be invested and reinvested in Permitted Investments and other investments permitted by Arkansas law that shall mature, or that shall be subject to redemption by the holder thereof, at the option of such holder, not later than the date or dates when such money will be required for the purposes intended.

(b) Obligations purchased as an investment of any fund or account shall be deemed at all times a part of such fund. Any profit or loss realized on investments of moneys in any fund shall be charged to said fund.

(c) The Trustee shall so invest and reinvest pursuant to the direction of the City.

(d) "Permitted Investments" are defined as (i) direct or fully guaranteed obligations of the United States of America ("Government Securities"), (ii) direct obligations of an agency, instrumentality or government-sponsored enterprise created by an act of the United States Congress and authorized to issue securities or evidences of indebtedness, regardless of whether the securities or evidences of indebtedness are guaranteed for repayment by the United States Government, (iii) certificates of deposit of banks, including the Trustee, which are members of the Federal Deposit Insurance Corporation, or, if in excess of insurance coverage, collateralized by Government Securities or other securities authorized by State law to secure public funds, (iv) money market funds invested exclusively in Government Securities and obligations described in (ii) above, or (v) any other investment authorized by applicable laws of the State of Arkansas.

Permitted Investments shall mature, or shall be subject to redemption by the holder thereof, at the option of such holder, not later than the payment date for interest or principal and interest in the case of the Bond Fund. The Trustee shall follow any investment instructions of the City that are not inconsistent with the foregoing provisions of this paragraph.

(e) Investments of moneys in all funds shall be valued in terms of current market value as of the last day of each year.

(f) Moneys held for the credit of any other fund shall be continuously invested and reinvested in Permitted Investments or other investments as may, from time to time, be permitted by law, which shall mature, or which shall be subject to redemption by the holder thereof, at the option of such holder, not later than the date or dates when the moneys held for the credit of the particular fund will be required for purposes intended.

**Nonarbitrage.** The City covenants that it shall not take any action or suffer or permit any action to be taken or condition to exist that causes or may cause the interest payable on the Bonds to be subject to federal income taxation. Without limiting the generality of the foregoing, the City covenants that no moneys held in any fund in connection with the Bonds will be used directly or indirectly in such manner as to cause the Bonds to be treated as “arbitrage bonds” within the meaning of Section 148 of the Code.

### FINANCIAL INFORMATION

Meyer & Ward, P.A., Certified Public Accountants, the System’s independent auditor for the year ended December 31, 2021, the year ended December 31, 2020, has not been engaged to perform and has not performed, since the date of their reports included herein, any procedures on the Audited Financial Statements or Preliminary Unaudited Financial Statements addressed in such reports. Meyer & Ward, P.A., Certified Public Accountants, has not performed any procedures relating to this Preliminary Official Statement.

**System Revenues and Expenses.** Revenues and expenses of the System are summarized as follows for the fiscal year ended December 31, 2022 and for the preceding three (3) fiscal years:

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating Revenues				
Operating Expenses				
Operating Income Before Depreciation				
Depreciation				
Interest Income				
<b>Net Income (Loss)</b>				

There is attached hereto as Appendix A the audited financial statements of the System for the fiscal years ended December 31, 2021 and 2020 and preliminary unaudited financial statements of the System for the fiscal year ended December 31, 2022.

[Remainder of Page Intentionally Blank]

## DEBT SERVICE REQUIREMENTS

Set forth below are the debt service requirements for the Bonds during each fiscal year of the System ending December 31\*:

<b>Fiscal Year (Ending Dec. 31)</b>	<b>Principal</b>	<b>Rate (%)</b>	<b>Interest</b>	<b>Net New Debt Service</b>
20[ ]	\$			
20[ ]				
20[ ]				
20[ ]				
20[ ]				
<b>Total</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>\$</b>

\*Preliminary. Subject to Change.

Set forth below are the debt service requirements for the Bonds during each fiscal year of the System ending December 31\*:

<b>Fiscal Year (Ending Dec. 31)</b>	<b>Series 2023 Bonds</b>
2022	\$
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2034	
2033	
2035	
2036	
2037	
2038	
2039	
2040	
2041	
2042	
2043	
2044	
2045	
2046	
2047	
2048	

2049	
2050	
2051	
2052	
2053	
<b>Total</b>	<b>\$</b>

---

\*Preliminary. Subject to Change. Assuming an interest rate of [\_\_\_\_]% on the Series 2023 Bonds.

[Remainder of Page Intentionally Blank]

## DEBT SERVICE COVERAGE

**Debt Service Coverage For the System.** The following reflects revenues of the System available for debt service based on historical results for the years ended December 31, 2022 and December 31, 2021:

	2021	2020
Net Operating Income	\$	\$
Plus: Depreciation	\$	\$
Interest Income	\$	\$
Revenues Available for Debt Service (A)	\$	\$
Maximum Annual Debt Service Requirements for the Bonds, (B)	\$	\$
Debt Service Coverage (A/B)*	[ ]X	[ ]X

\*Preliminary, subject to change. Assumes an average interest rate of [ ]% on the Bonds.

[Remainder of Page Intentionally Blank]

## BONDHOLDERS' RISKS

**General.** The Bonds together with interest thereon are obligations solely of the System and are to be paid from the revenues generated by the System's on-going sale of water to its retail and commercial customers. The Bonds do not, directly or indirectly, obligate the City or any aspect or instrumentality of the State to levy any form of taxation therefor or to make any appropriations for their payment, and the Bonds do not and shall never constitute a charge against the general credit or taxing powers of the City or the State of Arkansas.

The ability of the System to pay principal and interest on the Bonds depends solely upon the continued sale of water and treatment of wastewater by the System at levels and rates that are equal to or greater than those levels and rates currently being realized by the System. No guarantee can be given that revenues will be realized by the System's activities which will be sufficient to make payments under the Trust Indenture, or to make other payments in amounts sufficient to pay principal of, premium, if any, and interest on the Bonds. Purchasers of the Bonds should bear in mind that the occurrence of any number of events, some of which are specified in more detail below, could adversely affect the ability of the System to produce its required level of revenues. Future economic and other conditions, economic developments in the service area and governmental regulation, may adversely affect revenues and expenses and consequently, the System's ability to make payments under the Trust Indenture. The future financial condition of the System could also be adversely affected by, among other things, legislation, regulatory actions, increased competition from other water providers due to condemnation, demand for water, demographic changes, changes in the local economy, claims and other litigation and a number of other conditions that are unpredictable, including the following risk factors. This discussion of risk factors is not, and is not intended to be, exhaustive. Some of the changes that are possible in the future are the following:

(1) Governmental Regulation. The System is currently not regulated by the Arkansas Public Service Commission ("PSC"). Any new legislation that would subject the System's rate making authority to PSC jurisdiction could hinder the System's ability to raise rates on a timely basis and will increase the System's administrative costs.

(2) Environmental Matters. The System currently knows of no environmental matters that could have a negative impact upon its operations. Expansion of the System may require the obtaining of various environmental permits associated with, among other things, the right of the System to take additional water from its existing or new sources, to cross wetland areas with its transmission and distribution pipelines and similar matters.

(3) Infectious Disease. 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, then-President Trump declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Arkansas Governor Asa Hutchinson (the "Governor") also declared a state of emergency due to the outbreak of COVID-19, which has spread to the State and to many of its counties.

The full impact of COVID-19 on the City is not known. The most recent state of emergency declared by the Governor on July 29, 2021, expired on September 28, 2021. To date, the City has not had to utilize its reserves to fund essential services or make debt service payments. The City does not anticipate having to increase System rates as a result of COVID-19 and does not believe that the COVID-19 outbreak will materially adversely affect its ability to pay debt service on the Bonds; however, the City cannot predict whether future emergency declarations or outbreaks will result in material customer delinquencies.

(4) Adverse Economic Conditions. Increased unemployment or other adverse economic conditions that could increase the number of persons who are unable to pay fully for the water provided by the System on a timely basis.

(5) Adverse Changes With Wholesale Water Suppliers. Adverse economic conditions or adverse occurrences within those communities supplying water to the System on a wholesale basis could occur.

(6) Matters Relating to the Bonds and the Security for the Bonds. The remedies available to the Trustee or the owners of the Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions that are often subject to discretion and delay. Upon existing constitutional and statutory law and judicial decisions, including specifically Title 9 of the United States Code (the federal bankruptcy code), the remedies provided in the Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds and the delivery of the Trust Indenture will be qualified with respect to the enforceability of the various legal instruments by limitations imposed by general principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally. The City is authorized by State law to file for bankruptcy under the United States Bankruptcy Code.

(7) Matters Relating to the Implementation of the Improvements. Forecasts relating to System revenues and expenses depend upon the successful completion and implementation of the Improvements. Risks typical related to construction projects and acquisition of easements are applicable to the Improvements.

The System's properties have a limited utility for other than water storage or distribution purposes. As a result, in the event of a default, any resulting judgment and sale of the properties, the Trustee's remedies and the number of entities that could purchase or lease the System's properties would be limited, and the sales price or rentals generated by the facilities might thus be affected.

If and when an owner of Bonds elects to sell a Bond prior to its maturity, there is no assurance that a market will have been established, maintained and in existence for the purchase and sale of the Bonds.

## THE CONTINUING DISCLOSURE AGREEMENT

The City will enter into a Continuing Disclosure Agreement with the Trustee, as Dissemination Agent, in the form attached hereto as Appendix C. Reference is made to Appendix C regarding the undertakings made by the City to provide certain updated financial information and operating data of the System annually, and the timely notice of specified material events as described in Securities and Exchange Commission Rule 15c2-12 (the “Rule”). Currently, such information will be made available by the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Markets Access (“EMMA”) system, where said information will be available to the general public, without charge, at [www.emma.msrb.org](http://www.emma.msrb.org). Annual reports as specified in the Continuing Disclosure Agreement will first be filed for information relating to the System’s fiscal year ending December 31, 2023. As of the date hereof, most recent fiscal year for which the System’s audited financial statements are available is for the year ended December 31, 2021.

As part of its undertakings, the City has agreed to provide to the MSRB the following: (i) within six (6) months following the System’s fiscal year end, certain financial information and operating data for the System, and (ii) audited financial statements of the System, when available. The audited financial statements will be prepared by a certified public accountant and will be conducted in accordance with either Arkansas law or generally accepted auditing standards and government auditing standards issued by the Controller General of the United States. The City has agreed, under the terms of the Continuing Disclosure Agreement, to provide its annual report, including the System’s audited financial statements, by December 31 of the year following the end of the System’s fiscal year. If the audited financial statements are not available prior to the annual report date, the City shall provide unaudited financial statements of the System by the annual report date and the audited financial statements within 30 days of the City’s receipt and approval thereof. In addition, the City has agreed to provide other financial information and operating data required by the Rule on an annual basis.

In connection with the City’s previous bond issues, the City entered into individual continuing disclosure undertakings (“Undertakings”) in written agreements specified in paragraph (b)(5)(i) of the Rule. Generally, these Undertakings relate to the City’s [\_\_\_\_\_]. The auditor of the City’s financial statements (as opposed to the System’s financial statements) is currently Meyer \* Ward, P.A. Certified Public Accountants. The City has incorporated by reference any audited financial statements of the City.

[DESCRIBED THE CITY’S PRIOR UNDERTAKINGS]

[Remainder of Page Intentionally Blank]

## LEGAL MATTERS

**Legal Proceedings.** There is no litigation pending seeking to restrain or enjoin the issuance or delivery of the Bonds, or questioning or affecting the legality of the Bonds or the proceedings and authority under which the Bonds are to be issued, or questioning the right of the City to adopt the Trust Indenture or to issue the Bonds.

There is no litigation pending or known to be threatened that could have a materially adverse effect on the ability of the City to operate the System or to collect sewer or water revenues sufficient to pay the costs of operating and maintaining the System and to pay debt service on outstanding obligations payable from revenues of the System.

**Legal Opinions.** Legal matters incident to the authorization and issuance of the Bonds are subject to the unqualified approving opinions of Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., Little Rock, Arkansas ("Bond Counsel").

**Tax Exemption.** In the opinion of Bond Counsel, under existing law, the interest on the Bonds is exempt from all State income taxes and the Bonds are exempt from property taxation in the State.

Also, in the opinion of Bond Counsel, interest on the Bonds under existing law 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. The opinions set forth in the previous sentence are subject to the condition that the City 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) excludable from gross income for federal income tax purposes. These requirements generally relate to arbitrage, the use of the proceeds of the Bonds and the System. 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 City has covenanted to comply with all such requirements in the Trust Indenture.

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.

**Discount Bonds.** The Bonds maturing in the years \_\_\_\_ and \_\_\_\_ are being sold at an original issue discount (collectively, the "Discount Bonds"). The difference between the initial public offering prices, as set forth on the cover page, of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated as interest which is excluded from gross income for federal income tax purposes, as described above.

The amount of original issue discount that is treated as having accrued with respect to such Discount Bond is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption, or payment at maturity). Amounts received upon disposition of such Discount Bond which are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days which are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to the product of (i) the yield of maturity for such Discount Bond (determined by compounding at the each of accrual period) and (ii) the amount which would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less the amount of any interest payable for such Discount Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts which have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount which would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of the Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond.

**Premium Bonds.** The Bonds maturing in the years \_\_\_\_ and \_\_\_\_ are being sold at an original issue premium (collectively, the “Premium Bonds”). An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. An initial purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of a Premium Bond callable prior to its maturity, by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to the call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser’s basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis may be reduced, no federal income tax deduction is allowed. Purchasers of a Premium Bond should consult with their tax advisors with respect to the determination and treatment of amortizable premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

**Future Legislative Changes.** Proposed, pending or future tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of the interest on the Bonds subsequent to their issuance. Future legislation could directly or indirectly reduce or eliminate the value of certain deductions and exclusions, including the benefit of the exclusion of tax-exempt interest on the Bonds from gross income for federal income tax purposes. Any such proposed legislation, actions or decisions, whether or not enacted, taken or rendered, could also adversely affect the value and liquidity of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the forgoing matters.

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.

## MISCELLANEOUS

**Enforceability of Remedies.** Rights of the registered owners of the Bonds and the enforceability of the remedies available under the Trust Indenture may depend on judicial action and may be subject to the valid exercise of the constitutional powers of the United States of America and of the sovereign police powers of the State or other governmental units having jurisdiction, and to the application of federal bankruptcy laws

or other debtor relief or moratorium laws in general. Therefore, enforcement of those remedies may be delayed or limited, or the remedies may be modified or unavailable, subject to the exercise of judicial discretion in accordance with general principles of equity. Bond Counsel expresses no opinion as to any effect upon any right, title, interest or relationship created by or arising under the Trust Indenture resulting from the application of state or federal bankruptcy, insolvency, reorganization, moratorium or similar debtor relief laws affecting creditors' rights which are presently or may from time to time be in effect.

**Underwriting.** Under the Bond Purchase Agreement with regards to the Bonds, Crews & Associates, Inc. (the "Underwriter"), has agreed, subject to certain conditions precedent, to purchase the Bonds from the City at an aggregate purchase price of \$\_\_\_\_\_ (principal amount [minus net original discount/plus net reoffering premium] of \$\_\_\_\_\_ and less Underwriter's discount of \$\_\_\_\_\_). The Underwriter is committed purchase all of the Bonds if any are purchased. The obligation of the Underwriter to accept delivery of the Bonds is subject to various conditions contained in the Bond Purchase Agreement, including the absence of pending or threatened litigation questioning the validity of the Bonds purchase thereunder or any proceedings in connection with the issuance thereof, and the absence of material adverse changes in the financial or business condition of the City or System.

The Underwriter intends to offer the Bonds to the public initially at the offering prices set forth on the inside cover page of this Preliminary Official Statement, which prices may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering price.

The City has agreed to indemnify the Underwriter against certain civil liabilities in connection with the offering and sale of the Bonds, including certain liabilities under federal securities laws.

**Ratings.** The Bonds are not rated. Neither the City nor the Underwriter undertakes any responsibility to obtain a credit rating for the Bonds.

Simultaneously with the issuance of the Bonds, Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business ("S&P") is expected to issue its insured rating of "AA" (stable outlook) based upon the issuance of the municipal bond insurance policy of Build America Mutual Assurance Company. An explanation of the significance of such rating may be obtained from S&P. The rating reflects only the views of S&P. An explanation of the significance of the rating may be obtained from S&P. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by S&P, if in the judgment of S&P, circumstances so warrant.

Additionally, due to the ongoing uncertainty regarding the debt of the United States of America, including without limitation, the general economic conditions in the country, and other political and economic developments that may affect the financial condition of the United States government, the United States debt limit, and the bond ratings of the United States and its instrumentalities, obligations issued by state and local governments, such as the Bonds, could be subject to a rating downgrade. Furthermore, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for and ratings, liquidity, and market value of outstanding debt obligations, such as the Bonds. Any such downward revision or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

**Information in the Preliminary Official Statement.** Any statements made in this Preliminary Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be

realized. This Preliminary Official Statement is not to be construed as a contract or agreement between the City and the purchasers or owners of any of the Bonds.

The information contained in this Preliminary Official Statement has been taken from sources considered to be reliable, but is not guaranteed. To the best of the knowledge of the undersigned, the Preliminary Official Statement does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

The execution and delivery of this Preliminary Official Statement on behalf of the City has been authorized by the City.

CITY OF OSCEOLA, ARKANSAS

By \_\_\_\_\_  
Mayor

Dated: As of the Cover Page hereof.

(THIS PAGE INTENTIONALLY LEFT BLANK)

## **APPENDIX A**

### **AUDITED FINANCIAL STATEMENTS OF THE SYSTEM FOR THE FISCAL YEARS ENDED DECEMBER 31, 2021 AND 2020 AND PRELIMINARY UNAUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

Meyer & Ward, P.A., Certified Public Accountants, the System's independent auditor for the year ended December 31, 2021, the year ended December 31, 2020, has not been engaged to perform and has not performed, since the date of their reports included herein, any procedures on the Audited Financial Statements or Preliminary Unaudited Financial Statements addressed in such reports. Meyer & Ward, P.A., Certified Public Accountants, has not performed any procedures relating to this Preliminary Official Statement.

## **APPENDIX B**

### **FORM OF BOND COUNSEL OPINION**

**APPENDIX C**  
**FORM OF CONTINUING DISCLOSURE AGREEMENT**

## **APPENDIX D**

### **Bond Insurer SPECIMEN MUNICIPAL BOND INSURANCE POLICY**

**TRUST INDENTURE**

**Between the**

**CITY OF OSCEOLA, ARKANSAS**

**and**

**[\_\_\_\_\_] BANK  
[\_\_\_\_], Arkansas**

**Providing for:**

**\$\_\_\_\_\_ City of Osceola, Arkansas  
Utility Revenue Refunding and Improvement Bonds  
Series 2023A**

**\$\_\_\_\_\_ City of Osceola, Arkansas  
Utility Revenue Refunding and Improvement Bonds  
Taxable Series 2023B**

**Dated: [\_\_\_\_], 2023**

**This Instrument Prepared By:**

**MITCHELL WILLIAMS  
425 W. CAPITOL AVE., SUITE 1800  
LITTLE ROCK, ARKANSAS 72201  
(501) 688-8800  
[www.mitchellwilliamslaw.com](http://www.mitchellwilliamslaw.com)**

## TABLE OF CONTENTS

	<u>Page No.</u>
Parties .....	1
Recitals .....	1
Bond Form .....	2
Granting Clauses.....	10
 <b>ARTICLE I DEFINITIONS .....</b>	 <b>13</b>
Section 1.01. Definitions .....	13
Section 1.02. Use of Words.....	16
 <b>ARTICLE II THE BONDS.....</b>	 <b>16</b>
Section 2.01. Authorization .....	16
Section 2.02. Details of Series 2023 Bonds.....	16
Section 2.03. Maturity of Series 2023 Bonds.....	16
Section 2.04. Execution of Bonds.....	17
Section 2.05. Authentication.....	17
Section 2.06. Form of Bond.....	18
Section 2.07. Delivery of Bonds.....	18
Section 2.08. Mutilated, Destroyed or Lost Bonds.....	18
Section 2.09. Registration of Principal .....	18
Section 2.10. Payment on Saturday, Sunday or Holiday.....	19
Section 2.11. Interest Commencement Date for Series 2023 Bonds.....	19
Section 2.12. Cancellation .....	19
Section 2.13. Temporary Bonds .....	19
Section 2.14. Additional Bonds .....	19
Section 2.15. Security Depository .....	21
Section 2.16. Authority to Facilitate Use of Securities Depository.....	22
 <b>ARTICLE III REDEMPTION OF BONDS BEFORE MATURITY .....</b>	 <b>22</b>
Section 3.01. Redemption.....	22
Section 3.02. Notice of Redemption.....	22
Section 3.03. Redemption Payments .....	22
Section 3.04. Cancellation .....	22
 <b>ARTICLE IV GENERAL COVENANTS.....</b>	 <b>23</b>
Section 4.01. Payment of Principal and Interest.....	23
Section 4.02. Performance of Covenants.....	23
Section 4.03. Instruments of Further Assurance.....	23
Section 4.04. Payment of Taxes, Charges, etc.....	23
Section 4.05. Obligation to Maintain and Repair .....	23
Section 4.06. Recordation of Trust Indenture.....	24
Section 4.07. List of Bondowners.....	24
Section 4.08. Lien of Trust Indenture; Enforcement of Obligations and Rights.....	24
Section 4.09. Obligation to Insure .....	24
Section 4.10. Rebate Requirement.....	24

Section 4.11. No Arbitrage .....	24
Section 4.12. Bank Qualification of Series 2023 Bonds .....	24
Section 4.13. Rate Covenant.....	24
<b>ARTICLE V REVENUE AND FUNDS.....</b>	<b>25</b>
Section 5.01. Revenue Fund .....	25
Section 5.02. Operation and Maintenance Fund.....	25
Section 5.03. Bond Funds.....	25
Section 5.04. Surplus Funds .....	26
Section 5.05. Series 2023 Construction Fund.....	27
Section 5.06. Series 2023 Debt Service Reserve Fund.....	27
Section 5.07. Rebate Fund.....	27
Section 5.08. Moneys to be Held in Trust .....	28
<b>ARTICLE VI CUSTODY AND APPLICATION OF PROCEEDS OF BONDS .....</b>	<b>28</b>
Section 6.01. Disbursement of Issuance Costs .....	28
Section 6.02. Redemption of Refunded Bonds.....	28
Section 6.03. Disbursements from the Series 2023 Construction Fund .....	28
Section 6.04. Transfer to Bond Fund.....	29
<b>ARTICLE VII INVESTMENTS .....</b>	<b>29</b>
Section 7.01. Investment of Moneys in Funds .....	29
<b>ARTICLE VIII DISCHARGE OF LIEN .....</b>	<b>29</b>
Section 8.01. Discharge of Lien .....	29
<b>ARTICLE IX DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDOWNERS.....</b>	<b>29</b>
Section 9.01. Events of Default .....	29
Section 9.02. Acceleration.....	29
Section 9.03. Trustee's Right to Enter and Take Possession.....	31
Section 9.04. Other Remedies; Rights and Obligations with Reference to Remedies.....	32
Section 9.05. Right of Majority of Bondowners to Take Charge.....	32
Section 9.06. Appointment of Receiver.....	33
Section 9.07. Waiver by Issuer of Benefit of Laws and Rights of Appraisalment and Redemption.....	33
Section 9.08. Application of Available Moneys.....	33
Section 9.09. Remedies Vested in Trustee .....	34
Section 9.10. Rights and Remedies of Bondowners.....	34
Section 9.11. Termination of Proceedings.....	35
Section 9.12. Waivers of Events of Default .....	35
<b>ARTICLE X THE TRUSTEE .....</b>	<b>35</b>
Section 10.01. Acceptance of Trusts .....	35
Section 10.02. Fees, Charges and Expenses of Trustee.....	38
Section 10.03. Notice to Bondowners of Default.....	38
Section 10.04. Intervention by Trustee.....	38

Section 10.05. Successor Trustee .....	38
Section 10.06. Resignation by Trustee .....	38
Section 10.07. Removal of Trustee; Sale of Trust Business.....	39
Section 10.08. Appointment of Successor Trustee.....	39
Section 10.09. Successor Trustee .....	39
Section 10.10. Right of Trustee to Pay Taxes and Other Charges .....	39
Section 10.11. Trustee Protected in Relying Upon Resolutions, etc.....	40
Section 10.12. Trustee That Has Resigned or Been Removed Ceases to be Paying Agent .....	40
Section 10.13. Paying Agent's Fees and Charges .....	40
Section 10.14. Appointment of Co-Trustee or Separate Trustee.....	40
<b>ARTICLE XI SUPPLEMENTAL INDENTURES.....</b>	<b>41</b>
Section 11.01. Supplemental Indentures Not Requiring Consent of Bondowners.....	41
Section 11.02. Supplemental Indentures Requiring Consent of Bondowners.....	41
<b>ARTICLE XII RESERVED .....</b>	<b>42</b>
<b>ARTICLE XIII PROVISIONS RELATING TO THE BOND INSURER.....</b>	<b>42</b>
Section 13.01. Notice and Other Information To Be Given To Bond Insurer.....	41
Section 13.02. Defeasance.....	41
Section 13.03. Trustee and Paying Agent.....	41
Section 13.04. Amendments, Supplements, and Consents.....	41
Section 13.05. Loan/Lease/Financing Agreement.....	41
Section 13.06. Bond Insurer As Third Party Beneficiary .....	50
Section 13.07. Payment Procedure Under the Bond Insurance Policy .....	50
Section 13.08. Additional Payments.....	51
Section 13.09. Debt Service Reserve Fund .....	52
Section 13.10. Exercise of Rights by Bond Insurer.....	52
Section 13.11. Definitions .....	53
<b>ARTICLE XIV MISCELLANEOUS.....</b>	<b>50</b>
Section 14.01. Consents, etc. of Bondowners .....	50
Section 14.02. Limitation of Rights.....	50
Section 14.03. Severability .....	50
Section 14.04. Notices .....	50
Section 14.05. Arkansas Substantive Law Governs .....	51
Section 14.06. Uniform Commercial Code .....	51
Section 14.07. Counterparts.....	51
Section 14.08. Limitation on Liability.....	51
Section 14.09. No Personal Liability; No Recourse .....	52

## TRUST INDENTURE

THIS INDENTURE executed as of [\_\_\_\_], 2023 by and between the **CITY OF OSCEOLA, ARKANSAS**, a political subdivision and body politic (the “**Issuer**” or the “**City**”), duly existing under the laws of the State of Arkansas, as party of the first part, and [\_\_\_\_] **BANK**, [\_\_\_\_], Arkansas (the “**Trustee**”), as party of the second part;

### RECITALS:

A. The City is a city of the first class organized under the laws of the State of Arkansas (the “**State**”) located in Mississippi County, Arkansas (the “**County**”), which is in the northeast portion of the State.

B. The City is authorized and empowered under the laws of the State, including particularly Title 14, Chapter 234, Subchapter 2, Title 14, Chapter 235, Subchapter 2, Title 14, Chapter 203, Subchapter 12 and Title 14, Chapter 164, Subchapter 4 of the Arkansas Code of 1987 Annotated (the “**Acts**”), to issue revenue bonds and expend the proceeds thereof for improvements to the City’s waterworks system (the “**Water System**”), the City’s sewer facilities system (the “**Sewer System**”) and the City’s municipal electric system (the “**Electric System**” and collectively with the Water System and the Sewer System, the “**System**”).

C. Pursuant to and in accordance with the Acts, the Issuer proposes to issue its Utility Revenue Refunding and Improvement Bonds under the Acts for the purposes of (i) refunding the Issuer’s Electric, Water and Sewer Revenue Bonds, Series 2018, with outstanding principal and interest totaling approximately \$[\_\_\_\_] (the “**Series 2018 Bonds**”), its Electric, Water and Sewer Water Revenue Bonds, Series 2016, with outstanding principal and interest totaling approximately \$[\_\_\_\_] (the “**Series 2016 Bonds**”), and its Surplus Utility Revenue Refunding and Improvement Bonds, Series 2022, with outstanding principal and interest totaling approximately \$[\_\_\_\_] (the “**Series 2022 Bonds**” and collectively with the Series 2018 Bonds and the Series 2016 Bonds, the “**Refunded Bonds**”), (ii) constructing certain extensions, betterments, and improvements to the Water System and the Sewer System (the “**Project**”), and (iii) paying costs incidental to the issuance of the Series 2023 Bonds (defined below), including but not limited to a bond insurance policy.

D. Permanent financing of the Project costs, costs of refunding and redeeming the Refunded Bonds, necessary costs and expenditures incidental thereto and the cost of the issuance of bonds, is being furnished by the Issuer issuing its Utility Revenue Refunding and Improvement Bonds, Series 2023 (the “**Series 2023 Bonds**”) in the principal amount of Twenty Million and No/100 Dollars (\$26,000,000); and

E. The Series 2023 Bonds are to be sold and issued in the principal amount, dated, bearing interest, maturing and subject to redemption as hereinafter in this Indenture set forth in detail; and

F. The execution and delivery of this Trust Indenture (the “**Trust Indenture**” or the “**Indenture**”) and the issuance of the Series 2023 Bonds have been in all respects duly and validly

authorized by Authorizing Ordinance No. 2023-[ ] of the City Council of the Issuer, adopted and approved on June 19, 2023; and

G. The Series 2023 Bonds and the Trustee's certificate to be endorsed thereon are all to be in substantially the following form:

{Form of registered bond}

[ ] (“[ ]”), New York, New York, has delivered its municipal bond insurance policy (the “**Policy**”) with respect to the scheduled payments due of principal of and interest on this Bond to [ ] Bank, [ ], Arkansas, or its successor, as paying agent for the Bonds (the “**Paying Agent**”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from [ ] or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents to the subrogation and all other rights of [ ] as more fully set forth in the Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the Resolution or this Bond for all purpose and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Bonds or the Paying Agent or similar agent for the benefit of such owners under the Trust Indenture, at law or in equity.

**UNITED STATES OF AMERICA  
STATE OF ARKANSAS  
CITY OF OSCEOLA  
UTILITY REVENUE REFUNDING  
AND IMPROVEMENT BOND  
SERIES 2023**

**REGISTERED NUMBER:**

**R-**\_\_\_\_\_

**PRINCIPAL AMOUNT**

**\$**\_\_\_\_\_

**CUSIP NUMBER:**

\_\_\_\_\_

**DATED DATE:**

**[ ], 2023**

**INTEREST RATE:**

**\_\_\_\_\_%**

**MATURITY DATE:**

**DECEMBER 31, 2053**

**REGISTERED OWNER: CEDE & Co.**

**PRINCIPAL AMOUNT: \_\_\_\_\_ AND NO/100 DOLLARS**

**KNOW ALL PERSONS BY THESE PRESENTS:**

That the City of Osceola, Arkansas (“**City**”), acknowledges itself to owe and, for value received, hereby promises to pay through [ ] Bank, [ ], Arkansas, as Trustee, to the registered owner hereof, solely from the special fund provided as hereinafter set forth, the Principal Amount (stated above) with interest on the unpaid balance of the aggregate principal sum at the rate of interest per annum shown above from the date hereof. The principal and interest shall be payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America and shall be payable in the following installments on or before the following dates:

Interest on the unpaid Principal Amount shall be payable semiannually on [ ] 1 and [ ] 1 of each year, beginning on [ ], 2023, and shall accrue from the Interest Commencement Date (stated above) at the Interest Rate (stated above) until the City’s obligation with respect to payment of such Principal Amount shall be discharged. Payment of interest shall be by check or draft of [ ] Bank, [ ], Arkansas, as Trustee and Paying Agent (the “**Trustee**”), to the

Registered Owner as shown on the bond registration book of the City maintained by the Trustee on the fifteenth calendar day of the month preceding the month in which the interest payment date occurs. Payment of principal shall be made at the principal office of the Trustee in [\_\_\_\_], Arkansas, upon due surrender of this Bond on the Maturity Date (stated above) if not sooner called for redemption.

Payments of the principal and interest installments due hereon shall be made by the Trustee, except for final payment, without presentation and surrender of this Bond, directly to the registered owner at its address shown on the bond registration book of the City maintained by the Trustee as bond registrar, and such payments shall fully discharge the obligation of the City to the extent of the payments so made.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“**DTC**”), to the Trustee for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is required by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

THIS BOND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR PROVISION, AND THE TAXING POWER OF THE CITY IS NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BOND.

This Bond is issued for the purpose of providing funds to prepay, refund and redeem outstanding bonds of the City and for the purpose of financing the cost to the City of acquisition and installation of extensions, betterments and improvements to the City’s municipal waterworks system (the “**Water System**”) and the City’s municipal sewer facilities system (the “**Sewer System**”) for the City, and the costs of authorizing and issuing the Bonds, and is issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas, including Ark Code. Ann. §§ 14-234-201 and 14-235-201 et seq., and pursuant to Ordinance No. 2023-[\_\_\_\_] of the City, duly adopted and approved on June 19, 2023 (the “**Authorizing Ordinance**”) and a Trust Indenture entered as of [\_\_\_\_], 2023 between the City and the Trustee (the “**Indenture**”). Reference is hereby made to the Trust Indenture and the Authorizing Ordinance for the details of the nature and extent of the security and of the rights and obligations of the City and the registered owners of the Bonds.

This Bond is a special obligation payable solely from the revenues derived from operation of the System as described in the Indenture and the Authorizing Ordinance. A sufficient amount of revenues from the operation of the City’s municipal electric systems (the “**Electric System**” and collectively with the Sewer System and the Water System, the “**System**”), the Water System, and the Sewer System (collectively, the “**System Revenues**”) and to pay principal and interest has been duly set aside and pledged as a special fund for that purpose, identified as the “2023 Bond Fund,” created by the Authorizing Ordinance and the Trust Indenture. The City has fixed and has covenanted and agreed to maintain rates for use of the System that shall be sufficient at all times

to at least provide revenues of at least 110% of maximum annual net debt service requirements on the Bonds in an amount sufficient for the payment of the reasonable expenses of operation and maintenance of the System, provide for the payment of the principal of and interest on all the outstanding bonds of the System as the same become due and to establish and maintain debt service reserves, all as set forth in the Indenture.

This Bond is one of an authorized issue of bonds of the City in the Principal Amount of \$26,000,000 (the “**Bonds**”), which are issued for the purpose of providing funds to refund the City’s outstanding Electric, Water and Sewer Revenue Bonds, Series 2018 (the “**Series 2018 Bonds**”), the City’s outstanding Electric, Water and Sewer Revenue Bonds (the “**Series 2016 Bonds**”) and the City’s Surplus Utility Revenue Refunding and Improvement Bonds (the “**Series 2022 Bonds**” and collectively with the Series 2018 Bonds and the 2016 Bonds, the “**Refunded Bonds**”), to make improvements to the Sewer System and the Water System (the “**Project**”), and paying cost incidental thereto, including but not limited to a bond insurance policy. The Bonds are all issued under and are all equally and ratably secured and entitled to the protection given by a Trust Indenture (the “**Indenture**”), dated as of [\_\_\_\_], 2023, duly executed and delivered by the City to the Trustee. Reference is hereby made to the Indenture and all indentures supplemental thereto for the provisions, among others, with respect to the nature and extent of the security, the issuance of additional series of bonds on a parity of security with the Bonds, the rights, duties and obligations of the City, the Trustee and the Registered Owners of the Bonds, and the terms upon which the bonds are issued and secured. The Bonds are special obligations of the City secured by a pledge of and payable solely from revenues and income derived from the operation of the System.

The Bonds are subject to redemption prior to maturity as follows:

Optional Redemption. The Bonds shall be subject to redemption at the option of the City from funds from any source, on and after [\_\_\_\_] 1, 20[\_\_\_\_], in whole at any time or in part on any interest payment date, at a redemption price equal to the principal amount being redeemed to the redemption date. If fewer than all of the Bonds shall be called for redemption, the particular maturities of the Bonds to be redeemed shall be selected by the City in its discretion. If fewer than all of the Bonds of any one 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.

Notwithstanding the preceding paragraph, the Bonds shall also be subject to redemption prior to maturity, at the option of the City, in whole or in part, from excess funds generated internally by the System on any interest payment date, at a redemption price equal to the principal amount being redeemed to the redemption date. If fewer than all of the Bonds shall be called for redemption, the particular maturities of the Bonds to be redeemed shall be selected by the City in its discretion. If fewer than all of the Bonds of any one 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. To the extent not previously redeemed, the Bonds maturing on [\_\_\_\_] 1 in 20[\_\_\_\_], 20[\_\_\_\_], and 20[\_\_\_\_] are subject to mandatory sinking fund redemption (selected by lot by the Trustee by any method utilized by the Trustee), at a price equal to the principal amount being redeemed plus accrued interest to the redemption date, on [\_\_\_\_] 1 of each of such years as follows:

Bonds Maturing [\_\_\_\_\_] 1, 20[\_\_\_\_\_]

<u>Year</u>	<u>Principal Amounts</u>
20[_____]	
20[_____]	
20[_____]	
20[_____] (maturity)	

Bonds Maturing [\_\_\_\_\_] 1, 20[\_\_\_\_\_]

<u>Year</u>	<u>Principal Amounts</u>
20[_____]	
20[_____]	
20[_____]	
20[_____] (maturity)	

Bonds Maturing [\_\_\_\_\_] 1, 20[\_\_\_\_\_]

<u>Year</u>	<u>Principal Amounts</u>
20[_____]	
20[_____]	
20[_____]	
20[_____] (maturity)	

In case any outstanding Bond is in a denomination greater than \$5,000, each \$5,000 of face value of such Bond shall be treated as a separate Bond of the denomination of \$5,000.

The Trustee shall give notice of the call for redemption by first class mail or by any other standard means, including electronic or facsimile communication, not less than thirty (30), nor more than sixty (60) days prior to the date fixed for redemption, to the registered owner of any Bond called for redemption, addressed to such registered owner's registered address. After the date for redemption no further interest shall accrue on any Bond called for redemption if funds for their redemption have been deposited with the Trustee as provided in the Trust Indenture.

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.**

In the case any outstanding Bond is in a denomination greater than \$5,000, each \$5,000 of face value of such Bond shall be treated as a separate Bond of the denomination of \$5,000.

This Bond is issued with the intent that the laws of the State of Arkansas will govern its construction.

THESE BONDS CONSTITUTE SPECIAL OBLIGATIONS OF THE CITY ONLY. IN NO EVENT SHALL THEY CONSTITUTE AN INDEBTEDNESS OF MISSISSIPPI COUNTY OR THE STATE OF ARKANSAS, OR AN INDEBTEDNESS FOR WHICH THE FAITH AND CREDIT OF THE CITY OR THE STATE OF ARKANSAS OR ANY OF THEIR REVENUES ARE PLEDGED. THE BONDS ARE NOT SECURED BY A PLEDGE OF THE FULL FAITH AND CREDIT OF THE CITY, NOR THE PLEDGE OF ANY OF ITS REVENUES EXCEPT AS SPECIFICALLY SET FORTH IN THE INDENTURE AND IN THE AUTHORIZING ORDINANCE.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security of benefit under the Indenture until the Certificate of Authentication hereon shall have been signed by the Trustee.

The City hereby covenants that it has been duly organized in accordance with law; and that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have existed, have happened, and have been performed as required by law.

This Bond may be assigned, but in principal increments of no less than \$5,000, and upon assignment, the assignor shall promptly notify the Trustee by registered mail and the assignee shall surrender this Bond to the Trustee for transfer on the registration records. Every assignee shall take this Bond subject to all payments and prepayments of principal and interest (as reflected by the Payment Record maintained by the Trustee), prior to such surrender for transfer.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State of Arkansas to exist, happen and be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in regular and due time, form and manner as required by law; that the Bond does not exceed any constitutional or statutory limitation of indebtedness, and that provision has been made for the payment of the principal of and interest on the Bonds, as provided in the Authorizing Ordinance and the Indenture.

IN WITNESS WHEREOF, the City of Osceola, Arkansas, has caused this Bond to be executed in its name by its Mayor and City Clerk/Treasurer, thereunto duly authorized, with the manual signatures of the Mayor and City Clerk/Treasurer, and its corporate seal to be affixed, all as of the [ ] day of [ ], 2023.

**CITY OF OSCEOLA, ARKANSAS**

By: \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk/Treasurer

( S E A L )

## TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the bonds described in and issued under the provisions of the within mentioned Indenture.

[\_\_\_\_\_] BANK, [\_\_\_\_], Arkansas

Date of Registration and  
Authentication:

By:

\_\_\_\_\_  
(Authorized Signature)

\_\_\_\_\_

## ASSIGNMENT

For value received, the undersigned hereby sells, assigns, and transfers unto

---

(Name and Address, including Postal Zip Code of Assignee)

---

(Social Security or Other Identifying Number of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the books of the State maintained by the Registrar for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever; NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agents Medallion Program (“**STAMP**”), the Stock Exchange Medallion Program (“**SEMP**”), or the New York Stock Exchange, Inc. Medallion Signature Program (“**MSP**”).

GUARANTEED BY:

---

{End of Form of Bond}

H. All things necessary to make the Series 2023 Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the Issuer according to the import thereof, and to constitute this Indenture a valid pledge of revenues to the payment of the principal of and interest on the Series 2023 Bonds, in accordance with the creation, execution and delivery of this Indenture and the creation, execution and issuance of the Series 2023 Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, KNOW ALL PERSONS BY THESE PRESENTS, THIS  
INDENTURE

**WITNESSETH:**

That the Issuer in consideration of the premises and the acceptance by the Trustee of the Trusts hereby created and of the purchase and acceptance of the Series 2023 Bonds by the owners thereof, and the sum of One Dollar (\$1.00), lawful money of the United States of America, to it duly paid by the Trustee, at or before the execution and delivery of these presents, and for other good and valuable considerations, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of and interest on the Series 2023 Bonds according to their tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Series 2023 Bonds, subject to all of the provisions hereof, does hereby grant, bargain, sell, convey, mortgage, assign and pledge unto the Trustee, and unto its successor or successors in trust, and to them and their assigns forever, for the securing of the performance of the obligations of the Issuer hereinafter set forth:

**I**

All Revenues (as herein defined) and the proceeds thereof;

**II**

All the rights and interest of the Issuer in and to the Series 2023 Bond Fund, the Series 2023 Debt Service Reserve Fund and the Series 2023 Construction Fund (as hereinafter defined) and all moneys and investments therein, but subject to the provisions of this Indenture pertaining thereto, including the making of disbursements therefrom.

**III**

There shall be a statutory mortgage lien upon the water facilities that are part of the System (including all extensions, improvements and betterments now or hereafter existing) that shall exist in favor of the bondholder, and each of them and such water facilities shall remain subject to such statutory mortgage lien until payment in full of the interest on and principal of the Series 2023 Bonds, provided, however, that such statutory mortgage lien shall be interpreted according to the decision of the Supreme Court of the State in District of Harrison v. Braswell, supra.

**IV**

Any other property hereinafter pledged or coming into the possession of the Trustee.

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successors in said trusts and to them and their assigns forever;

IN TRUST NEVERTHELESS, upon the terms and conditions herein set forth for the equal and proportionate benefit, security and protection of all owners of the Series 2023 Bonds issued under and secured by this Indenture with the privileges, priority or distinction as to lien of the Series 2023 Bonds as provided in the bond form for the Series 2023 Bonds; provided, however, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the Series 2023 Bonds and the interest due thereon, at the times and in the manner provided in the Series 2023 Bonds, according to the true intent and meaning thereof, and shall make the payments into the Series 2023 Bond Fund as required under Article V or shall provide, as permitted hereby, for the payment thereof by depositing or causing to be deposited with the Trustee the entire amount due or to become due thereon, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights hereby granted shall cease, determine and be void; otherwise, this Indenture to be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Series 2023 Bonds issued and secured hereunder are to be issued, authenticated and delivered and all property hereby assigned and pledged and the income, revenues and receipts and other sums of money payable or receivable hereunder, hereby assigned and pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer does hereby agree and covenant, with the Trustee and the respective holders from time to time of the Series 2023 Bonds, as follows:

## **ARTICLE I DEFINITIONS**

**Section 1.01. Definitions.** In addition to the words and terms elsewhere defined in this Indenture, the following words and terms as used in this Indenture shall have the following meanings:

“**Acts**” shall mean Ark. Code Ann. §§ 14-234-201, 14-235-201, 14-203-12 and 14-164-401 et seq., which authorize the issuance of bonds by the Issuer for the purposes provided in this Indenture.

“**Additional Bonds**” shall mean any additional series of Bonds issued in accordance with Section 2.14 of this Indenture.

“**Authorizing Ordinance**” shall mean the Series 2023 Authorizing Ordinance and any additional authorizing ordinance that authorizes any Additional Bonds.

“**Beneficial Owner**” shall mean any person who acquires beneficial ownership interest in, a Bond held by the Securities Depository. In determining the Beneficial Owner of any Bond, the Trustee may rely exclusively upon written representations made and information given to the Trustee by the Securities Depository or its Participants with respect to any Bond held by the Securities Depository in which a beneficial ownership interest is claimed.

“**Bonds**” or “**bonds**” shall mean the Series 2023 Bonds and any Additional Bonds issued pursuant to this Indenture.

“**Bond Insurance Policy**” shall mean the insurance policy issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2023 Bonds when due.

“**Bond Insurer**” shall mean shall mean [ ] (“[ ]”) or any successor thereto, assignee thereof, or replacement insurer.

“**Code**” shall mean the Internal Revenue Code of 1986, as amended.

“**DTC Representation Letter**” shall mean the Blanket Letter of Representations from the Issuer to the Securities Depository, relating to the book-entry system for Bonds of the Issuer.

“**Electric System**” shall mean the City’s municipal electric facilities system and related improvements.

“**EMMA**” shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB.

“**Indenture**” shall mean this Trust Indenture with all indentures supplemental hereto.

“**Issuer**” shall mean the City of Osceola, Arkansas, a city of the first class, a political subdivision and body politic, also referred to as the “**City**”.

**“Outstanding hereunder”** or **“Bonds outstanding hereunder”** shall mean all Bonds that have been authenticated and delivered under the Indenture, except:

- (a) Bonds canceled because of payment or redemption prior to maturity;
- (b) Bonds for the payment or redemption of which cash or investment securities in the amount required by this Indenture shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds) provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or satisfactory provision shall have been made therefor, or a waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee; and
- (c) Bonds in lieu of which others have been authenticated under Section 2.08 of this Indenture.

**“Owner”** or **“Bondowner”** or **“Owner of the Bonds”** shall mean the registered owner of any bond.

**“Participants”** shall mean brokers, dealers, banks and other financial institutions and other persons for whom, from time to time, the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository.

**“Paying Agent”** shall mean the bank or trust company named by the Issuer as the place at which the principal of and interest on the Bonds is payable. The original Paying Agent is the Trustee. References to Paying Agent include any alternate Paying Agent.

**“Permitted Investments”** shall have the meaning set forth in Section 7.01 of this Indenture.

**“Person”** shall mean and include natural persons, firms, associations, corporations and public bodies.

**“Pledged Property”** shall mean the properties, interests and rights set forth in the granting clauses of this Indenture.

**“Purchasers”** shall mean the original purchasers of the Bonds, Crews & Associates, Inc.

**“Rebate Fund”** shall mean the fund of the Issuer created by Section 5.07 of this Indenture.

**“Record Date”** shall mean the fifteenth calendar day of the month preceding the month in which the interest payment date occurs.

**“Refunded Bonds”** shall mean collectively the Series 2016 Bonds, the Series 2018 Bonds and the Series 2022 Bonds.

**“Revenue Fund”** shall mean the special account of the City established pursuant to Section 5.01 hereof and designated “Revenue Fund” hereunder into which all Revenues and Income shall be deposited upon receipt.

**“Revenues and Income”** shall mean all revenues and income derived by the Issuer from charges for water and sewer services.

**“Securities Depository”** shall mean the Depository Trust Company, New York, New York, and its successors and assigns.

**“Series 2016 Bonds”** shall mean the City of Osceola, Arkansas Electric, Water and Sewer Revenue Bonds, Series 2016, in the original principal amount of \$[\_\_\_\_], which shall be redeemed pursuant to Section 6.02 of this Indenture.

**“Series 2018 Bonds”** shall mean the City of Osceola, Arkansas Electric, Water and Sewer Revenue Bonds, Series 2018, in the original principal amount of \$[\_\_\_\_], which shall be redeemed pursuant to Section 6.02 of this Indenture.

**“Series 2022 Bonds”** shall mean the City of Osceola, Arkansas Surplus Utility Revenue Bonds, Series 2022, in the original principal amount of \$[\_\_\_\_], which shall be redeemed pursuant to Section 6.02 of this Indenture.

**“Series 2023 Authorizing Ordinance”** shall mean Ordinance No. 2023-[\_\_\_\_] of the Issuer adopted June 19, 2023.

**“Series 2023 Bond Fund”** shall mean the fund of the Issuer created by Section 5.03 of this Indenture into which the Series 2023 Bonds funds specified in Article V are to be deposited and out of which disbursements are to be made as expressly authorized and directed by this Indenture.

**“Series 2023 Bonds”** shall mean the City of Osceola, Arkansas Utility Revenue Refunding and Improvement Bonds, Series 2023, issued under and secured by the Indenture, in the principal amount of \$26,000,000.

**“Series 2023 Construction Fund”** shall mean the fund created by Section 5.05 of this Indenture into which the portion of the proceeds of the sale of the Series 2023 Bonds specified in Section 6.02 is to be deposited and out of which disbursements are to be made in the manner and for the purposes specified in Article VI of this Indenture.

**“Series 2023 Debt Service Reserve Fund”** shall mean the fund created by Section 5.06 of this Indenture into which the portion of the proceeds of the sale of the Series 2023 Bonds specified in Section 6.03 is to be deposited which shall be a reserve for payment of principal of and interest on the Series 2023 Bonds.

**“Series 2023 Debt Service Reserve Fund Requirement”** shall have the meaning set forth in Section 5.06 of this Indenture.

**“Series 2023 Project”** shall mean the extensions, betterments, and improvements to the Issuer’s Water System and Sewer System being financed out of the proceeds of the Series 2023 Bonds, together with other expense in connection therewith, including the costs of the issuance of the Series 2023 Bonds.

**“Sewer System”** shall mean the City’s sewer facilities system and related improvements.

“**State**” shall mean the State of Arkansas.

“**System**” shall mean collectively the Water System, Electric System and Sewer System of the Issuer operated as a single, integrated municipal undertaking.

“**Temporary Bonds**” shall mean Bonds issued pursuant to Section 2.13 of this Indenture if definitive bonds are not available upon the initial delivery of the Bonds to the Purchasers.

“**Trust Estate**” shall mean the property herein conveyed, which is the Pledged Property.

“**Trustee**” shall mean the Trustee for the time being, whether original or successor, with the original Trustee being [\_\_\_\_\_] Bank, [\_\_\_\_], Arkansas. The Trustee is also a Paying Agent and Registrar

“**Water System**” shall mean the City’s municipal waterworks system and related improvements.

**Section 1.02. Use of Words.** Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the word “bond,” “owner,” “holder,” and “person” shall include the plural, as well as the singular, number.

## **ARTICLE II THE BONDS**

**Section 2.01. Authorization.** In order to provide sufficient funds for the Issuer’s extensions, betterments and improvements to the Water System and the Sewer System, in accordance with and subject to the terms, conditions and limitation established in this Indenture, an issue of Utility Revenue Refunding and Improvement Bonds, Series 2023 is hereby authorized in the aggregate principal amount of \$26,000,000. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article.

**Section 2.02. Details of Series 2023 Bonds.** The Series 2023 Bonds shall be designated “City of Osceola, Arkansas Utility Revenue Refunding and Improvement Bonds, Series 2023 (the “**Series 2023 Bonds**”), and shall be in the principal amount stated of Twenty Six Nine Hundred Eighty-Five Thousand and No/100 Dollars (\$26,000,000.00). The Series 2023 Bonds will be dated [\_\_\_\_], 2023, and interest thereon shall be payable as set forth in the form bond heretofore set forth in this Indenture. The Series 2023 Bonds shall be registered bonds, without coupons, in printed or typewritten form, in denominations of \$5,000 or integral multiples thereof and the principal amount shall be payable, unless sooner redeemed in the manner provided in this Indenture, as set forth in the form of bond heretofore set forth in this Indenture.

**Section 2.03. Maturity of Series 2023 Bonds.** The Series 2023 Bonds shall mature on [\_\_\_\_] 1, as shown below, and bear interest payable semiannually on each [\_\_\_\_] 1 and each [\_\_\_\_] 1, commencing [\_\_\_\_] 1, 202[\_\_\_\_]:

Year ([____] 1)	Principal	Coupon(%)
2023		

Year ([ ] 1)	Principal	Coupon(%)
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2038		
2040		
2044		
2045		
2046		
2047		
2048		
2049		
2050		
2051		
2052		
2053		

The Series 2023 Bonds are subject to Mandatory Sinking Fund redemption as shown in the bond form herein.

**Section 2.04. Execution of Bonds.** The Bonds shall be executed on behalf of the Issuer by the Mayor (by his or her original or facsimile signature) and the City Clerk (by his or her original or facsimile signature) thereof and shall have impressed thereon the seal of the Issuer. The Mayor and City Clerk shall file the certificates required by the Uniform Facsimile Signature Public Officials Act (Arkansas Code of 1987 Annotated, Title 21, Chapter 10) and otherwise comply with the provisions of that Act, and the Mayor and City Clerk's facsimile signatures shall have the same force and effect as if they had personally signed. The Bonds, together with interest thereon, shall be payable from the Bond Fund, as hereinafter set forth, and shall be a valid claim of the owners thereof only against such fund and the revenues pledged to such fund, which revenues are hereby pledged and mortgaged for the payment of the Bonds and shall be used for no other purpose than to pay the principal of and interest on the Bonds, and the Trustee's, the Paying Agent's and Bond Registrar's fees, except as may be otherwise expressly authorized in this Indenture. In case any officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

**Section 2.05. Authentication.** Only such Bonds as shall have endorsed thereon a Certificate of Authentication substantially in the form hereinabove set forth duly executed by the Trustee shall be entitled to any right or benefit under this Indenture. No Bond shall be valid and obligatory for any purpose unless and until such Certificate of Authentication shall have been duly executed by

the Trustee, and such Certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's Certificate of Authentication on any Bond shall be deemed to have been executed if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the Certificate of Authentication on all of the Bonds issued hereunder.

**Section 2.06. Form of Bond.** The Bonds issued under this Indenture shall be substantially in the form hereinabove set forth with such appropriate variations, omissions and insertions as are permitted or required by this Indenture.

**Section 2.07. Delivery of Bonds.** Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Trustee and the Trustee shall authenticate the Bonds and deliver them to the Securities Depository upon payment of the purchase price plus accrued interest from the date of the Bonds to the date of delivery.

**Section 2.08. Mutilated, Destroyed or Lost Bonds.** In case any Bond issued hereunder shall become mutilated or be destroyed or lost, the Issuer shall, if not then prohibited by law, cause to be executed and the Trustee may authenticate and deliver a new Bond of like date, number, maturity and tenor in exchange and substitution for any such mutilated, destroyed or lost Bond, upon the owners paying the reasonable expenses and charges of the Issuer and the Trustee in connection therewith, and, in case of a Bond destroyed or lost, his filing with the Trustee of evidence satisfactory to it that such Bond was destroyed or lost, and of his ownership thereof and furnishing the Issuer and the Trustee with indemnity satisfactory to them. The Trustee is hereby authorized to authenticate any such new Bond. In the event any such Bonds shall have matured, instead of issuing a new Bond, the Issuer may pay the same without the surrender thereof.

**Section 2.09. Registration of Principal.** The Issuer shall cause books for the registration and for the transfer of the Bonds as provided in this Indenture to be kept by the Trustee as Bond Registrar. Any Bond may be transferred only upon an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, such transfer to be made on such books and endorsed on the Bond by the Bond Registrar. The principal of any Bond shall be payable in lawful money of the United States of America at the principal office of the Trustee upon surrender thereof. Interest shall be paid by check or draft by said Bond Registrar at the times provided therein to the registered owner by mail to the address shown on the registration books.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal of any such Bond shall be made only to or upon the order of the registered owner thereof, or his legal representative, and neither the Issuer, the Trustee, nor the Bond Registrar shall be affected by any such notice to the contrary, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Bonds held by the Securities Depository shall be registered in the name of the Securities Depository or its nominee and beneficial ownership of such Bonds shall be transferred in accordance with the procedures of the Securities Depository.

**Section 2.10. Payment on Saturday, Sunday or Holiday.** In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds shall be a Saturday or Sunday or shall be in the State of Arkansas a legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal (and premium, if any) need not be made on such date but may be made on the next succeeding business day not a Saturday or Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after the date of maturity or date fixed for redemption.

**Section 2.11. Interest Commencement Date for Series 2023 Bonds.** The Interest Commencement Date for Series 2023 Bonds issued on a date before any interest has been paid shall be [\_\_\_\_], 2023. Otherwise, each Series 2023 Bond, upon subsequent transfer, shall be dated as of the interest payment date to which interest has been paid. Payment of each installment of interest shall be made to the person in whose name the Series 2023 Bond is registered on the registration books of the Trustee as Bond Registrar at the close of business on the fifteenth calendar day of the month (whether or not a business day) next preceding each interest payment date, irrespective of any transfer or change of any such Series 2023 Bond subsequent to such date.

**Section 2.12. Cancellation.** All Bonds that are paid, either at maturity or redemption prior to maturity, shall be canceled and, at the option of the Trustee, either (i) cremated, shredded or otherwise disposed of or (ii) returned to the Issuer. In the case of cremating, shredding or other disposition pursuant to (i) above, the Trustee shall execute and forward to the Issuer an appropriate certificate describing the Bonds involved and the manner of disposition.

**Section 2.13. Temporary Bonds.** The Issuer shall have the right to execute and deliver Temporary Bonds reflecting the indebtedness secured hereby, which Temporary Bonds, if issued and delivered, shall be entitled to the same security, rights and protection provided under this Indenture for Bonds in definitive form. Temporary Bonds of the Issuer, if executed, authenticated and delivered shall be replaced by Bonds in definitive form by the Trustee when the Temporary Bonds are returned to the Trustee for exchange. All Temporary Bonds, when returned to the Trustee and when exchanged for Bonds in definitive form shall then be canceled at the option of the Trustee, either (i) cremated, shredded or otherwise disposed of and/or (ii) returned to the Issuer. In the case of cremating, shredding or other disposition pursuant to (i) above, the Trustee shall execute and forward to the Issuer an appropriate certificate reflecting the Temporary Bonds involved and the manner of disposition.

**Section 2.14. Additional Bonds.** Subject to the requirements of this section, the Issuer may issue additional bonds under this Indenture (the “**Additional Bonds**”). Before any Additional Bonds can be issued on a parity of security with the Series 2023 Bonds, there must be filed with the Trustee the following:

- (a) A copy, certified by the City Clerk/Treasurer, of the ordinance authorizing the Additional Bonds and directing their delivery to or upon the order of purchasers therein named upon payment of the purchase price therein set forth or therein referred to;

(b) A certificate of the Mayor stating that no event of default specified in this Indenture has happened and is then continuing;

(c) An opinion of counsel selected by the Issuer but satisfactory to the Trustee that all required legal action precedent to the issuance of the Additional Bonds have been taken and that, when executed, authenticated and delivered, such bonds will be valid, binding and enforceable obligations of the Issuer secured by this Indenture on a parity with the Bonds and with previously issued Additional Bonds, if any, secured thereby;

(d) a statement by an independent certified public accountant not in the regular employ of the City ("**Accountant**") reciting the opinion, based upon necessary investigation, that either

(1) net revenues of the System for the fiscal year immediately preceding the fiscal year in which it is proposed to issue such Additional Bonds were equal to not less than 110% of the maximum annual principal and interest requirements on the applicable Bonds, any outstanding bonds issued on a parity with the applicable Bonds, and the additional parity bonds then proposed to be issued, or

(2) net revenues of the System for the next ensuing fiscal year, including any increase in revenues attributable to the proposed extensions, betterments and improvements as reflected by the written opinion of a duly qualified consulting engineer not in the regular employ of the City ("**Engineer**"), shall be equal to not less than 110% of the maximum annual principal and interest requirements on the applicable Bonds, any outstanding bonds issued on a parity with the applicable Bonds, and the additional parity bonds then proposed to be issued. For the purposes of the computation required by this paragraph, additional amounts may be added to the net revenues of the completed fiscal year immediately preceding the issuance of additional bonds, as follows: if, prior to the issuance of the additional bonds and subsequent to the first day of such preceding fiscal year, the City shall have increased its rates or charges imposed for services of the System there may be added to the net revenues of such fiscal year the additional net revenues that would have been received from the operation of the System during such fiscal year had such increase been in effect throughout such fiscal year, as reflected by a certificate of an Engineer..

The Additional Bonds shall be dated, interest shall be payable semiannually on the dates, the principal shall mature as serial bonds or as term bonds, or as a combination thereof, and they may contain provisions for redemption prior to maturity as well as other provisions, all as shall be set forth in the ordinance authorizing their issuance. The authorizing ordinance shall set forth the details concerning the Additional Bonds, which shall be embodied in a supplemental indenture by and between the Issuer and the Trustee. All such Additional Bonds shall be issued on a parity with all other bonds issued under this Indenture, including the Bonds.

The term "**net revenues of the System**" means shall mean gross Revenues and Income of the System, less operation and maintenance expenses (exclusive of depreciation and debt service expenses) of the System, determined in accordance with generally accepted accounting principles applicable to municipal water or sewer systems, as applicable.

## **Section 2.15. Security Depository.**

(a) The Bonds shall be issued only as fully registered bonds and, in printed form, registered initially in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”).

(b) So long as the Bonds are in book-entry only form, the Trustee shall comply with the terms of the DTC Representation Letter, the provisions of which are incorporated herein by this reference thereto with the same effect as if they were fully set forth herein.

The book-entry system for the Bonds through the Securities Depository may be terminated upon the happening of any of the following:

(1) The Securities Depository or the Issuer, based upon advice from the Securities Depository, advise the Trustee that the Securities Depository is no longer willing or able to properly discharge its responsibilities under the DTC Representation Letter and the Trustee is unable to locate a qualified successor clearing agency satisfactory to the Issuer;

(2) The Issuer, in its sole discretion but with the prior written consent of the Trustee, elects to terminate the book-entry system by notice to the Securities Depository and the Trustee;

(3) After the occurrence of an Event of Default, the Beneficial Owners of a majority in aggregate outstanding principal amount of the Bonds, through the Participants and the Securities Depository, elect to discontinue the book-entry system through the Securities Depository and so advise the Trustee, the Issuer and the Securities Depository in writing.

Upon the occurrence of any event hereinabove described, the Trustee shall notify all Beneficial Owners, through the Securities Depository, of the occurrence of such event and of the availability of definitive or temporary certificated Bonds to Beneficial Owners requesting the same, in an aggregate outstanding principal amount representing the interest of each such Beneficial Owner. Definitive certificated Bonds shall be issued only upon surrender to the Trustee of the Bonds held by the Securities Depository, accompanied by registration instructions for the definitive certificated Bonds. Neither the Issuer nor the Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying on, such instructions. Upon issuance of definitive certificated Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such definitive certificated Bonds.

Whenever notice or other communication to the bondholders is required by the Trustee under this Indenture, unless and until definitive certificated Bonds shall have been issued, the Trustee shall give all such notices and communications specified herein or required by this Indenture to be given to Beneficial Owners of Bonds to the Securities Depository. The Trustee acknowledges that the Securities Depository has represented to the Trustee in the DTC Representation Letter that the Securities Depository keeps and maintains records in its offices of the positions of Participants with respect to the Bonds.

Neither the Issuer nor the Trustee will have any responsibility or obligation to Participants, to indirect Participants or to any Beneficial Owner with respect to (i) the accuracy of any records

maintained by the Securities Depository, any Participant, or any indirect Participant; (ii) the payment by the Securities Depository, or any Participant or indirect Participant of any amount with respect to the principal of or interest on the Bonds; (iii) except as set forth herein, any notice that is permitted or required to be given to bondholders under this Indenture; (iv) the selection by the Securities Depository, or any direct or indirect Participant of any person to receive payment in the event of a partial redemption of the Bonds; or (v) any consent given or other action taken by the Securities Depository as bondholder.

**Section 2.16. Authority to Facilitate Use of Securities Depository.** The authorized officers of the Trustee and the Issuer shall do or perform such acts and execute all such certificates, documents and other instruments as they or any of them deem necessary or advisable to facilitate the efficient use of a securities depository for all or any portion of the Bonds; provided that neither the Trustee nor the Issuer may assume any obligations to such securities depository or beneficial owners of Bonds that are inconsistent with their obligation to any Owner under this Indenture.

### **ARTICLE III REDEMPTION OF BONDS BEFORE MATURITY**

**Section 3.01. Redemption.** The Series 2023 Bonds shall be callable for redemption prior to maturity in accordance with the provisions pertaining thereto appearing in the form of Series 2023 Bond heretofore set forth in this Indenture.

**Section 3.02. Notice of Redemption.** Notice of the call for redemption shall be by first class mail or by other acceptable standard, including facsimile, to the owner or owners of the Bonds not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption, and published notice of the call for redemption need not be given. Each notice shall specify the numbers and the maturities of the Bonds being called, and the date on which they shall be presented for payment. For so long as the Bonds are registered in book entry form, notice of redemption may be made by facsimile transmission to the securities depository.

Failure to give notice by mailing to the Owner of any Bond designated for redemption or to any depository of information service shall not affect the validity of the proceedings for the redemption of any other Bond.

**Section 3.03. Redemption Payments.** Prior to the date fixed for redemption, funds shall be deposited with the Trustee to pay, and the Trustee is hereby authorized and directed to apply such funds to the payment of, the Bonds called, together with accrued interest thereon to the redemption date and any required premium. Upon the giving of notice and the deposit of funds for redemption, interest on the Bonds thus called shall cease to accrue after the date fixed for redemption until such Bond shall have been delivered for payment or cancellation or the Trustee shall have received the items required by Section 2.08 hereof with respect to any mutilated, lost, stolen or destroyed Bond.

**Section 3.04. Cancellation.** All Bonds that have been redeemed shall be canceled by the Trustee pursuant to Section 2.12.

## **ARTICLE IV GENERAL COVENANTS**

**Section 4.01. Payment of Principal and Interest.** The Issuer covenants that it will promptly pay the principal of, premiums, if any, and interest on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof. The principal, premiums and interest (except interest, if any, paid from accrued interest) are payable solely from the Revenues and Income, which Revenues and Income are hereby specifically pledged to the payment thereof in the manner and to the extent herein specified, and nothing in the Bonds or in this Indenture should be considered as pledging any other funds or assets of the Issuer. Anything in this Indenture to the contrary notwithstanding, it is understood that whenever the Issuer makes any covenants involving financial commitments, including, without limitation, those in the various sections of this Article IV, it pledges no funds or revenues other than the Revenues and Income and the revenues derived from the avails of the Pledged Property, but nothing herein shall be construed as prohibiting the Issuer from using any other funds and revenues.

**Section 4.02. Performance of Covenants.** The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all ordinances pertaining thereto. The Issuer covenants that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Acts, to issue the Bonds authorized hereby and to execute this Indenture and to make the pledge and covenants in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken; and that the Bonds in the hands of the owners thereof are and will be valid and enforceable obligations of the Issuer according to the import thereof.

**Section 4.03. Instruments of Further Assurance.** The Issuer covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such Indenture or Indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, mortgaging, pledging, assigning and confirming to the Trustee the Trust Estate.

**Section 4.04. Payment of Taxes, Charges, etc.** The Issuer covenants that it will promptly cause to be paid all lawful taxes, charges, assessments, imposts and governmental charges at any time levied or assessed upon or against the Trust Estate, or any part thereof, which might impair or prejudice the lien and priority of this Indenture; provided, however, that nothing contained in this Section shall require the Issuer to cause to be paid any such taxes, assessments, imposts or charges so long as the validity thereof is being contested in good faith and by appropriate legal proceedings.

**Section 4.05. Obligation to Maintain and Repair.** The Issuer covenants that it will at all times cause the Project to be maintained, preserved and kept in good condition, repair and working order, and that it will from time to time cause to be made all needed repairs so that the operation and business pertaining to the Project shall at all times be conducted properly and so that the Project shall be fully maintained, to the extent permitted by available funds.

**Section 4.06. Recordation of Trust Indenture.** The Issuer covenants that it will cause this Indenture, and all instruments supplemental thereto, to be kept, recorded and filed in such manner and in such places (if any) as may be required by law in order fully to preserve and protect the security of the bondowners and the rights of the Trustee hereunder.

**Section 4.07. List of Bondowners.** At reasonable times and under reasonable regulations established by the Trustee the list of the names and addresses of the registered owners of the Bonds may be inspected and copied by owners (or a designated representative thereof) of ten percent (10%) or more in principal amount of Bonds outstanding hereunder, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

**Section 4.08. Lien of Trust Indenture; Enforcement of Obligations and Rights.** The Issuer covenants that so long as any Bonds authorized by and issued under this Indenture are outstanding, it will not convey or otherwise dispose of its interest in the Pledged Property, and that it will not encumber the same, or any part thereof, or its interest therein, or create or permit to be created any charge or lien on the Revenues and Income derived therefrom, except as provided in this Indenture. Nothing contained herein shall prohibit the Issuer from issuing Bonds the payment for which specified revenues of a particular project or projects is pledged as provided in the Acts, it being the purpose of this covenant to limit only a subsequent pledge of the Pledged Property and Revenues and Income as defined in this Indenture.

**Section 4.09. Obligation to Insure.** The Issuer covenants that at all times while any Bonds are outstanding, it will insure the System and at all times keep the System insured.

**Section 4.10. Rebate Requirement.** The Issuer shall take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, as provided in the Arbitrage and Tax Compliance Certificate of the Issuer dated [\_\_\_\_], 2023, and as more particularly set forth in Section 5.07 of this Indenture.

**Section 4.11. No Arbitrage.** The Issuer shall not take, or permit or suffer to be taken by the trustee or otherwise, any action with respect to the Bond proceeds that if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the closing date would have caused the Bonds to be an “arbitrage bond” within the meaning of Section 148(a) of the Code and the regulations issued with respect thereto.

**Section 4.12. Intentionally omitted.**

**Section 4.13. Rate Covenant.** The rates charged for services of the System previously fixed by ordinances of the City and the conditions, rights and obligations pertaining thereto, as set out in those ordinances, are ratified, confirmed and continued.

(a) The City covenants and agrees that the rates and charges fixed for services of the System will produce Revenues and Income at least sufficient to (1) pay the System’s operation, repair and maintenance expenses, (2) make all required deposits to the Debt Service Reserve Fund for each series of Bonds, (3) reimburse the Bond Insurer for any amounts owing with respect to the Bond Insurance Policy for each series of Bonds, and (4) leave a balance equal to 110% of the maximum annual debt service requirements for Series 2023 Bonds and all other additional parity obligations. The City further covenants and agrees that the rates, fees and charges shall, if and

when necessary from time to time, be increased in such manner as will produce Revenues and Income sufficient to meet these requirements.

(b) In addition, the City covenants and agrees that the System shall be continuously operated as revenue producing undertakings, and all moneys received from their operation shall be deposited in such depository or depositories for the City as may be lawfully designated from time to time by the Commission, subject, however, to the giving of security as now or as hereafter may be required by law, and provided that such depositories shall hold membership in the Federal Deposit Insurance Corporation (“**FDIC**”).

If the Issuer fails to comply with its covenant in subsection (a) in any fiscal year, it will undertake a study of the rate revisions necessary to again be in compliance with the covenant in subsection (a). The study shall be completed and filed with the Trustee not later than the 15th day of the sixth month of the following fiscal year. Revised rates, fees and charges, as indicated in the study, shall be placed into effect not later than the 15th day of the sixth month of the fiscal year immediately following the fiscal year in which the study is made. If the Issuer complies with the provisions of this subsection (c), it shall not be deemed in default under subsection (a) for the fiscal year in which the rate study is made and the immediately following fiscal year, provided that the total Revenues and Income in each of these fiscal years is sufficient to make the payments and deposits provided for in clause (1) of subsection (a) and leave a balance equal to 110% of the debt service requirements for such fiscal year of all Bonds Outstanding hereunder and all Additional Bonds issued on a parity of security with the Bonds.

## **ARTICLE V REVENUE AND FUNDS**

**Section 5.01. Revenue Fund.** All revenues derived from the operation of the System shall be paid into a special account of the City designed as the “**Revenue Fund**”, was created and established under the Series 2014 Indenture and is designated as the “**Operation and Maintenance Fund**” therein. All surplus in the Issuer’s Revenue Fund remaining after making all deposits or disbursements provided for herein may be used, at the option of the Issuer, for any lawful municipal purpose.

**Section 5.02. Operation and Maintenance Fund.** On the first business day of each month, there shall be paid from the Revenue Fund into a special fund designated “**Operation and Maintenance Fund**,” the estimated amount necessary, together with moneys then held for the credit of the Operation and Maintenance Fund, to pay the operation and maintenance expenses of the System for such month.

**Section 5.03. Bond Funds.** By the 15th day of each month, after making the required payment into the Operation and Maintenance Fund, there shall be paid from the Revenue Fund into the special fund hereby created and designated as the “**Series 2023 Bond Fund**” amounts equal to the required monthly deposit into such fund. If the City issues any additional parity bonds, the obligation to make payments into the bond funds for those bonds shall rank on a parity of security with the obligation to make payments into the Series 2023 Bond Fund. In the event the Revenues and Income of the System remaining after making the required monthly deposit into the Operation

and Maintenance Fund are insufficient to make the full monthly deposits into the Series 2023 Bond Fund and the bond funds for the additional parity bonds, the amount deposited into each shall be reduced proportionately.

The required monthly deposit into the Series 2023 Bond Fund shall be an amount equal to 1/6 of the next installment of interest and 1/12 of the next installment of principal on the Series 2023 Bonds, plus such additional sums as necessary to provide for the fees and expenses of the Trustee for the Series 2023 Bonds, plus any arbitrage rebate due the United States Treasury under Section 148(f) of the Code on account of arbitrage earnings on proceeds of the Series 2023 Bonds.

All moneys in the Series 2023 Bond Fund shall be used solely for the purpose of paying the principal of, premium, if any, and interest on the Series 2023 Bonds when due, Trustee's fees, and the amounts necessary to pay any arbitrage rebate due the United States Treasury under Section 148(f) of the Code on account of arbitrage earnings on the gross proceeds of the Series 2023 Bonds, except as specifically provided in this Indenture. When the aggregate moneys held in the Series 2023 Bond Fund, and the Series 2023 Debt Service Reserve Fund (hereinafter described), shall be and remain sufficient to make all principal and interest payments and to pay all fees due, the City shall not be obligated to make any further payments into the Series 2023 Bond Fund.

The Series 2023 Bonds shall be specifically secured by a pledge of all Revenues and Income required to be placed into the Series 2023 Bond Fund. The pledge in favor of the Series 2023 Bonds is irrevocably made according to the terms of the Trust Indenture, and the City and its officers and employees shall execute, perform and carry out the terms thereof in strict conformity with the provisions of the Trust Indenture.

The City shall receive a credit against monthly deposits into the Series 2023 Bond Fund from Series 2023 Bond proceeds deposited therein, all interest earning on moneys in the Series 2023 Bond Fund, and for transfers into the Series 2023 Bond Fund derived from earnings in the Series 2023 Debt Service Reserve Fund during the preceding month as hereinafter provided. The depository of the Series 2023 Bond Fund shall be and remain the Trustee.

The moneys in the Series 2023 Bond Fund shall be used solely for the purpose of paying the principal of and interest on the Bonds, the Trustee's fees and expenses, and making required arbitrage rebate payments due the United States Treasury.

So long as there is no default in the obligation to make payments into the Series 2023 Bond Fund, any amount credited to the Series 2023 Bond Fund that is in excess of required credits to such account shall be transferred from such account to the Revenue Fund.

**Section 5.04. Surplus Funds.** Moneys remaining in the Revenue Fund after making all required monthly fund deposits and paying all required expenses may be used may be used for any lawful municipal purpose relating to the System.

**Section 5.05. Series 2023 Construction Fund.** There is hereby created with the Trustee a special fund to be designated “Series 2023 Water and Sewer System Construction Fund” or “Series 2023 Construction Fund”, which shall be funded and applied as specified in Sections 6.03 hereof.

**Section 5.06. Series 2023 Debt Service Reserve Fund.** After making the monthly deposits into the Operation and Maintenance Fund and after making required monthly deposits to the Series 2023 Bond Fund, the City shall make any required payments into the special fund hereby created and designated “**Series 2023 Debt Service Reserve Fund**” amounts equal to the required monthly deposit into each fund.

(i) The required monthly deposit into the 2023 Debt Service Reserve Fund shall be an amount equal to the lesser of (i) one-half (i.e. 50%) of the maximum annual principal and interest requirements on the Series 2023 Bonds, (ii) 10% of the original proceeds of the Series 2023 Bonds or (iii) 125% of the maximum annual principal and interest requirements on the Series 2023 Bonds (the “**Series 2023 Debt Service Reserve Fund Requirement**”). The Series 2023 Debt Service Reserve Requirement may be satisfied by cash (which may be invested in Permitted Investments, as hereinafter defined).

(ii) In the event the amount in the Series 2023 Debt Service Reserve Fund is ever reduced to less than the Series 2023 Debt Service Reserve Fund Requirement, it shall be restored to an amount equal to the Series 2023 Debt Service Reserve Fund Requirement in twelve substantially equal payments from the Revenue Fund on the first business day of each month. The depository of the Series 2023 Debt Service Reserve Fund shall be and remain the Trustee.

If for any reason there shall be a deficiency in the payments made into the Series 2023 Bond Fund so that there are unavailable sufficient moneys therein to pay the principal of, premium, if any, and interest on the Series 2023 Bonds as the same become due, any sums then held in the Series 2023 Debt Service Reserve Fund shall be used to the extent necessary to pay such principal, premium, interest and fees of the Trustee, but the Series 2023 Debt Service Reserve Fund shall be reimbursed as described above. The Series 2023 Debt Service Reserve Fund shall be used solely as described herein, but the moneys therein may be invested as set forth in this Indenture. Any earnings on moneys in the Series 2023 Debt Service Reserve Fund that increase the amount therein above the Series 2023 Debt Service Reserve Requirement Fund shall be transferred into the Series 2023 Bond Fund.

**Section 5.07. Rebate Fund.** The Issuer hereby covenants to calculate or cause to be calculated and to pay to the government of the United States of America all amounts due for payment of “arbitrage rebate” under Section 148(f) of the Code with respect to the Bonds at the times required by Section 148(f) of the Code. Accordingly, the Trustee shall transfer to a special fund to be designated “Rebate Fund” such amounts as are set forth in certificate of the Issuer for such purpose. Amounts for deposit in the Rebate Fund shall be transferred from the Bond Fund, or from such other sources as are directed by the Issuer. The Rebate Fund is a trust fund, but amounts therein do not constitute part of the Trust Estate. Amounts on deposit in the Rebate Fund may be used solely to make payments to the United States of America under Section 148 of the Code and to pay costs related to the calculation of the amounts due, and, with an opinion of Bond Counsel

provided to the Trustee to the effect that another use shall not effect the tax-exempt status of the interest on the Bonds for federal income tax purposes, for such other uses specified in the opinion.

**Section 5.08. Moneys to be Held in Trust.** All moneys required to be deposited with or paid to the Trustee under any provision of this Indenture shall be held by the Trustee in trust, and except for moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of which redemption has been duly given, shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the lien hereof.

## **ARTICLE VI CUSTODY AND APPLICATION OF PROCEEDS OF BONDS**

**Section 6.01. Disbursement of Issuance Costs.** When the Bonds have been executed as provided in this Indenture, they shall be delivered to the Trustee that shall authenticate them and deliver them to the Purchaser as specified in the applicable Authorizing Ordinance of the Issuer. The Trustee shall disburse the moneys received as proceeds of the applicable Bonds in accordance with instructions as specified in the delivery instructions of the Issuer to be delivered to the Trustee at the closing, and the Bond proceeds received by the Trustee shall be used for the following purposes (including the purposes set forth in Sections 6.02, 6.03, and 6.04) and none other:

The cost of issuing such Bonds in the amounts and to the persons entitled to receive the same (as shown by the delivery instructions), shall be paid by the Trustee. The accrued interest shall be deposited in the Bond Fund for such series of Bonds.

**Section 6.02. Redemption of the Refunded Bonds.** The Issuer shall promptly remit, through the Trustee to the holder or holders of the Issuer's Refunded Bonds, by deposit to the appropriate bond fund for each series of Refunded Bonds, the amounts necessary (when added to the existing funds in the such bond funds and appropriate debt service reserve funds, if any) to pay all accrued interest, outstanding principal and any other sums due and owing with regard to the Refunded Bonds on the dates as set forth in the delivery instructions so as to effect the surrender and redemption of any and all of the Refunded Bonds and release of the liens securing same.

**Section 6.03. Disbursements from the Series 2023 Construction Fund.** Moneys in the Series 2023 Construction Fund shall be disbursed to the Issuer for Project costs that shall include costs of acquisition, costs of construction, architect's and engineer's fees, and other allowable costs of the Project. Such expenditures shall be paid in accordance with and pursuant to written draw requests that shall be signed by the mayor or his designee. Each draw request shall specify:

- (a) The number of the request for payment;
- (b) The name of the person, firm or corporation to whom payment is to be made;
- (c) The amount of the payment;
- (d) That the disbursement is for a proper expense of or pertaining to the Project; and
- (e) The general classification of the expenditure.

Upon receipt of each draw requests the Trustee shall issue its check upon the Series 2023 Construction Fund payable to the person, firm or corporation designated in the draw requests. In making any such payment from the Series 2023 Construction Fund, the Trustee may rely on any such requisitions and any such certificates delivered to it pursuant to this Section 6.03 and the Trustee shall be relieved of all liability with respect to making such payments in accordance with any such requisitions and such supporting certificate or certificates without inspection of the Project or any other investigation.

**Section 6.04. Transfer to Bond Fund.** Whenever the Issuer shall notify the Trustee in writing that any balance remaining in the Series 2023 Construction Fund will not be needed for completion of the Project, the remaining balance (if the balance is at least \$5,000) shall be deposited into the Series 2023 Bond Fund and used to redeem Series 2023 Bonds on the first Interest Payment Date following notification. If the balance is less than \$5,000, it shall be transferred to the Series 2023 Bond Fund and applied as a credit against a subsequent payment.

## **ARTICLE VII INVESTMENTS**

### **Section 7.01. Investment of Moneys in Funds.**

(a) Moneys held for the credit of all funds created by this Indenture may be invested and reinvested in Permitted Investments and other investments permitted by Arkansas law that shall mature, or that shall be subject to redemption by the holder thereof, at the option of such holder, not later than the date or dates when such money will be required for the purposes intended.

(b) Obligations purchased as an investment of any fund or account shall be deemed at all times a part of such fund. Any profit or loss realized on investments of moneys in any fund shall be charged to said fund.

(c) The Trustee shall so invest and reinvest pursuant to the direction of the City.

(d) “**Permitted Investments**” are defined as (i) direct or fully guaranteed obligations of the United States of America (“**Government Securities**”), (ii) direct obligations of an agency, instrumentality or government-sponsored enterprise created by an act of the United States Congress and authorized to issue securities or evidences of indebtedness, regardless of whether the securities or evidences of indebtedness are guaranteed for repayment by the United States Government, (iii) certificates of deposit of banks, including the Trustee, which are members of the FDIC, or, if in excess of insurance coverage, collateralized by Government Securities or other securities authorized by State law to secure public funds, (iv) money market funds invested exclusively in Government Securities and obligations described in (ii) above, or (v) any other investment authorized by applicable laws of the State of Arkansas.

Permitted Investments shall mature, or shall be subject to redemption by the holder thereof, at the option of such holder, not later than the payment date for interest or principal and interest in the case of the Bond Fund for any series of Bonds secured by this Indenture. The Trustee shall follow any investment instructions of the City that are not inconsistent with the foregoing provisions of this paragraph.

(e) Investments of moneys in all funds shall be valued in terms of current market value as of the last day of each year.

(f) Moneys held for the credit of any other fund shall be continuously invested and reinvested in Permitted Investments or other investments as may, from time to time, be permitted by law, which shall mature, or which shall be subject to redemption by the holder thereof, at the option of such holder, not later than the date or dates when the moneys held for the credit of the particular fund will be required for purposes intended.

The Trustee shall determine the market value of all investments from funds held by it on September 30 of each year and shall report the market value to the Issuer.

All investments and deposits shall have a par value (or market value when less than par, exclusive of accrued interest) at all times at least equal to the amount of money credited to such funds and shall be made in such manner that the money required to be expended from any fund will be available at the proper time or times.

Investments of moneys in all funds shall be valued in terms of current market value as of the last day of each year, except that direct obligations of the United States (State and Local Government Series) in book-entry form shall be continuously valued at par or face principal amount.

All investments shall be made by the Trustee at the direction of the Issuer or in the Trustee's discretion in the absence of any direct instructions from the Issuer.

## **ARTICLE VIII DISCHARGE OF LIEN**

**Section 8.01. Discharge of Lien.** If the Issuer shall pay or cause to be paid to the owners of the Bonds the principal and interest to become due thereon at the times and in the manner stipulated therein, and if the Issuer shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed as to be kept, performed and observed by it on its part, then these presents and the estate and rights hereby granted shall cease, determine and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture, and execute and deliver to the Issuer such instruments in writing as shall be requisite to satisfy the lien thereof, and reconvey to the Issuer the estate hereby conveyed, and assign and deliver to the Issuer the estate hereby conveyed, and assign and deliver to the Issuer any property at the time subject to the lien of this Indenture that may then be in its possession, including trust funds, except funds held by it for the payment of the principal of and interest on the Bonds.

Any Bond shall be deemed to be paid when payment of the principal of and premium, if any, and interest on such Bond (whether at maturity or upon redemption or otherwise), either (i) shall have been made or caused to be made in accordance with the terms of the Indenture, or (ii) shall have been provided for by irrevocably depositing with the Trustee, in trust and irrevocably setting aside exclusively for such payment, (1) moneys sufficient to make such payment or (2) direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, maturing as to principal and interest in such amount and at such times as will provide sufficient moneys to make such payments, and

all necessary and proper fees, compensation and expenses of the Trustee and any paying agent pertaining to the Bonds with respect to which such deposit is made.

The Issuer may at any time surrender to the Trustee for cancellation by it any bonds previously authenticated and delivered hereunder, which the Issuer may have acquired in any manner whatsoever, and such Bonds upon such surrender and cancellation, shall be deemed to be paid and retired.

## **ARTICLE IX DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDOWNERS**

**Section 9.01. Events of Default.** If any of the following events occur, subject to the provisions of Section 9.12 hereof, it is hereby defined as and declared to be and to constitute an “**event of default**”;

- (a) Default in the due and punctual payment of any interest on any Bond hereby secured and outstanding;
- (b) Default in the due and punctual payment of the principal of, and premium, if any, on any Bond hereof secured and outstanding, whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;
- (c) Default in the performance or observance of covenants, agreements or conditions on its part to be performed in this Indenture, or in the Bonds contained, and the continuance thereof for a period of fifteen (15) days after written notice to the Issuer by the Trustee or by the owners of not less than ten percent (10%) in aggregate principal amount of Bonds outstanding hereunder;

The term “**default**” shall mean default by the Issuer in the performance or observance of any of the covenants, agreements or conditions on its part contained in this Indenture, or in the Bonds outstanding hereunder, exclusive of any period of grace required to constitute a default an “event of default” as hereinabove provided.

**Section 9.02. Acceleration.** Upon the occurrence of an event of default, the Trustee may, and at the written direction of the Bond Insurer or upon the written request of the owners of fifty percent (50%) in aggregate principal amount of Bonds outstanding hereunder, shall, with the written consent of the Bond Insurer, by notice in writing delivered to the Issuer, declare the principal of all Bonds hereby secured then outstanding and the interest accrued thereon immediately due and payable and such principal and interest shall thereupon become and be immediately due and payable.

**Section 9.03. Trustee’s Right to Enter and Take Possession.** Upon the occurrence of an event of default, the Issuer, upon demand of the Trustee, shall forthwith surrender to it the actual possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of, all or any part of the Pledged Property with the books, papers and accounts of the Issuer pertaining thereto and to hold, operate and manage the same, and from time to time to make all needful repairs and improvements as the Trustee shall deem wise; and the Trustee, with or without such permission, may collect, receive and sequester the rents, revenues, issues, earnings, income, products and profits therefrom (exclusive of any of the foregoing that may have been

pledged to secure other obligations of the Issuer) and out of the same and any moneys received from any receiver of any part thereof pay, and/or set up proper reserves for the payment of, all proper costs and expenses of so taking, holding and managing the same, including reasonable compensation to the Trustee, its agents and counsel, and any charges of the Trustee hereunder and any taxes, assessments and other charges prior to the lien of this Indenture that the Trustee may deem it wise to pay, and all expenses of such repairs and improvements, and apply the remainder of the moneys so received by the Trustee in accordance with the provisions of Section 9.08 hereof. Whenever all that is due upon such Bonds and installments of interest under the terms of this Indenture shall have been paid and all defaults made good, the Trustee shall surrender possession to the Issuer, its successors or assigns; the same right of entry, however, to exist upon any subsequent event of default.

While in possession of such property the Trustee shall render annually to the owners of the Bonds, at their addresses as set forth on the bond registration book maintained by the Trustee, a summarized statement of income and expenditures in connection therewith.

**Section 9.04. Other Remedies; Rights and Obligations with Reference to Remedies.** Upon the occurrence of an event of default, the Trustee may, as an alternative, proceed either after entry or without entry, to pursue any available remedy by suit at law or in equity to enforce the payment of the principal of and interest on the Bonds then outstanding hereunder, including without limitation, foreclosure and mandamus.

If an event of default shall have occurred, and if it shall have been requested in writing so to do by the owners of fifty percent (50%) in aggregate principal amount of Bonds outstanding hereunder and shall have been indemnified as provided in Section 10.01 hereof, the Trustee shall be obligated to exercise such one or more of the rights and power conferred upon it by this Section and by Section 9.03 as the Trustee, being advised by counsel, shall deem most expedient in the interests of the bondowners.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the bondowners) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any default or event of default shall impair any such right or power or shall be construed to be a waiver of any such default or event of default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or event of default hereunder, whether by the Trustee or by the bondowners, shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereon.

**Section 9.05. Right of Majority of Bondowners to Take Charge.** Anything in this Indenture to the contrary notwithstanding, the owners of a majority in aggregate principal amount of Bonds outstanding hereunder shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings

to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceeding hereunder; subject, however, to Section 10.01(m) hereof and provided that such direction shall not be otherwise than in accordance with the provision of law and of this Indenture.

**Section 9.06. Appointment of Receiver.** Upon the occurrence of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the bondowners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Pledged Property and of the rents, revenues, issues, earnings, income, products and profits thereof, pending such proceedings with such powers as the court making such appointment shall confer.

**Section 9.07. Waiver by Issuer of Benefit of Laws and Rights of Appraisalment and Redemption.** In case of an event of default on its part, as aforesaid to the extent that such rights may then lawfully be waived, neither the Issuer nor anyone claiming through it or under it shall or will set up, claim or seek to take advantage of any appraisalment, valuation, stay, extension or redemption as now or hereafter in force, in order to prevent or hinder the enforcement of this Indenture, but the Issuer, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws and all right of appraisalment and redemption to which it may be entitled under the laws of the State of Arkansas.

**Section 9.08. Application of Available Moneys.** Available moneys shall be applied by the Trustee as follows:

- (a) To the payment of costs and expenses of suit, if any, and the reasonable compensation of the Trustee, its agents, attorneys and counsel, and of all proper expenses, liabilities and advances incurred or made hereunder by the Trustee or by any bondowner.
- (b) Unless the principal of all the Bonds all have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST: To the payment to the persons entitled thereto of all installments of interest then due, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege;

SECOND: To the payment to persons entitled thereto of the unpaid principal of any of the Bonds that shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege; and

THIRD: To the payment of the interest on and the principal of the Bonds, and to the redemption of Bonds.

(c) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any bond over any other Bond, ratably, according to the amounts due respectively for principal and or privilege.

(d) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article then, subject to the provisions of paragraph (c) of this Section, in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (b) of this Section.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as it shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the owner of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

**Section 9.09. Remedies Vested in Trustee.** All rights of action (including the right to file proof of claim) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any owners of the Bond hereby secured, and any recovery of judgment shall be for the equal benefit for the owners of the outstanding Bonds in the order herein provided.

**Section 9.10. Rights and Remedies of Bondowners.** No owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless a default has occurred of which the Trustee has been notified as provided in Subsection 10.01(h), or of which by the subsection it is deemed to have notice, nor unless such default shall have become an event of default and the owners of fifty percent (50%) in aggregate principal amount of Bonds outstanding hereunder shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in Section 10.01; nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such notification request and offer of indemnity are hereby declared in every such case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture or for the appointment of a receiver for any other remedy hereunder; it being understood and intended that not one or more owners of the Bonds shall have any right in any

manner whatsoever to affect, disturb or prejudice the lien of this Indenture by his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided for the equal benefit of the owners of all Bonds outstanding hereunder. Nothing in this Indenture contained shall, however, affect or impair the right of any bondowners to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof, or to the obligation of the Issuer to pay the principal of and interest on each of the Bonds issued hereunder to the respective owners thereof at the time and place in the Bonds expressed.

**Section 9.11. Termination of Proceedings.** In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights hereunder with respect to the property herein conveyed, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken, except to the extent the Trustee is legally bound by such adverse determination.

**Section 9.12. Waivers of Events of Default.** The Trustee may in its discretion waive any event of default hereunder and its consequences and rescind any declaration of maturity of principal, and shall do so upon the written request of the owners of (i) 50% in aggregate principal amount of all the Bonds outstanding hereunder in respect of which default in the payment of principal and/or interest exists, or (ii) 50% in principal amount of all the Bonds outstanding hereunder in the case of any other default, provided, however, that there shall not be waived (a) any event of default in the payment of the principal of any Bonds issued hereunder and outstanding at the date of maturity specified therein or (b) any default in the payment of the interest or of Bond Fund moneys, unless prior to such waiver or rescission all arrears of interest, with interest at the rate borne by the Bonds in respect of which such default shall have occurred on overdue installments of interest or all arrears of Bond Fund payments, as the case may be, and all expenses of the Trustee and Paying Agent, shall have been paid or provided for, and in case of any such waiver or rescission or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, Trustee and the bondowners shall be restored to their former positions and rights thereunder respectively; but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

## **ARTICLE X THE TRUSTEE**

**Section 10.01. Acceptance of Trusts.** The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform the trust as an ordinarily prudent trustee under a corporate mortgage, but only upon and subject to the following expressed terms and conditions:

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing or waiver of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied agreement or obligations shall

be read into this Indenture against the Trustee. In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under these circumstances in a like situation.

(b) The Trustee may execute any of the trusts or powers hereof and perform any duties required of it by or through attorneys, agents, receivers or employees, and shall be entitled to advice of counsel concerning all matters of trusts hereof and its duties hereunder, and may in all cases pay reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney, surveyor, engineer or accountant selected by it in the exercise of reasonable care, or, if selected or retained by the Issuer prior to the occurrence of a default of which the Trustee has been notified as provided in subsection (h) below, or of which by the subsection the Trustee is deemed to have notice, approved by the Trustee in the exercise of such care. The Trustee shall not be responsible for any loss or damage resulting from an action or non action in accordance with any such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the certificate of the Trustee endorsed on such Bonds), or for the recording or re recording, filing or re filing of this Indenture, or for insuring the property herein conveyed or collecting any insurance moneys, or for the validity of the execution by the Issuer of this Indenture or of any supplemental indentures or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured herein, or for the value of the title of the property here conveyed or otherwise as to the maintenance of the security hereof; except that in the event the Trustee enters into possession of a part or all of the property herein conveyed pursuant to any provision of this Indenture, it shall use due diligence in preserving such property; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the Issuer, except as hereinafter set forth; but the Trustee may require of the Issuer full information and advice as to the performance of the covenants, conditions and agreements aforesaid as to the condition of the property herein conveyed.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the owner of Bonds with the same rights that it would have if not Trustee. No merger of title shall occur if at any time the Trustee owns all of the Bonds.

(e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it, in the exercise of reasonable care, to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of the owner of any Bond secured hereby, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(f) As to the existence or non existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate of the Issuer signed by the Mayor and attested by its City Clerk as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which it has been notified as provided in

Subsection 10(h), or of which by said subsection it is deemed to have notice, and shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion, at the reasonable expense of the Issuer, in every case secure such further evidence as it may think necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the Secretary of the Issuer under its seal to the effect that a resolution or ordinance in the form therein set forth has been adopted by the Issuer as conclusive evidence that such resolution or ordinance has been duly adopted, and is in full force and effect.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty of the Trustee, and the Trustee shall be answerable only for its own gross negligence or willful default.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the Issuer to make or cause to be made any of the payments to the Trustee required to be made by Article IV unless the Trustee shall be specifically notified in writing of such default by the Issuer or by the owners of at least ten percent (10%) in aggregate principal amount of Bonds outstanding hereunder and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered to the office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid.

(i) The Trustee shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or nonfulfillment of contracts during any period in which it may be in the possession of or managing the real and tangible personal property as in this Indenture provided.

(j) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect all of the property herein conveyed, including all books, papers and records of the Issuer pertaining to the Project and the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(k) The Trustee shall not be required to give any Bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(l) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, any showings, certificate, opinions, appraisals, or the information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, deemed desirable for the purpose of establishing the right of the Issuer to the authentication of any Bonds, the withdrawal of any cash, the release of any property, or the taking of any other action by the Trustee.

(m) Before taking such action hereunder, the Trustee may require that it be furnished an indemnity bond satisfactory to it for the reimbursement to it of all expenses to which it may be put

and to protect it against all liability, except liability that is adjudicated to have resulted from the negligence or willful default of the Trustee, by reason of any action so taken by the Trustee.

**Section 10.02. Fees, Charges and Expenses of Trustee.** The Trustee shall be entitled to payment and/or reimbursement for its reasonable fees for services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in and about the execution of the trusts created by this Indenture and in and about the exercise and performance by the Trustee of the powers and duties of the Trustee hereunder, and for all reasonable and necessary costs and expenses incurred in defending any liability in the premises of any character whatsoever (unless such liability is adjudicated to have resulted from the gross negligence or willful default of the Trustee). In this regard, it is understood that the Issuer pledges no funds or revenues other than those provided for in the Authorizing Ordinance and this Indenture and the Revenues and Income derived from, the avails of the Pledged Property to the payment of any obligation of the Issuer set forth in this Indenture, including the obligations set forth in this Section, but nothing herein shall be construed as prohibiting the Issuer from using any other funds and revenues for the payment of any of its obligations under this Indenture. Upon default by the Issuer but only upon default, pursuant to the provisions of this Indenture pertaining to default, the Trustee shall have a first lien with right of payment prior to payment on account of principal or interest of a Bond issued hereunder upon the Trust Estate for the reasonable and necessary advances, fees, costs and expenses incurred by the Trustee.

**Section 10.03. Notice to Bondowners of Default.** If a default occurs of which the Trustee is by Section 10.01(h) deemed to have notice, is notified by the Issuer or by the owners of at least 10% in aggregate principal amount of Bonds then outstanding, then the Trustee shall give written notice by mail to each owner of Bonds then outstanding or by filing on EMMA or such other system approved by the MSRB..

**Section 10.04. Intervention by Trustee.** In any judicial proceeding to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of owners of Bonds issued hereunder, the Trustee may intervene on behalf of the bondowners and, subject to Section 10.01(m) hereof, shall do so if requested in writing by the owners of at least ten percent (10%) of the aggregate principal amount of Bonds outstanding hereunder. The rights and obligations of the Trustee under this Section are subject to the approval of the court having jurisdiction in the premises.

**Section 10.05. Successor Trustee.** Any bank or trust company into which the Trustee may be merged, or with which it may be consolidated or any bank or trust company resulting from any such merger or consolidation, ipso facto, shall be and become successor trustee hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding; provided, however, that such successor trustee shall have capital and surplus of at least \$75,000,000, and provided that the authority approves the successor trustee.

**Section 10.06. Resignation by Trustee.** The Trustee and any successor trustee may at any time resign from the trusts hereby created by giving thirty (30) days written notice to the Issuer and the

registered owners of the Bonds, and such resignation shall take effect at the end of such thirty (30) days, or upon the earlier appointment of a successor trustee by the bondowners or by the Issuer. Such notice may be served personally or sent by registered mail.

**Section 10.07. Removal of Trustee; Sale of Trust Business.** The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee and to the Issuer and signed by the owners of a majority in aggregate principal amount of Bonds outstanding hereunder.

In the case of the sale of all or substantially all of the Trustee's trust business to another bank or trust company, the Issuer shall have the absolute right, at its sole discretion, to appoint a successor trustee pursuant to Section 10.08.

**Section 10.08. Appointment of Successor Trustee.** In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by the court, a successor may be appointed by the Issuer by an instrument executed and signed by the Mayor and the Issuer Recorder under its seal, shall appoint a successor trustee to fill such vacancy. Every such successor trustee shall be a trust company or bank in good standing, having capital and surplus of not less than \$75,000,000.

**Section 10.09. Successor Trustee.** Every successor appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor trustee, without any further act or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall nevertheless, on the written request of the Issuer or of its successor trustee, execute and deliver an instrument transferring to such successor all the estate, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor trustee shall deliver all securities, moneys and any other property held by it as trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by a successor trustee for more fully and certainly vesting in such successor the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor trustee, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The resignation of any trustee and the instrument or instruments removing any trustee and appointing a successor hereunder, together with all other instruments provided for in this Article shall, at the expense of the Issuer, be forthwith filed and/or recorded by the successor trustee in each recording office where the Indenture shall have been filed and/or recorded.

**Section 10.10. Right of Trustee to Pay Taxes and Other Charges.** In case the Issuer shall fail seasonably to pay or to cause to be paid any tax, assessment or governmental or other charge upon any part of the property herein conveyed, to the extent, if any, that the Issuer may be liable for same, the Trustee may pay such tax, assessment or governmental charge, without prejudice, however, to any rights of the Trustee or the bondowners hereunder arising in consequence of such failure; and any amount at any time so paid under this Section, with interest thereon from the date of payment at the rate of ten percent (10%) per annum, shall be repaid by the Issuer upon demand, and shall become so much additional indebtedness secured by this Indenture, and the same shall be given a preference in payment over any of the Bonds and shall be paid out of the proceeds of

revenues collected from the property herein conveyed, if not otherwise caused to be paid by the Issuer, but the Trustee shall not be under obligations to make any such payment unless it shall have been requested to do so by the owners of at least ten percent (10%) of the aggregate principal amount of the Bonds outstanding hereunder and shall have been provided with adequate funds for the purpose of such payment.

**Section 10.11. Trustee Protected in Relying Upon Resolutions, etc.** The resolutions, opinions, certificates and other instruments provided for in this Indenture may be accepted and relied upon by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the payment and withdrawal of cash hereunder.

**Section 10.12. Trustee That Has Resigned or Been Removed Ceases to be Paying Agent.** In the event of a change in the office of Trustee, if the Trustee is the Paying Agent, the former Trustee that has resigned or been removed shall cease to be Paying Agent.

**Section 10.13. Paying Agent's Fees and Charges.** There shall be paid reasonable Paying Agent's fees and charges of the Paying Agent for handling the payment of the principal of, premium (if any) and interest on the Bonds, and funds sufficient to pay the same shall be deposited with the Paying Agent prior to the dates on which payments are required to be made on principal and interest.

**Section 10.14. Appointment of Co-Trustee or Separate Trustee.** The Issuer and the Trustee shall have power to appoint and upon the request of the Trustee the Issuer shall for such purpose join with the Trustee in the execution of all instruments necessary or proper to appoint another corporation or one or more persons approved by the Trustee, either to act as co trustee or co trustees jointly with the Trustee of all or any of the property subject to the lien hereof, or to act as separate trustee or trustees of all or any such property, with such powers as may be provided in the instrument of appointment and to vest in such corporation or person or persons as such separate trustee or co trustee any property, title, right or power deemed necessary or desirable. In the event that the Issuer shall not have joined in such appointment within fifteen days after the receipt by it of a request so to do the Trustee alone shall have the power to make such appointment. Should any deed, conveyance or instrument in writing from the Issuer be required by the separate trustee or co trustee so appointed for more fully and certainly vesting in and confirming to him or to it such properties, rights powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. Every such co trustee and separate trustee shall, to the extent permitted by law, be appointed subject to the following provisions and conditions, namely:

- (a) The Bonds shall be authenticated and delivered, and all powers, duties, obligations and rights conferred upon the Trustee in respect of the custody of all money and securities pledged or deposited hereunder, shall be exercised solely by the Trustee; and
- (b) The Trustee, at any time by an instrument in writing, may remove any such separate trustee or co trustee.

Every instrument, other than this Indenture, appointing any such co trustee or separate trustee, shall refer to this Indenture and the conditions of this Article X expressed, and upon the acceptance

in writing by such separate trustee or co trustee, it shall be vested with the estate or property specified in such instrument, jointly with the Trustee (except insofar as local law makes it necessary for any separate trustee to act alone), subject to all the trusts, conditions and provisions of this Indenture. Any such separate trustee or co trustee may at any time, by an instrument in writing, constitute the Trustee as its agent or attorney, to the extent authorized by law, to do all acts and things and exercise all discretion authorized or permitted by it, for and on behalf of it and its name. In case any separate trustee or co trustee shall die, become incapable of acting, resign or be removed, all the estates properties, rights, powers, trusts, duties and obligations of the separate trustee or co trustee shall vest in and be exercised by the Trustee until the appointment of a new trustee or a successor to such separate trustee or co trustee.

## **ARTICLE XI SUPPLEMENTAL INDENTURES**

**Section 11.01. Supplemental Indentures Not Requiring Consent of Bondowners.** The Issuer and the Trustee may, from time to time, without the consent of or notice to the bondholders, enter into such indentures supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental indenture shall hereafter form a part hereof), (a) to cure any ambiguity or formal defect or omission in this Indenture or in any supplemental indenture, or (b) to grant to or confer or impose upon the Trustee for the benefit of the bondowners any additional rights, remedies, powers, authority, security, liabilities or duties that may lawfully be granted, conferred, or imposed; (c) to add to the covenants and agreements of, and limitations and restrictions upon, the Issuer in this Indenture other covenants, agreements, limitations and restrictions to be observed by the Issuer that are not contrary to or inconsistent with this Indenture as theretofore in effect; (d) to confirm, as further assurance, any pledge under, and the subjection to any claim, lien or pledge created or to be created by, this Indenture, of the Revenues and Income of the Issuer or of any other moneys, securities or funds; (e) to comply with the requirements of the Trust Indenture Act of 1939, as from time to time amended; or (f) to modify, alter, amend or supplement this Indenture in any other respect that is not materially adverse to the bondholders and that does not involve a change described in clause (a), (b), (c), (d) or (e) of Section 11.02 hereof and that, in the judgment of the Trustee, is not to the prejudice of the Trustee.

**Section 11.02. Supplemental Indentures Requiring Consent of Bondowners.** Subject to the terms and provisions contained in this Section, and not otherwise, the owners of not less than two thirds (2/3) in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Issuer and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing herein contained shall permit or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Bond issued hereunder, or (b) a reduction in the principal amount of any Bond or redemption premium or the rate of interest thereon, or (c) the creation of any lien ranking prior to or on a parity with the lien of this Indenture on the Trust Estate, except as expressly permitted herein, 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 consent to such supplemental indenture. Nothing herein contained, however, shall be construed

as making necessary the approval of bondowners of the execution of any supplemental indenture as provided in Section 11.01 of this Article.

If at any time the Issuer shall request the Trustee to enter into any supplemental indenture for any of the purposes of this Section, the Trustee shall, at the expense of the Issuer cause notice of the proposed execution of such supplemental indenture to be mailed by first class mail, or by filing on EMMA or such other system approved by the MSRB, to all registered owners of Bonds. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection by bondowners. The Trustee shall not, however, be subject to any liability to any bondowner by reason of its failure to publish or mail such notice, and any such failure shall not affect the validity of such supplemental indenture consented to and approved as provided in this Section. If the owners of not less than two thirds (2/3) in aggregate principal amount of the Bonds outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

## **ARTICLE XII RESERVED**

## **ARTICLE XIII PROVISIONS RELATING TO THE BOND INSURER**

**[Section 13.01 Notice and Other Information to be given to the Bond Insurer.** The Issuer will provide the Bond Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the holders of Insured Obligations or the Trustee under the Security Documents.

The notice address of Bond Insurer is: [\_\_\_\_], [\_\_\_\_], [\_\_\_\_], [\_\_\_\_], Attention: [\_\_\_\_], Re: Policy No. [\_\_\_\_], Telephone: [(\_\_\_\_) \_\_\_\_-\_\_\_\_], Telecopier: [(\_\_\_\_) \_\_\_\_-\_\_\_\_], Email: [\_\_\_\_]. In each case in which notice or other communication refers to an event of default or a claim on the Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at [\_\_\_\_] or at Telecopier: [(\_\_\_\_) \_\_\_\_-\_\_\_\_] and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

**Section 13.02 Defeasance.** The investments in the defeasance escrow relating to Insured Obligation shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise maybe authorized under State law and approved by Bond Insurer.

At least three (3) business days prior to any defeasance with respect to the Insured Obligations, the Issuer shall deliver to Bond Insurer draft copies of an escrow agreement, an opinion of Bond Counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the Insured Obligations, a verification report (a “**Verification Report**”) prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to Bond Insurer and shall be in form and substance satisfactory to Bond Insurer. In addition, the escrow agreement shall provide that:

(a) Any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of a Verification Report, an opinion of bond counsel that such substitution will not adversely affect the exclusion (if interest on the Insured Obligations is excludable) from gross income of the holders of the Insured Obligations of the interest on the Insured Obligations for federal income tax purposes and the prior written consent of Bond Insurer, which consent will not be unreasonably withheld.

(b) The Issuer will not exercise any prior optional redemption of Insured Obligations secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition to any such redemption there shall be provided to Bond Insurer a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.

(c) The Issuer shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of Bond Insurer.

### **Section 13.03 Trustee and Paying Agent.**

(a) Bond Insurer shall receive prior written notice of any name change of the Trustee or, if applicable, the Paying Agent for the Insured Obligations or the resignation or removal of the Trustee or, if applicable, the Paying Agent. Any Trustee must be (A) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least \$250 million of assets, (B) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least \$1 billion of assets, or (C) otherwise approved by Bond Insurer in writing.

(b) No removal, resignation or termination of the Trustee or, if applicable, the Paying Agent shall take effect until a successor, meeting the requirements above or acceptable to Bond Insurer, shall be qualified and appointed.

**Section 13.04 Amendments, Supplements and Consents.** Bond Insurer’s prior written consent is required for all amendments and supplements to the Security Documents, with the exceptions noted below. The Issuer shall send copies of any such amendments or supplements to Bond Insurer and the rating agencies which have assigned a rating to the Insured Obligations.

(a) *Consent of Bond Insurer.* Any amendments or supplements to the Security Documents shall require the prior written consent of Bond Insurer with the exception of amendments or supplements:

- (i) To cure any ambiguity or formal defect or omissions or to correct any inconsistent provisions in the transaction documents or in any supplement thereto, or
- (ii) To grant or confer upon the holders of the Insured Obligations any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the holders of the Insured Obligations, or
- (iii) To add to the conditions, limitations and restrictions on the issuance of bonds or other obligations under the provisions of the Security Documents other conditions, limitations and restrictions thereafter to be observed, or
- (iv) To add to the covenants and agreements of the Issuer in the Security Documents other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power therein reserved to or conferred upon the Issuer.
- (v) To issue additional parity debt in accordance with the requirements set forth in the Security Documents (unless otherwise specified herein).

(b) *Consent of Bond Insurer in Addition to Bondholder Consent.* Whenever any Security Document requires the consent of holders of Insured Obligations, Bond Insurer's consent shall also be required. In addition, any amendment, supplement, modification to, or waiver of, any of the Security Documents that adversely affects the rights or interests of Bond Insurer shall be subject to the prior written consent of Bond Insurer.

(c) *Insolvency.* Any reorganization or liquidation plan with respect to the Issuer must be acceptable to Bond Insurer. The Trustee and each owner of the Insured Obligations hereby appoint Bond Insurer as their agent and attorney-in-fact with respect to the Insured Obligations and agree that Bond Insurer may at any time during the continuation of any proceeding by or against the Issuer or Obligor under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "**Insolvency Proceeding**") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "**Claim**"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersede as or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each owner of the Insured Obligations delegate and assign to Bond Insurer, to the fullest extent permitted by law, the rights of the Trustee and each owner of the Insured Obligations with respect to the Insured Obligations in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.

(d) *Control by Bond Insurer Upon Default.* Anything in the Security Documents to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Insured Obligations or the Trustee or Paying Agent for the benefit of the holders of the Insured Obligations under any Security Document. No default or event of default may be waived without Bond Insurer's written consent.

(e) *Bond Insurer as Owner.* Upon the occurrence and continuance of a default or an event of default, Bond Insurer shall be deemed to be the sole owner of the Insured Obligations for all purposes under the Security Documents, including, without limitations, for purposes of exercising remedies and approving amendments.

(f) *Consent of Bond Insurer for acceleration.* Bond Insurer's prior written consent is required as a condition precedent to and in all instances of acceleration.

(g) *Grace Period for Payment Defaults.* No grace period shall be permitted for payment defaults on the Insured Obligations. No grace period for a covenant default shall exceed thirty (30) days without the prior written consent of Bond Insurer.

(h) *Special Provisions for Insurer Default.* If an Insurer Default shall occur and be continuing, then, notwithstanding anything in paragraphs 4(a)-(e) above to the contrary, (1) if at any time prior to or following an Insurer Default, Bond Insurer has made payment under the Policy, to the extent of such payment Bond Insurer shall be treated like any other holder of the Insured Obligations for all purposes, including giving of consents, and (2) if Bond Insurer has not made any payment under the Policy, Bond Insurer shall have no further consent rights until the particular Insurer Default is no longer continuing or Bond Insurer makes a payment under the Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph, "Insurer Default" means: (A) Bond Insurer has failed to make any payment under the Policy when due and owing in accordance with its terms; or (B) Bond Insurer shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of Bond Insurer (including without limitation under the New York Insurance Law).

### **Section 13.05 Loan/Lease/Financing Agreement.**

(a) The security for the Insured Obligations shall include a pledge and assignment of any agreement with any underlying obligor that is a source of payment for the

Insured Obligations (a “**Financing Agreement**”) and a default under any Financing Agreement shall constitute an Event of Default under the Security Documents. In accordance with the foregoing, any such Financing Agreement is hereby pledged and assigned to the Trustee for the benefit of the holders of the Insured Obligations.

(b) Any payments by the Obligor under the Financing Agreement that will be applied to the payment of debt service on the Insured Obligations shall be made directly to the Trustee at least fifteen (15) days prior to each debt service payment date for the Insured Obligations.

**Section 13.06 Bond Insurer As Third Party Beneficiary.** Bond Insurer is recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce the provisions of the Security Documents as if it were a party thereto.

**Section 13.07 Payment Procedure Under the Policy.** In the event that principal and/or interest due on the Insured Obligations shall be paid by Bond Insurer pursuant to the Policy, the Insured Obligations shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of Bond Insurer, and Bond Insurer shall be subrogated to the rights of such registered owners.

In the event that on the second (2nd) business day prior to any payment date on the Insured Obligations, the Paying Agent or Trustee has not received sufficient moneys to pay all principal of and interest on the Insured Obligations due on such payment date, the Paying Agent or Trustee shall immediately notify Bond Insurer or its designee on the same business day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent or Trustee shall so notify Bond Insurer or its designee. In addition, if the Paying Agent or Trustee has notice that any holder of the Insured Obligations has been required to disgorge payments of principal of or interest on the Insured Obligations pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy law, then the Paying Agent or Trustee shall notify Bond Insurer or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of Bond Insurer.

The Paying Agent or Trustee shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for holders of the Insured Obligations as follows:

(a) If there is a deficiency in amounts required to pay interest and/or principal on the Insured Obligations, the Paying Agent or Trustee shall (i) execute and deliver to Bond Insurer, in form satisfactory to Bond Insurer, an instrument appointing Bond Insurer as agent and attorney-in-fact for such holders of the Insured Obligations in any legal proceeding related to the payment and assignment to Bond Insurer of the claims for interest on the Insured Obligations, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Policy payment from Bond Insurer with respect to the claims for interest so assigned, (iii) segregate

all such payments in a separate account (the “**Bond Insurer Policy Payment Account**”) to only be used to make scheduled payments of principal of and interest on the Insured Obligation, and (iv) disburse the same to such respective holders; and

(b) If there is a deficiency in amounts required to pay principal of the Insured Obligations, the Paying Agent or Trustee shall (i) execute and deliver to Bond Insurer, in form satisfactory to Bond Insurer, an instrument appointing Bond Insurer as agent and attorney-in-fact for such holder of the Insured Obligations in any legal proceeding related to the payment of such principal and an assignment to Bond Insurer of the Insured Obligations surrendered to Bond Insurer, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Policy payment therefore from Bond Insurer, (iii) segregate all such payments in the Bond Insurer Policy Payment Account to only be used to make scheduled payments of principal of and interest on the Insured Obligation, and (iv) disburse the same to such holders. The Trustee shall designate any portion of payment of principal on Insured Obligations paid by Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Obligations registered to the then current holder, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Obligation to Bond Insurer, registered in the name directed by Bond Insurer, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Insured Obligation shall have no effect on the amount of principal or interest payable by the Issuer on any Insured Obligation or the subrogation or assignment rights of Bond Insurer.

Payments with respect to claims for interest on and principal of Insured Obligations disbursed by the Paying Agent or Trustee from proceeds of the Policy shall not be considered to discharge the obligation of the Issuer with respect to such Insured Obligations, and Bond Insurer shall become the owner of such unpaid Insured Obligations and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise. The Security Documents shall not be discharged or terminated unless all amounts due or to become due to Bond Insurer have been paid in full or duly provided for.

Irrespective of whether any such assignment is executed and delivered, the Issuer, and the Paying Agent and Trustee agree for the benefit of Bond Insurer that: (a) They recognize that to the extent Bond Insurer makes payments directly or indirectly (*e.g.*, by paying through the Paying Agent or Trustee), on account of principal of or interest on the Insured Obligations, Bond Insurer will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon, as provided and solely from the sources stated in the Security Documents and the Insured Obligations; and (b) They will accordingly pay to Bond Insurer the amount of such principal and interest, with interest thereon as provided in the Security Documents and the Insured Obligations, but only from the sources and in the manner provided therein for the payment of principal of and interest on the Insured Obligations to holders, and will otherwise treat Bond Insurer as the owner of such rights to the amount of such principal and interest.

**Section 13.08 Additional Payments.** The Issuer agrees unconditionally that it will pay or reimburse Bond Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that Bond Insurer may pay or incur, including, but not limited to, fees and expenses

of Bond Insurer's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Security Documents ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of Bond Insurer spent in connection with the actions described in the preceding sentence. The Issuer agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to Bond Insurer until the date Bond Insurer is paid in full.

Notwithstanding anything herein to the contrary, the Issuer agrees to pay to Bond Insurer (i) a sum equal to the total of all amounts paid by Bond Insurer under the Policy ("**Bond Insurer Policy Payment**"); and (ii) interest on such Bond Insurer Policy Payments from the date paid by Bond Insurer until payment thereof in full by the Issuer, payable to Bond Insurer at the Late Payment Rate per annum (collectively, "**Bond Insurer Reimbursement Amounts**") compounded semi-annually. Notwithstanding anything to the contrary, including without limitation the post default application of revenue provisions, Bond Insurer Reimbursement Amounts shall be, and the Issuer hereby covenants and agrees that the Bond Insurer Reimbursement Amounts are, payable from and secured by a lien on and pledge of the same revenues and other collateral pledged to the Insured Obligations on a parity with debt service due on the Insured Obligations.

**Section 13.09 Debt Service Reserve Fund.** The prior written consent of Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Series 2023 Debt Service Reserve Fund, if any. Amounts on deposit in the Series 2023 Debt Service Reserve Fund shall be applied solely to the payment of debt service due on the Insured Obligations.

**Section 13.10 Exercise of Rights by Bond Insurer.** The rights granted to Bond Insurer under the Security Documents to request, consent to or direct any action are rights granted to Bond Insurer in consideration of its issuance of the Policy. Any exercise by Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the holders of the Insured Obligations and such action does not evidence any position of Bond Insurer, affirmative or negative, as to whether the consent of the holders of the Insured Obligations or any other person is required in addition to the consent of Bond Insurer.

Bond Insurer shall be entitled to pay principal or interest on the Insured Obligations that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Policy) and any amounts due on the Insured Obligations as a result of acceleration of the maturity thereof in accordance with the Security Documents, whether or not Bond Insurer has received a claim upon the Policy.

So long as the Insured Obligations are outstanding or any amounts are due and payable to Bond Insurer, the Issuer shall not sell, lease, transfer, encumber or otherwise dispose of the System or any material portion thereof, except upon obtaining the prior written consent of Bond Insurer.

No contract shall be entered into or any action taken by which the rights of Bond Insurer or security for or source of payment of the Insured Obligations may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of Bond Insurer.

If an event of default occurs under any agreement pursuant to which any Obligation (as defined below) of the Issuer has been incurred or issued and that permits the holder of such Obligation or trustee to accelerate the Obligation or otherwise exercise rights or remedies that are adverse to the interest of the holders of the Insured Obligations or Bond Insurer, as Bond Insurer may determine in its sole discretion, then an event of default shall be deemed to have occurred under this Indenture and the related Security Documents for which Bond Insurer or the Trustee, at the direction of Bond Insurer, shall be entitled to exercise all available remedies under the Security Documents, at law and in equity. For purposes of the foregoing “**Obligation**” shall mean any bonds, loans, certificates, installment or lease payments or similar obligations that are payable and/or secured on a parity or subordinate basis to the Insured Obligations.

**Section 13.15 Definitions.** The capitalized terms used in the Article 13 shall have the meaning set forth below if not otherwise defined herein:

“[ ]” shall mean [ ], or any successor thereto.

“**Insured Obligations**” shall mean the Bonds.

“**Issuer**” shall mean the City.

“**Late Payment Rate**” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in The City of New York, New York, as its prime or base lending rate (“**Prime Rate**”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 3%, and (ii) the then applicable highest rate of interest on the Insured Obligations and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such other bank, banking association or trust company as Bond Insurer, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to Bond Insurer shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

“**Policy**” shall mean the Municipal Bond Insurance Policy issued by Bond Insurer that guarantees the scheduled payment of principal of and interest on the Insured Obligations when due.

“**Security Documents**” shall mean the resolution, trust agreement, indenture, ordinance, loan agreement, lease agreement, bond, note, certificate and/or any additional or supplemental document executed in connection with the Insured Obligations, including, but not limited to, the Authorizing Ordinance, this Indenture, and the Continuing Disclosure Agreement.]

## ARTICLE XIV MISCELLANEOUS

**Section 14.01. Consents, etc. of Bondowners.** Any request, direction, objection or other instrument required by this Indenture to be signed and executed by the bondowners may be in any number of concurrent writings of similar tenor and may be signed or executed by such bondowners in person or by agent appointed in writing. Proof of the execution of any such request, direction, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture and shall be conclusive if in favor of the Trustee with regard to any action taken by it under such request or other instrument, namely:

The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by any affidavit of any witness to such execution.

**Section 14.02. Limitation of Rights.** With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture, or the Bonds issued hereunder, is intended or shall be construed to give to any person other than the parties hereto, and the owners of the Bonds secured by this Indenture, any legal or equitable rights, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions hereof being intended to be and being for the sole exclusive benefit of the parties hereto and the owners of the Bonds secured as herein provided.

**Section 14.03. Severability.** If any provisions of this Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any provisions or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or paragraphs in this Indenture contained shall not affect the remaining portions of this Indenture or any part thereof.

**Section 14.04. Notices.** Notices as required in this Indenture shall be considered delivered when posted in United States mail, postage prepaid and addressed as set forth below (or at such other address as may have been provided by the party to all other parties hereto by proper notice):

If intended for the Issuer:

City of Osceola  
303 W. Hale Ave.  
Osceola, Arkansas 72370  
Attn: Mayor  
Tel: (870) 563-5245  
Fax: (870) [\_\_\_\_-\_\_\_\_]

If intended for the Trustee:

[ ] Bank  
[ ]  
[ ], Arkansas [ ]  
Attn: Corporate Trust Department  
Tel: ( ) -  
Fax: ( ) -

**Section 14.05. Arkansas Substantive Law Governs.** This Indenture shall be considered to have been executed in the State and it is the intention of the parties that the substantive law of the State govern as to all questions of interpretation, validity and effect.

**Section 14.06. Uniform Commercial Code.** This Indenture is also a security agreement under the Uniform Commercial Code of the State. The Issuer shall execute one or more financing statements and renewals thereof with respect to the security interest granted by this Indenture and file such statements or renewals thereof in any appropriate public office.

**Section 14.07. Counterparts.** This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 14.08. Limitation on Liability.** Notwithstanding any other provision of this Indenture to the contrary:

- (a) the obligations of the Issuer with respect to the Bonds are not general obligations of the Issuer but are special, limited obligations of the Issuer payable by the Issuer solely from the security for the Bonds;
- (b) nothing contained in the Bonds or in this Indenture shall be considered as assigning or pledging any funds or assets of the Issuer other than the Trust Estate;
- (c) the Bonds shall not be a debt of the State, the Issuer or of any other political subdivision of the State, and neither the State, the Issuer nor any other political subdivision of the State shall be liable for the payment of the Bonds;
- (d) neither the faith and credit of the Issuer, the State nor of any other political subdivision of the State are pledged to the payment of the principal or of interest on the Bonds;
- (e) no failure of the Issuer to comply with any term, condition, covenant or agreement in this Indenture or in any document executed by the Issuer in connection with the pledged Revenues and Income, or the issuance, sale and delivery of the Bonds shall subject the Issuer to liability for any claim for damages, costs or other charge except to the extent that the same can be paid or recovered from the Trust Estate; and
- (f) the Issuer shall not be required to advance any moneys derived from any source other than the Trust Estate for any of the purposes of this Indenture, any of the other bond documents or any

of the loan documents, whether for the payment of the principal or redemption price of, or interest on, the Bonds, the payment of any fees or administrative expenses or otherwise.

**Section 14.09. No Personal Liability; No Recourse.** No recourse under or upon any obligation, covenant, warranty or agreement contained in this Indenture or in any Bond, or under any judgment obtained against the Issuer, or the enforcement of any assessment, or any legal or equitable proceedings by virtue of any constitution or statute or otherwise, or under any circumstances under or independent of this Indenture, shall be had against the members of the Issuer's board of directors or any of the members, officers, agents or employees of the Issuer, as such, past, present or future of the Issuer, either directly or through the Issuer or otherwise, for the payment for or to the Issuer or any receiver of the Issuer, or for or to the owner of any Bond, or otherwise, of any sum that may be due and unpaid by the Issuer upon any such Bond. Any and all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of the members of the Issuer's board of directors or of any such member, officer, agent or employee, as such, by reason of any act of omission on his or her part or otherwise, for the payment for or to the owner of any Bond or otherwise of any sum that may remain due and unpaid upon the Bonds secured by this Indenture of any of them is, by the acceptance of such Bond, expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of the Bonds. Anything in this Indenture to the contrary notwithstanding, it is expressly understood by the parties to this Indenture that (a) the Issuer may rely exclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer by the Trustee or any Bondholder as to the existence of any fact or state of affairs, (b) the Issuer shall not be under any obligation under this Indenture to perform any record keeping or to provide any legal services, it being understood that such services shall be performed or caused to be performed by the Trustee (with respect to record keeping only, and not with respect to any legal services) or by the Bondholders and (c) none of the provisions of this Indenture shall require the Issuer to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Indenture, unless it shall first have been adequately indemnified to its satisfaction against any costs, expenses and liability that it may incur as a result of taking such action. No recourse for the payment of any part of the principal of, premium, if any, or interest on the Bonds or for the satisfaction of any liability arising from, founded upon or existing by reason of the issuance, purchase or ownership of the Bonds shall be had against the members of the Issuer's board of directors or any officer, member, agent or employee of the Issuer, as such, all such liability being expressly released and waived as a condition of and as a part of the consideration for the execution of this Indenture and the issuance of the Bonds. No covenant, stipulation, obligation or agreement of the Issuer contained in this Indenture shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Issuer or the members of the Issuer's board of directors in other than that person's official capacity. No member, officer, agent or employee of the Issuer shall be individually or personally liable for the payment of the principal or redemption price of or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

IN WITNESS WHEREOF, the Issuer has caused these presents to be signed in its name and behalf by its Mayor and attested by its City Clerk, and, to further evidence its acceptance of the trust hereby created, the City of Osceola, Arkansas, has caused these presents to be signed in its name and behalf by its duly appointed officers all as of the day and year first above written.

**CITY OF OSCEOLA, ARKANSAS**

By: \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk/Treasurer

IN WITNESS WHEREOF, the Issuer has caused these presents to be signed in its name and behalf by its Authorized Officer, and, to further evidence its acceptance of the trust hereby created, [ ] Bank, [ ], Arkansas, has caused these presents to be signed in its name and behalf by its duly appointed officers all as of the day and year first above written.

[ ] **BANK**

By: \_\_\_\_\_  
Authorized Officer

ATTEST:

\_\_\_\_\_  
Authorized Officer

## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “**Disclosure Agreement**”) is executed and delivered effective as of \_\_\_\_\_, 2023 by the **CITY OF OSCEOLA, ARKANSAS** (the “**Issuer**”) and \_\_\_\_\_, \_\_\_\_\_, Arkansas (the “**Dissemination Agent**”) in connection with the issuance of the Issuer’s Utility Revenue Refunding and Improvement Bonds, Series 2023A and Taxable Series 2023B (collectively, the “**Bonds**”). The Bonds are being issued pursuant to Ordinance No. 2023-\_\_\_ of the Issuer, adopted June 19, 2023 (the “**Authorizing Ordinance**”). The Issuer and the Dissemination Agent covenant and agree as follows:

**SECTION 1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the Issuer and the Dissemination Agent for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Securities and Exchange Commission, Rule 15c2-12(b)(5). Notwithstanding any other provision of this Agreement, it is the intent of the Participating Underwriter and the Issuer that the Rule (as defined below) controls the obligations of the parties with respect to the matters addressed herein. In the event of any conflict between the Rule and this Disclosure Agreement, this Disclosure Agreement shall be interpreted and/or modified in writing, as appropriate, so that it complies with and is consistent with the Rule.

**SECTION 2. Definitions.** In addition to the definitions set forth in the Authorizing Ordinance, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“**Beneficial Owner**” of a Bond shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“**Dissemination Agent**” shall mean \_\_\_\_\_, \_\_\_\_\_, Arkansas, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“**EMMA**” shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule.

“**Listed Events**” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“**MSRB**” shall mean the Municipal Securities Rulemaking Board.

“**Participating Underwriter**” shall mean any of the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“**Rule**” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as modified by Rule 15c2-12(d)(2), as the same may be amended from time to time.

“**System**” shall mean the Issuer’s combined water, sewer, and electric system.

**SECTION 3. Provision of Annual Reports.** (a) The Issuer shall, or shall cause the Dissemination Agent to, not later than six (6) months after the end of the System’s fiscal year (presently December 31), commencing with the 2023 fiscal year, provide to the MSRB an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the System may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date, but shall be submitted within 30 days of the Issuer’s receipt and approval thereof. If the fiscal year of the System changes, the Issuer shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than fifteen (15) days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Issuer shall provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer and the Dissemination Agent to determine if the Issuer is in compliance with the first sentence of this subsection (b).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required for such part in subsection (a), the Dissemination Agent shall send a notice to the MSRB in substantially the form as prescribed by the MSRB.

(d) The Dissemination Agent shall file a report with the Issuer and (if the Dissemination Agent is not the Trustee) the Dissemination Agent certifying that the Annual Report has been provided pursuant to this Disclosure Agreement and stating the date it was provided.

(e) As and to the extent an Annual Report or Notice of Listed Event is required to be filed under this Disclosure Agreement, the Issuer shall submit such Annual Report or Notice of Listed Event to the MSRB through its continuing disclosure service portal provided through EMMA at <http://www.emma.msrb.org>, or any other similar system that is acceptable to the Securities and Exchange Commission. All documents provided to the MSRB pursuant to this Disclosure Agreement shall be in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

**SECTION 4. Content of Annual Reports.** The Issuer’s Annual Report shall contain or include by reference the following:

(i) The statistical information identified in Part I of the Annual Disclosure Statement attached hereto as Exhibit A; provided, however, if the referenced statistical information is not readily available or ascertainable, and the Issuer determines that it is not material with respect to

the collateral securing the Bonds, then such statistical information may be excluded from the Annual Report upon compliance with the procedures for amendment set forth in Section 8 hereof; and

(ii) The annual audit of the System (which may be included in the annual audit of the Issuer) prepared in accordance with Government Auditing Standards issued by the Comptroller General of the United States and applicable state law.

Any or all of the items above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's internet website or filed with the Securities and Exchange Commission. The Issuer shall clearly identify each such other document so incorporated by reference.

#### **SECTION 5. Reporting of Significant Events.**

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) 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 Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of security holders, if material;
- (viii) Bond calls (other than mandatory sinking fund redemptions, if any), if material;
- (ix) Defeasances and tender offers;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes, if applicable;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Issuer;

(xiii) The consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional paying agent or the change of name of a paying agent, if material;

(xv) incurrence of a “Financial Obligation” of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(b) After the occurrence of a Listed Event (excluding an event described in subsection (a)(viii) above), the Issuer shall promptly notify the Dissemination Agent (if other than the Issuer) in writing. Such notice shall instruct the Dissemination Agent to report the occurrence.

(c) After the occurrence of a Listed Event (excluding an event described in subsection (a)(viii) above), whether by notice from the Dissemination Agent or otherwise, the Issuer shall file (or cause the Dissemination Agent to file), in a timely manner not in excess of ten (10) business days after the occurrence of such Listed Event, a notice of such occurrence with the MSRB, through its continuing disclosure service portal provided through EMMA at <http://www.msrb.emma.org> or any other similar system that is acceptable to the Securities and Exchange Commission, with a copy to the Trustee (if the Trustee is not the Dissemination Agent). Each notice of the occurrence of a Listed Event shall be captioned “Notice of Listed Event” and shall be filed in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB. In the event of a Listed Event described in (a)8 above, the Dissemination Agent shall make the filing and notice thereof need not be given under this subsection any earlier than the notice for the underlying event is given to registered owners of affected Bonds pursuant to the terms of the Authorizing Ordinance.

**SECTION 6. Termination of Reporting Obligation.** The Issuer’s obligations under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all the Bonds.

**SECTION 7. Dissemination Agent.** The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent.

**SECTION 8. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement, and any provisions of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Beneficial Owners of the Bonds in the same manner as provided in the Trust Indenture for amendments to the Trust Indenture with the consent of Beneficial Owners, or (ii) does not, in the opinion of the Trustee, materially impair the interests of the Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason of the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**SECTION 9. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future notice of occurrence of a Listed Event.

**SECTION 10. Default.** In the event of a failure of the Issuer or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Dissemination Agent, the Issuer or any Beneficial Owner may (and the Trustee, at the request of the Participating Underwriter or the Beneficial Owners of at least 25% aggregate principal amount of outstanding Bonds, shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer, the Dissemination Agent or the Trustee, as the

case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed a default under the Authorizing Ordinance, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer, the Dissemination Agent or the Trustee to comply with this Disclosure Agreement shall be an action to compel performance.

**SECTION 11. Duties of Dissemination Agent and Right of Indemnity.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

**SECTION 12. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the Beneficial Owners and shall create no rights in any other person or entity.

**SECTION 13. Counterparts.** This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature Page to Follow]

Dated: \_\_\_\_\_, 2023.

Issuer:

**CITY OF OSCEOLA, ARKANSAS**

By: \_\_\_\_\_

Name: Joe Harris, Jr., Mayor

Dissemination Agent:

\_\_\_\_\_,

\_\_\_\_\_, Arkansas

By: \_\_\_\_\_

Name: \_\_\_\_\_

Authorized Officer

**EXHIBIT A  
FORM OF ANNUAL REPORT**

---

**CITY OF OSCEOLA, ARKANSAS**

303 W. Hale  
Osceola, Arkansas 72370  
Phone: (870) 563-5245

**20\_\_\_\_  
Annual Disclosure Statement**

regarding

**CITY OF OSCEOLA, ARKANSAS  
UTILITY REVENUE REFUNDING AND IMPROVEMENT BONDS  
SERIES 2023A  
AND  
TAXABLE SERIES 2023B**

**DATED \_\_\_\_\_, 2023**

---

**For further information, contact:**

**Mayor  
City of Osceola, Arkansas  
Phone: (870) 563-5245**

Filing Date: \_\_\_\_\_, 20\_\_\_\_

**ANNUAL REPORT  
TABLE OF CONTENTS**

Item	Page
<b>Part I</b>	
1. Customer Information	_____
<b>Part II</b>	
2. Prior Year Audited Financial Statements of the System for the Fiscal Year Ended December 31, 20____	_____
<b>Part III</b>	
3. Current Year Audited Financial Statements of the System for the Fiscal Year Ended December 31, 20____	_____
<b>Part IV</b>	
4. Certificate	_____

## Part I

### 1. Customer Information [TO BE UPDATED]

A. Total Water Use. The following table sets forth the total water use for the year ended December 31, 20\_\_\_\_:

<u>Year</u>	<u>Total Water Use</u> <u>(in Gallons)</u>
20____	

B. Water Customers. As of December 31, 20\_\_\_\_, there were approximately \_\_\_\_\_ water users. The following retail and wholesale users of the water system are the ten largest users of the water system as of December 31, 20\_\_\_\_:

<u>Customer</u>	<u>Water Usage</u> <u>(Gallons)</u>	<u>Water Usage</u> <u>(Percent)</u>
1.		%
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

C. Sewer Customers. As of December 31, 20\_\_\_\_ there were approximately \_\_\_\_\_ sewer customers. The following retail and wholesale user of the sewer system are the ten largest users of the sewer system as of December 31, 20\_\_\_\_:

<u>Customer</u>	<u>Sewer Usage</u> <u>(Percent)</u>
1.	%
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

D. Electric Customers. As of December 31, 20\_\_\_\_ there were approximately \_\_\_\_\_ electric customers. The following retail and wholesale users of the electric system are the ten largest users of the sewer system as of December 31, 20\_\_\_\_:

<u>Customer</u>	<u>Electric Usage</u> <u>(Percent)</u>
1.	%
2.	
3.	
4.	
5.	
6.	
7.	

- 8.
- 9.
- 10.

## **Part II**

### **2. Prior Year Audited Financial Statements of the System for the Year Ended December 31, 20\_\_\_\_**

## **Part III**

### **3. Current Year Audited Financial Statements of the System for the Year Ended December 31, 20\_\_\_\_**

[Description of availability of Financial Statements]

## **Part IV**

### **4. Certificate**

The undersigned, duly authorized to act on behalf of the City, hereby certifies that this Annual Report conforms to the requirements of the Agreement and that the matters set forth herein are true and correct, to the best of her knowledge and belief, as of the date set forth on the cover hereof.

**CITY OF OSCEOLA, ARKANSAS**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Distribution:  
Municipal Securities Rulemaking Board  
Crews & Associates, Inc., Underwriter  
\_\_\_\_\_, \_\_\_\_\_, Arkansas



# POST-ISSUANCE COMPLIANCE POLICY FOR TAX-EXEMPT OBLIGATIONS

## CITY OF OSCEOLA, ARKANSAS

### Statement of Purpose

This Post-Issuance Compliance Policy (this “**Policy**”) sets forth specific policies of the City of Osceola, Arkansas (the “**City**”), designed to monitor post-issuance compliance of tax-exempt obligations (“**Obligations**”) with applicable provisions of the Internal Revenue Code of 1986, as amended (the “**Code**”) and regulations promulgated thereunder (“**Treasury Regulations**”) when such Obligations are issued by an authorized governmental issuer on behalf of and at the request of the City.

This Policy documents practices and describes various procedures and systems designed to identify on a timely basis facts relevant to demonstrating compliance with the requirements that must be satisfied subsequent to the issuance of Obligations in order that the interest on such Obligations continue to be eligible to be excluded from gross income for federal income tax purposes. The federal tax law requirements applicable to each particular issue of Obligations will be detailed in the arbitrage or tax certificate prepared by bond counsel and signed by officers of the City with respect to that issue. This Policy establishes a permanent, ongoing structure of practices and procedures that will facilitate compliance with the requirements for individual borrowings.

### General Policies and Procedures

The following policies relate to procedures and systems for monitoring post-issuance compliance generally.

- A. The Mayor of the City or his or her designee (the “**Compliance Officer**”) shall be responsible for monitoring post-issuance compliance issues.
- B. The Compliance Officer will coordinate procedures for record retention and review of such records.
- C. All documents and other records relating to Obligations issued on behalf of the City shall be maintained by or at the direction of the Compliance Officer.
- D. The Compliance Officer will review post-issuance compliance procedures and systems on a periodic basis, but not less than annually.

### Issuance of Obligations - Documents and Records

With respect to each issue of Obligations, the Compliance Officer will:

- A. Obtain and store a closing binder and/or CD or other electronic copy of the relevant and customary transaction documents (the “**Transcript**”).

- B. Confirm that bond counsel has filed the applicable information report (e.g., Form 8038, Form 8038-G, Form 8038-CP) for such issue with the IRS on a timely basis.
- C. The Compliance Officer shall be aware of options for voluntary corrections for failure to comply with post-issuance compliance requirements (such as remedial actions under Section 1.141-12 of the Treasury Regulations and the Treasury's Tax-Exempt Bonds Voluntary Closing Agreement Program) and take such corrective action when necessary and appropriate.
- D. Coordinate receipt and retention of relevant books and records with respect to the investment and expenditure of the proceeds of such Obligations with other applicable officials of the City.

### **Arbitrage**

The following policies relate to the monitoring and calculating of arbitrage and compliance with specific arbitrage rules and regulations.

The Compliance Officer will:

- A. Confirm that a certification of the initial offering prices of the Obligations with such supporting data, if any, required by bond counsel, is included in the Transcript.
- B. Confirm that a computation of the yield on such issue from the City's accountant, financial advisor or bond counsel (or an outside arbitrage rebate specialist) is contained in the Transcript.
- C. Maintain a system for tracking investment earnings on the proceeds of the Obligations.
- D. Coordinate the tracking of expenditures, including the expenditure of any investment earnings. If the project(s) to be financed with the proceeds of the Obligations will be funded with multiple sources of funds, confirm that the City has adopted an accounting methodology that maintains each source of financing separately and monitors the actual expenditure of proceeds of the Obligations.
- E. Maintain a procedure for the allocation of proceeds of the issue and investment earnings to expenditures, including the reimbursement of pre-issuance expenditures. This procedure shall include an examination of the expenditures made with proceeds of the Obligations within 18 months after each project financed by the Obligations is placed in service and, if necessary, a reallocation of expenditures in accordance with Section 1.148-6(d) of the Treasury Regulations.
- F. Monitor compliance with the applicable "temporary period" (as defined in the Code and Treasury Regulations) exceptions for the expenditure of proceeds of the issue, and provide for yield restriction on the investment of such proceeds if such exceptions are not satisfied.

- G. Ensure that investments acquired with proceeds of such issue are purchased at fair market value.
- H. Avoid formal or informal creation of funds reasonably expected to be used to pay debt service on such issue without determining in advance whether such funds must be invested at a restricted yield.
- I. Consult with bond counsel prior to engaging in any post-issuance credit enhancement transactions or investments in guaranteed investment contracts.
- J. Identify situations in which compliance with applicable yield restrictions depends upon later investments and monitor implementation of any such restrictions.
- K. Monitor compliance with six-month, 18-month or 2-year spending exceptions to the rebate requirement, as applicable.
- L. Procure a timely computation of any rebate liability and, if rebate is due, to file a Form 8038-T and to arrange for payment of such rebate liability.
- M. Arrange for timely computation and payment of “yield reduction payments” (as such term is defined in the Code and Treasury Regulations), if applicable.

#### **Private Activity Concerns**

The following policies relate to the monitoring and tracking of private uses and private payments with respect to facilities financed with the Obligations.

The Compliance Officer will:

- A. Maintain records determining and tracking facilities financed with specific Obligations and the amount of proceeds spent on each facility.
- B. Maintain records, which should be consistent with those used for arbitrage purposes, to allocate the proceeds of an issue and investment earnings to expenditures, including the reimbursement of pre-issuance expenditures.
- C. Maintain records allocating to a project financed with Obligations any funds from other sources that will be used for otherwise non-qualifying costs.
- D. Monitor the expenditure of proceeds of an issue and investment earnings for qualifying costs.
- E. Monitor private use of financed facilities to ensure compliance with applicable limitations on such use. Examples of potential private use include:
  - 1. Sale of the facilities, including sale of capacity rights;

2. Lease or sub-lease of the facilities (including leases, easements or use arrangements for areas outside the four walls, e.g., hosting of cell phone towers) or leasehold improvement contracts;
3. Management contracts (in which the City authorizes a third party to operate a facility, e.g., recreation facility) and research contracts;
4. Preference arrangements (in which the City permits a third party preference, such as parking in a public parking lot);
5. Joint-ventures, limited liability companies or partnership arrangements;
6. Output contracts or other contracts for use of utility facilities (including contracts with large utility users);
7. Development agreements which provide for guaranteed payments or property values from a developer;
8. Grants or loans made to private entities, including special assessment agreements; and
9. Naming rights arrangements.

Monitoring of private use should include the following:

1. Procedures to review the amount of existing private use on a periodic basis; and
2. Procedures for identifying in advance any new sale, lease or license, management contract, sponsored research arrangement, output or utility contract, development agreement or other arrangement involving private use of financed facilities and for obtaining copies of any sale agreement, lease, license, management contract, research arrangement or other arrangement for review by bond counsel.

If the Compliance Officer identifies private use of facilities financed with tax-exempt debt, the Compliance Officer will consult with the City's bond counsel to determine whether private use will adversely affect the tax status of the issue and if so, what remedial action is appropriate. The Compliance Officer should retain all documents related to any of the above potential private uses.

### **Reissuance**

The following policies relate to compliance with rules and regulations regarding the reissuance of Obligations for federal law purposes.

The Compliance Officer will identify and consult with bond counsel regarding any post-issuance change to any terms of an issue of Obligations which could potentially be treated as a reissuance for federal tax purposes.

### **Record Retention**

The following policies relate to retention of records relating to the Obligations issued.

The Compliance Officer will:

- A. Coordinate with City officials regarding the records to be maintained by the City to establish and ensure that an issue remains in compliance with applicable federal tax requirements for the life of such issue.
- B. Coordinate with City officials to comply with provisions imposing specific recordkeeping requirements and cause compliance with such provisions, where applicable.
- C. Coordinate with City officials to generally maintain the following:
  - 1. The Transcript relating to the transaction (including any arbitrage or other tax certificate and the bond counsel opinion);
  - 2. Documentation evidencing expenditure of proceeds of the issue;
  - 3. Documentation regarding the types of facilities financed with the proceeds of an issue, including, but not limited to, whether such facilities are land, buildings or equipment, economic life calculations and information regarding depreciation.
  - 4. Documentation evidencing use of financed property by public and private entities (e.g., copies of leases, management contracts, utility user agreements, developer agreements and research agreements);
  - 5. Documentation evidencing all sources of payment or security for the issue; and
  - 6. Documentation pertaining to any investment of proceeds of the issue (including the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received by the investment of proceeds, guaranteed investment contracts, and rebate calculations).
- D. Coordinate the retention of all records in a manner that ensures their complete access to the IRS.
- E. Keep all material records for so long as the issue is outstanding (including any refunding), plus seven years.

**ORDINANCE NO. 2023-\_\_**

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$26,000,000 PAR AMOUNT CITY OF OSCEOLA, ARKANSAS UTILITY REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2023 FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING DEBT OBLIGATIONS OF THE CITY AND FINANCING THE CONSTRUCTION AND EQUIPPING OF CERTAIN IMPROVEMENTS TO THE CITY'S UTILITY SYSTEM; PLEDGING UTILITY REVENUES TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; AUTHORIZING THE EXECUTION OF A BOND PURCHASE AGREEMENT; AUTHORIZING THE EXECUTION AND USE OF A PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE MARKETING OF SUCH BONDS; AUTHORIZING A TRUST INDENTURE SECURING THE BONDS; AUTHORIZING THE SALE OF THE BONDS; AUTHORIZING AND APPROVING THE EXECUTION AND USE OF AN OFFICIAL STATEMENT, AND PRESCRIBING OTHER MATTERS PERTAINING THERETO; AND DECLARING AN EMERGENCY**

WHEREAS, the City of Osceola, Arkansas (the “**City**”) owns and operates a municipal waterworks system (the “**Water System**”), a municipal sewer facilities system (the “**Sewer System**”), and a municipal electric system (the “**Electric System**”) as a single, integrated municipal undertaking (together, the “**System**”); and

WHEREAS, the City is a city of the first class organized under the laws of the State of Arkansas and is authorized and empowered under the laws of the State of Arkansas, including particularly Title 14, Chapter 234, subchapter 2, Title 14, Chapter 235, subchapter 2, Title 14, Chapter 203, subchapter 12 and Title 14, Chapter 164, subchapter 4 of the Arkansas Code of 1987 Annotated (collectively, the “**Authorizing Legislation**”) to issue bonds and to expend the proceeds thereof for the intended purposes and is authorized by the Authorizing Legislation to issue its revenue refunding and improvement bonds; and

WHEREAS, the City has outstanding its Electric, Water and Sewer Revenue Bonds, dated May 22, 2018 (the “**2018 Bonds**”), its Electric, Water and Sewer Revenue Bonds, dated December 20, 2007 and modified on October 5, 2016 (the “**2016 Bonds**”), and its Surplus Utility Revenue Refunding and Improvement Bonds, Series 2022 (the “**Series 2022 Bonds**,” and collectively with the 2018 Bonds and the 2016 Bonds, the “**Outstanding Bonds**”; and

WHEREAS, the City has determined that it is in the best interests of the City to refund the Outstanding Bonds; and

WHEREAS, the City has determined that extensions, betterments and improvements to the water and sewer facilities of the System, including, but not limited to splitting of industrial/residential sewer lines, cured in place pipe relining, pump replacement and modification in effluent lift station, and construction of a new water treatment plant (collectively, the

“**Improvements**”), are necessary in order to make the services thereof adequate for the needs of the City; and

WHEREAS, pursuant to and in accordance with the Authorizing Legislation, the City is now prepared to issue its Utility Revenue Refunding and Improvement Bonds, Series 2023 (the “**Bonds**”) for the purposes of refunding the Outstanding Bonds, financing the costs of the Improvements, and paying costs incidental thereto; and

WHEREAS, the City has selected the firm of Crews & Associates, Inc. to be the underwriter for the Bonds (the “**Underwriter**”) and the law firm of Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C. to be bond counsel for the Bonds (“**Bond Counsel**”); and

WHEREAS, in order for the Underwriter to market the Bonds, it is necessary to prepare a preliminary official statement (the “**Preliminary Official Statement**”) and bond purchase agreement (the “**Bond Purchase Agreement**”) and to authorize the Mayor to sign the Bond Purchase Agreement; and

WHEREAS, the Bonds will be issued pursuant to a Trust Indenture dated as of the closing date of the Bonds between the City and a bank with a corporate trust department (the “**Trustee**”), as trustee thereunder (the “**Indenture**”); and

WHEREAS, in connection with the sale of the Bonds it will be necessary for the City to enter into a Continuing Disclosure Agreement (the “**Disclosure Agreement**”) with the dissemination agent for the Bonds; and

WHEREAS, in order to market the Bonds and determine the total principal amount of the Bonds, the Underwriter requires a Preliminary Official Statement in a form deemed final pursuant to Rule 15c2-12 of the Securities and Exchange Commission and a final Official Statement (collectively, the “**Official Statement**”), as more particularly described in the Bond Purchase Agreement; and

WHEREAS, the City intends to issue the Bonds as expeditiously as possible; and

WHEREAS, in accordance with Arkansas Revenue Bond Act of 1987, as amended, a public hearing on the issuance of the Bonds was conducted by the Mayor of the City at the hour of 5:00 P.M., on this date prior to the regularly scheduled meeting of the City Council at its regular meeting place at the City Hall located at 303 West Hale, Osceola, Arkansas 72370 pursuant to a Notice of Public Hearing published in the *Osceola Times* on June 8, 2023;

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OSCEOLA, ARKANSAS AS FOLLOWS:**

**Section 1. Authorization of Issuance of Bonds.** The issuance and sale of the Bonds in one or more taxable or tax-exempt series in the principal amount of not to exceed \$26,000,000 in order to provide sufficient funds for refunding the Outstanding Bonds and financing costs of the Improvements and paying costs incidental thereto, in all cases subject to the terms and conditions of the Indenture between the City and the Trustee (described below), are hereby determined by the City Council to be necessary and desirable to accomplish the powers, purposes, and authority of

the Authorizing Legislation and to be consistent in all respects with the provisions of the Authorizing Legislation, and such issuance is hereby authorized.

**Section 2. Parameters.** The Bonds shall mature and bear interest in the amounts and on the dates that shall be set forth in the Bond Purchase Agreement; provided however, that the Bonds shall bear interest with a true interest cost not to exceed five and three-quarters percent (5.75%), and the final maturity date for the Bonds shall not exceed December 31, 2053.

**Section 3. Sale of the Bonds.** The sale of the Bonds described above in Section 1 hereof is hereby approved and authorized.

**Section 4. Compliance with the Rule.** This Ordinance provides for compliance with Rule 15c2-12 under the Securities Exchange Act of 1934 (the “**Rule**”).

**Section 5. Preliminary Official Statement.** The preparation of a Preliminary Official Statement and the distribution of such Preliminary Official Statement to prospective purchasers of the Bonds are hereby approved. The Mayor is authorized and directed to cause the Preliminary Official Statement to be executed and delivered for and in the name of the City, with such provisions therein as shall be approved by him, and he is further authorized to execute and deliver to the Underwriter of the Bonds, a certificate when requested by the Underwriter of the Bonds, to the effect that the Preliminary Official Statement is deemed final for the purposes of Securities and Exchange Commission Rule 15c2-12 and is accurate and complete.

**Section 6. Professionals.** The City Council of the City hereby designates the Underwriter as underwriter for the Bonds, hereby designates Bond Counsel as bond counsel for the Bonds, and hereby designates the Trustee as trustee for the Bonds.

**Section 7. Authority of Officers.** The City Council of the City hereby authorizes and directs the Mayor of the City, and the City Clerk of the City, where applicable, or any one of them individually, to carry out or cause to be carried out all appropriate actions, to execute such other certificates or documents to evidence authority as authorized herein, and to take such other actions as they, in consultation with Bond Counsel and the Underwriter, shall consider necessary or advisable in connection with this Ordinance and the Preliminary Official Statement, in order to prepare for the issuance, sale, and delivery of the Bonds by the City, all as authorized by law and this Ordinance. It is recognized that certain revisions may be made to the Indenture, the Bond Purchase Agreement, the Disclosure Agreement, the Preliminary Official Statement, the post issuance compliance policy, and other related documents prior to the issuance of the Bonds, and the Mayor is hereby authorized to approve and accept such revisions, the signature of the Mayor on such documents to constitute proof of his acceptance of such revisions. The Underwriter, upon final approval of the Mayor, is authorized to rely upon and to use the Preliminary Official Statement to market the Bonds to potential purchasers.

**Section 8. Approval of Bond Purchase Agreement.** The Mayor and the City Clerk, where applicable, or any one of them acting individually, are, each authorized to execute the Bond Purchase Agreement on behalf of the City.

**Section 9. Approval of Official Statement.** The form of Official Statement and the Appendices thereto are hereby authorized to be approved by the Mayor, and each of the Mayor and the City Clerk is authorized, acting alone or together, to participate in the completion of the Official Statement and each is authorized, acting alone or together, to approve, execute and deliver the Official Statement on behalf of the City and to authorize the Underwriter to use it in connection with the public offering of the Bonds, and each is authorized to execute and deliver to the Underwriter of the Bonds, a certificate when requested by the Underwriter of the Bonds, to the effect that the Official Statement is accurate and complete.

**Section 10. Pledge of Revenues.** The City hereby expressly pledges and appropriates all of the revenues derived from the System to the payment of the principal of and interest on the Bonds when due at maturity or at redemption prior to maturity, administrative costs, the fees and expenses of the Trustee and any required arbitrage rebate due to the United States.

**Section 11. Statutory Mortgage.** Pursuant to the Indenture and Ark. Code Ann. § 14-234-208 (1987), there shall be a statutory mortgage lien upon the portions of the System comprised of the water storage and distribution system, which shall exist in favor of the registered owners of the Bonds until payment in full of the interest on and principal of the Bonds.

**Section 12. Approval of Trust Indenture.** The form of Indenture to secure the Bonds and the Exhibits thereto are hereby authorized to be approved by the Mayor, and each of the Mayor and the City Clerk is authorized, acting alone or together, to participate in the completion of the Indenture and each is further authorized, acting alone or together, to approve, execute and deliver the Indenture on behalf of the City. The Mayor and the City Clerk are each authorized and directed to take all action required on the part of the City to fulfill the City's obligations under the Indenture.

**Section 13. Approval of Continuing Disclosure Agreement.** The form of Disclosure Agreement is hereby authorized to be approved by the Mayor, and each of the Mayor and the City Clerk is authorized, acting alone or together, to participate in the completion of the Disclosure Agreement and each is further authorized, acting alone or together, to approve, execute and deliver the Disclosure Agreement on behalf of the City. The Mayor and the City Clerk are each authorized and directed to take all action required on the part of the City to fulfill the City's obligations under the Disclosure Agreement.

**Section 14. Approval of Post Issuance Compliance Policy.** The form of a post issuance compliance policy is hereby authorized to be approved by the Mayor, and each of the Mayor and the Clerk is authorized, acting alone or together, to participate in the completion of the post issuance compliance policy and each is further authorized, acting alone or together, to approve, execute and deliver the post issuance compliance policy on behalf of the City. The Mayor and the City Clerk are each authorized and directed to take all action required on the part of the City to fulfill the City's obligations under the post issuance compliance policy.

**Section 15. Bond Insurance.** In order to provide credit enhancement for the Bonds, it may be economically desirable to obtain a policy of municipal bond insurance (the "**Policy**"). The Mayor is hereby authorized to obtain a Policy from among proposals by municipal bond insurers, if the terms and conditions of such Policy are favorable and if the Policy provides economic benefit to the City. The Mayor is hereby authorized and directed to execute all documents in connection

with the Policy, provided that the Mayor determines that the terms and conditions of the Policy are favorable and provides economic benefit to the City.

**Section 16. Ratification of Prior Acts.** All actions heretofore taken by the City, including by the Mayor, the City Clerk, and the other officers and representatives, in connection with the offer and sale of the Bonds are hereby in all respects ratified and approved.

**Section 17. Severability.** That the provisions of this Ordinance are hereby declared to be separable, and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

**Section 18. Repeal if Conflict.** That all parts of the Municipal Code, City ordinances, City resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

**Section 19. Publication.** Following adoption, this Ordinance shall be published in a newspaper of general circulation in the City of Osceola, Arkansas, at least one time, pursuant to Title 14, Chapter 55, subchapter 2 of the Arkansas Code of 1987 Annotated.

**Section 20. Emergency Clause.** It is hereby ascertained and declared that the sale of the Bonds must be accomplished, the refunding of the Outstanding Bonds completed, and the Improvements must be constructed or completed as soon as possible to accommodate the needs of the City, its inhabitants and persons residing in the area to be served thereby, without which the life, health, safety and welfare thereof are jeopardized, and that the issuance of the Bonds and the taking of the other action authorized by this Ordinance is necessary for the accomplishment thereof. It is, therefore, declared that an emergency exists and this Ordinance being necessary for the immediate preservation of the public peace, health and safety shall take effect and be in force from and after its passage. This Ordinance shall be effective from and after its date of adoption.

PASSED: June 19, 2023.

APPROVED:

By: \_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_  
City Clerk

**RESOLUTION NO. 2023-**

**A RESOLUTION APPROVING THE OSCEOLA DEPARTMENT EXTENDING THE  
CONTRACT WITH AXON ENTERPRISES, INC FOR ANOTHER FIVE YEARS**

**WHEREAS**, the City of Osceola, Osceola Police Department is currently in a contract with Axon Enterprise, Inc; and

**WHEREAS**, the current contract with Axon Enterprise, Inc will terminate on December 31, 2023; and

**WHEREAS**, the current quote for the contract renewal is \$385,242.54; and

**WHEREAS**, the bill is payable over a five (5) year period, with \$85,165.74 due January 2024, and \$77,759.54 due the remaining term of the contract.

**NOW THEREFORE, BE It RESOLVED BY THE CITY OF OSCEOLA. ARKANSAS that  
the**

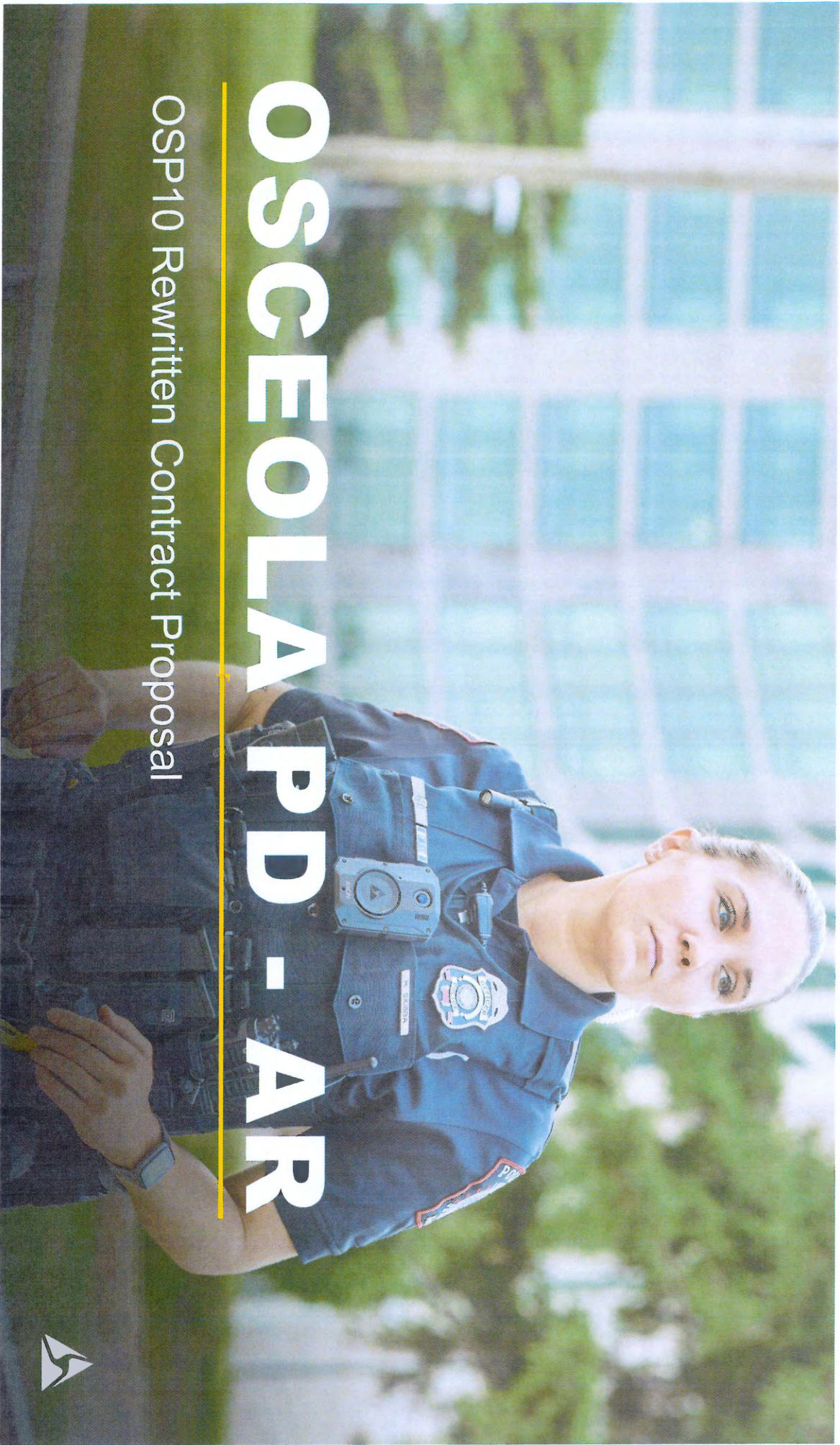
Mayor is hereby authorized to approve and authorize the Osceola Police Department extending the contract with Axon Enterprises, Inc.

**PASSED AND APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2023.**

\_\_\_\_\_  
Joe Harris Jr., Mayor

ATEST

\_\_\_\_\_  
Jessica Griffin. City Clerk



# OSCEOLA PD - AR

OSP10 Rewritten Contract Proposal





Axon Enterprise, Inc.  
17800 N 85th St.  
Scottsdale, Arizona 85255  
United States  
VAT: 86-0741227  
Domestic: (800) 978-2737  
International: +1.800.978.2737

Q-477250-45072.595KB

Issued: 05/26/2023

Quote Expiration: 06/30/2023

Estimated Contract Start Date: 02/01/2024

Account Number: 476809

Payment Terms: N30

Delivery Method:

SHIP TO	BILL TO	SALES REPRESENTATIVE	PRIMARY CONTACT
Delivery: Invoice-401 W Keiser Ave  401 W Keiser Ave Osceola, AR 72370-3638 USA	Osceola Police Department - AR  401 W Keiser Ave Osceola AR 72370-3638 USA Email:	Kyle Brennan   Phone:  Email: kybrennan@axon.com Fax:	John Weldon   Phone: (870)622-5059  Email: jweldon@osceolapd.org Fax:

### Quote Summary

Program Length	60 Months
<b>TOTAL COST</b>	<b>\$366,849.99</b>
<b>ESTIMATED TOTAL W/ TAX</b>	<b>\$385,242.54</b>

### Discount Summary

Average Savings Per Year	\$24,015.12
<b>TOTAL SAVINGS</b>	<b>\$120,075.61</b>

### Payment Summary

Date	Subtotal	Tax	Total
Jan 2024	\$80,948.59	\$4,217.15	\$85,165.74
Feb 2024	(\$10,961.31)	\$0.00	(\$10,961.31)
Jan 2025	\$74,215.69	\$3,543.85	\$77,759.54
Jan 2026	\$74,215.69	\$3,543.85	\$77,759.54
Jan 2027	\$74,215.69	\$3,543.85	\$77,759.54
Jan 2028	\$74,215.64	\$3,543.85	\$77,759.49
<b>Total</b>	<b>\$366,849.99</b>	<b>\$18,392.55</b>	<b>\$385,242.54</b>

Quote Unbundled Price:	\$486,925.60
Quote List Price:	\$446,432.80
Quote Subtotal:	\$366,849.99

## Pricing

*All deliverables are detailed in Delivery Schedules section lower in proposal*

Item	Description	Qty	Term	Unbundled	List Price	Net Price	Subtotal	Tax	Total
<b>Program</b>									
100553	TRANSFER CREDIT - SOFTWARE AND SERVICES	1			\$1.00	(\$10,961.31)	(\$10,961.31)	\$0.00	(\$10,961.31)
OSP10	Officer Safety Plan 10	32	60	\$214.99	\$193.90	\$172.66	\$31,507.20	\$17,719.25	\$349,226.45
<b>A la Carte Hardware</b>									
H00001	AB4 Camera Bundle	6			\$849.00	\$849.00	\$5,094.00	\$509.40	\$5,603.40
H00002	AB4 Multi Bay Dock Bundle	1			\$1,638.90	\$1,638.90	\$1,638.90	\$163.90	\$1,802.80
H00002	AB4 Multi Bay Dock Bundle	3			\$1,638.90	\$0.00	\$0.00	\$0.00	\$0.00
H00001	AB4 Camera Bundle	27			\$849.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>A la Carte Software</b>									
73680	RESPOND DEVICE PLUS LICENSE	32	60		\$20.61	\$20.61	\$39,571.20	\$0.00	\$39,571.20
<b>Total</b>							<b>\$366,849.99</b>	<b>\$18,392.55</b>	<b>\$385,242.54</b>

## Delivery Schedule

### Hardware

Bundle	Item	Description	QTY	Estimated Delivery Date
Officer Safety Plan 10	100390	TASER 10 HANDLE, YLW, CLASS 3R	32	01/01/2024
Officer Safety Plan 10	100390	TASER 10 HANDLE, YLW, CLASS 3R	1	01/01/2024
Officer Safety Plan 10	100393	TASER 10 LIVE DUTY MAGAZINE BLACK	32	01/01/2024
Officer Safety Plan 10	100393	TASER 10 LIVE DUTY MAGAZINE BLACK	1	01/01/2024
Officer Safety Plan 10	100394	TASER 10 HALT TRN MAGAZINE BLUE (HOOK-AND-LOOP-TRAINING)	2	01/01/2024
Officer Safety Plan 10	100395	TASER 10 LIVE TRAINING MAGAZINE PURPLE	2	01/01/2024
Officer Safety Plan 10	100396	TASER 10 INERT MAGAZINE RED	2	01/01/2024
Officer Safety Plan 10	100399	LIVE UNITARY CARTRIDGE (TASER 10) - TBC	640	01/01/2024
Officer Safety Plan 10	100400	HALT UNITARY CARTRIDGE (TASER 10) - TBC	200	01/01/2024
Officer Safety Plan 10	100401	INERT UNITARY CARTRIDGE (TASER 10)	13	01/01/2024
Officer Safety Plan 10	100511	TASER 10 SAFARILAND HOLSTER, RH	22	01/01/2024
Officer Safety Plan 10	100613	TASER 10 SAFARILAND HOLSTER, LH	10	01/01/2024
Officer Safety Plan 10	100623	ENHANCED HOOK-AND-LOOP TRAINING (HALT) SUIT (V2)	1	01/01/2024
Officer Safety Plan 10	20018	TASER BATTERY PACK, TACTICAL	32	01/01/2024
Officer Safety Plan 10	20018	TASER BATTERY PACK, TACTICAL	6	01/01/2024
Officer Safety Plan 10	20018	TASER BATTERY PACK, TACTICAL	1	01/01/2024
Officer Safety Plan 10	70033	WALL MOUNT BRACKET, ASSY, EVIDENCE.COM DOCK	1	01/01/2024
Officer Safety Plan 10	71019	NORTH AMER POWER CORD FOR AB3 8-BAY, AB2 1-BAY / 6-BAY DOCK	1	01/01/2024
Officer Safety Plan 10	71044	BATTERY, SIGNAL SIDEARM, CR2430 SINGLE PACK	64	01/01/2024
Officer Safety Plan 10	74200	TASER 6-BAY DOCK AND CORE	1	01/01/2024
Officer Safety Plan 10	75015	SIGNAL SIDEARM KIT	32	01/01/2024
Officer Safety Plan 10	80087	TASER 7 TARGET, CONDUCTIVE, PROFESSIONAL (RUGGEDIZED)	1	01/01/2024
Officer Safety Plan 10	80090	TARGET FRAME, PROFESSIONAL, 27.5 IN. X 75 IN., TASER 7	1	01/01/2024
AB4 Camera Bundle	100147	AXON BODY 4 - NA	6	02/01/2024
AB4 Camera Bundle	100147	AXON BODY 4 - NA	27	02/01/2024
AB4 Camera Bundle	100466	USB-C to USB-C CABLE FOR AB3 OR FLEX 2	7	02/01/2024
AB4 Camera Bundle	100466	USB-C to USB-C CABLE FOR AB3 OR FLEX 2	30	02/01/2024
AB4 Camera Bundle	74028	WING CLIP MOUNT, AXON RAPIDLOCK	7	02/01/2024
AB4 Camera Bundle	74028	WING CLIP MOUNT, AXON RAPIDLOCK	30	02/01/2024
AB4 Multi Bay Dock Bundle	100206	AXON BODY 4 - 8 BAY DOCK	1	02/01/2024
AB4 Multi Bay Dock Bundle	100206	AXON BODY 4 - 8 BAY DOCK	3	02/01/2024
AB4 Multi Bay Dock Bundle	70033	WALL MOUNT BRACKET, ASSY, EVIDENCE.COM DOCK	1	02/01/2024
AB4 Multi Bay Dock Bundle	70033	WALL MOUNT BRACKET, ASSY, EVIDENCE.COM DOCK	3	02/01/2024
AB4 Multi Bay Dock Bundle	71019	NORTH AMER POWER CORD FOR AB3 8-BAY, AB2 1-BAY / 6-BAY DOCK	1	02/01/2024
AB4 Multi Bay Dock Bundle	71019	NORTH AMER POWER CORD FOR AB3 8-BAY, AB2 1-BAY / 6-BAY DOCK	3	02/01/2024
Officer Safety Plan 10	100399	LIVE UNITARY CARTRIDGE (TASER 10) - TBC	70	01/01/2025
Officer Safety Plan 10	100400	HALT UNITARY CARTRIDGE (TASER 10) - TBC	190	01/01/2025
Officer Safety Plan 10	100399	LIVE UNITARY CARTRIDGE (TASER 10) - TBC	60	01/01/2026
Officer Safety Plan 10	100400	HALT UNITARY CARTRIDGE (TASER 10) - TBC	190	01/01/2026
Officer Safety Plan 10	73309	AXON CAMERA REFRESH ONE	33	07/01/2026

#### Hardware

Bundle	Item	Description	QTY	Estimated Delivery Date
Officer Safety Plan 10	73689	MULTI-BAY BWC DOCK 1ST REFRESH	4	07/01/2026
Officer Safety Plan 10	100399	LIVE UNITARY CARTRIDGE (TASER 10) - TBC	70	01/01/2027
Officer Safety Plan 10	100400	HALT UNITARY CARTRIDGE (TASER 10) - TBC	190	01/01/2027
Officer Safety Plan 10	100399	LIVE UNITARY CARTRIDGE (TASER 10) - TBC	60	01/01/2028
Officer Safety Plan 10	100400	HALT UNITARY CARTRIDGE (TASER 10) - TBC	190	01/01/2028
Officer Safety Plan 10	73310	AXON CAMERA REFRESH TWO	33	01/01/2029
Officer Safety Plan 10	73688	MULTI-BAY BWC DOCK 2ND REFRESH	4	01/01/2029

#### Software

Bundle	Item	Description	QTY	Estimated Start Date	Estimated End Date
Officer Safety Plan 10	20248	TASER 7 EVIDENCE.COM LICENSE	32	02/01/2024	01/31/2029
Officer Safety Plan 10	20248	TASER 7 EVIDENCE.COM LICENSE	1	02/01/2024	01/31/2029
Officer Safety Plan 10	73449	RESPOND DEVICE LICENSE	32	02/01/2024	01/31/2029
Officer Safety Plan 10	73638	STANDARDS ACCESS LICENSE	32	02/01/2024	01/31/2029
Officer Safety Plan 10	73686	EVIDENCE.COM UNLIMITED AXON DEVICE STORAGE	32	02/01/2024	01/31/2029
Officer Safety Plan 10	73746	PROFESSIONAL EVIDENCE.COM LICENSE	32	02/01/2024	01/31/2029
A la Carte	73680	RESPOND DEVICE PLUS LICENSE	32	02/01/2024	01/31/2029

#### Services

Bundle	Item	Description	QTY
Officer Safety Plan 10	100751	TASER 10 DUTY CARTRIDGE REPLACEMENT ACCESS PROGRAM	32

#### Warranties

Bundle	Item	Description	QTY	Estimated Start Date	Estimated End Date
Officer Safety Plan 10	100704	EXT WARRANTY, TASER 10 HANDLE	32	01/01/2025	01/31/2029
Officer Safety Plan 10	100704	EXT WARRANTY, TASER 10 HANDLE	1	01/01/2025	01/31/2029
Officer Safety Plan 10	80374	EXT WARRANTY, TASER 7 BATTERY PACK	32	01/01/2025	01/31/2029
Officer Safety Plan 10	80374	EXT WARRANTY, TASER 7 BATTERY PACK	6	01/01/2025	01/31/2029
Officer Safety Plan 10	80374	EXT WARRANTY, TASER 7 BATTERY PACK	1	01/01/2025	01/31/2029
Officer Safety Plan 10	80396	EXT WARRANTY, TASER 7 SIX BAY DOCK	1	01/01/2025	01/31/2029
Officer Safety Plan 10	80464	EXT WARRANTY, CAMERA (TAP)	32	01/01/2025	01/31/2029
Officer Safety Plan 10	80464	EXT WARRANTY, CAMERA (TAP)	1	01/01/2025	01/31/2029
Officer Safety Plan 10	80465	EXT WARRANTY, MULTI-BAY DOCK (TAP)	4	01/01/2025	01/31/2029

## Payment Details

### Jan 2024

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Annual Payment 1	73680	RESPOND DEVICE PLUS LICENSE	32	\$7,914.24	\$0.00	\$7,914.24
Annual Payment 1	H00001	AB4 Camera Bundle	6	\$5,094.00	\$509.40	\$5,603.40
Annual Payment 1	H00001	AB4 Camera Bundle	27	\$0.00	\$0.00	\$0.00
Annual Payment 1	H00002	AB4 Multi Bay Dock Bundle	1	\$1,638.90	\$163.90	\$1,802.80
Annual Payment 1	H00002	AB4 Multi Bay Dock Bundle	3	\$0.00	\$0.00	\$0.00
Annual Payment 1	OSP10	Officer Safety Plan 10	32	\$66,301.45	\$3,543.85	\$69,845.30
<b>Total</b>				<b>\$80,948.59</b>	<b>\$4,217.15</b>	<b>\$85,165.74</b>

### Feb 2024

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Invoice Upon Fulfillment	100553	TRANSFER CREDIT - SOFTWARE AND SERVICES	1	(\$10,961.31)	\$0.00	(\$10,961.31)
Invoice Upon Fulfillment	OSP10	Officer Safety Plan 10	32	\$0.00	\$0.00	\$0.00
<b>Total</b>				<b>(\$10,961.31)</b>	<b>\$0.00</b>	<b>(\$10,961.31)</b>

### Jan 2025

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Annual Payment 2	73680	RESPOND DEVICE PLUS LICENSE	32	\$7,914.24	\$0.00	\$7,914.24
Annual Payment 2	OSP10	Officer Safety Plan 10	32	\$66,301.45	\$3,543.85	\$69,845.30
<b>Total</b>				<b>\$74,215.69</b>	<b>\$3,543.85</b>	<b>\$77,759.54</b>

### Jan 2026

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Annual Payment 3	73680	RESPOND DEVICE PLUS LICENSE	32	\$7,914.24	\$0.00	\$7,914.24
Annual Payment 3	OSP10	Officer Safety Plan 10	32	\$66,301.45	\$3,543.85	\$69,845.30
<b>Total</b>				<b>\$74,215.69</b>	<b>\$3,543.85</b>	<b>\$77,759.54</b>

### Jan 2027

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Annual Payment 4	73680	RESPOND DEVICE PLUS LICENSE	32	\$7,914.24	\$0.00	\$7,914.24
Annual Payment 4	OSP10	Officer Safety Plan 10	32	\$66,301.45	\$3,543.85	\$69,845.30
<b>Total</b>				<b>\$74,215.69</b>	<b>\$3,543.85</b>	<b>\$77,759.54</b>

### Jan 2028

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Annual Payment 5	73680	RESPOND DEVICE PLUS LICENSE	32	\$7,914.24	\$0.00	\$7,914.24
Annual Payment 5	OSP10	Officer Safety Plan 10	32	\$66,301.40	\$3,543.85	\$69,845.25
<b>Total</b>				<b>\$74,215.64</b>	<b>\$3,543.85</b>	<b>\$77,759.49</b>

Tax is estimated based on rates applicable at date of quote and subject to change at time of invoicing. If a tax exemption certificate should be applied, please submit prior to invoicing.

## Standard Terms and Conditions

### Axon Enterprise Inc. Sales Terms and Conditions

#### Axon Master Services and Purchasing Agreement:

This Quote is limited to and conditional upon your acceptance of the provisions set forth herein and Axon's Master Services and Purchasing Agreement (posted at [www.axon.com/legal/sales-terms-and-conditions](http://www.axon.com/legal/sales-terms-and-conditions)), as well as the attached Statement of Work (SOW) for Axon Fleet and/or Axon Interview Room purchase, if applicable. In the event you and Axon have entered into a prior agreement to govern all future purchases, that agreement shall govern to the extent it includes the products and services being purchased and does not conflict with the Axon Customer Experience Improvement Program Appendix as described below.

#### ACEIP:

The Axon Customer Experience Improvement Program Appendix, which includes the sharing of de-identified segments of Agency Content with Axon to develop new products and improve your product experience (posted at [www.axon.com/legal/sales-terms-and-conditions](http://www.axon.com/legal/sales-terms-and-conditions)), is incorporated herein by reference. By signing below, you agree to the terms of the Axon Customer Experience Improvement Program.

#### Acceptance of Terms:

Any purchase order issued in response to this Quote is subject solely to the above referenced terms and conditions. By signing below, you represent that you are lawfully able to enter into contracts. If you are signing on behalf of an entity (including but not limited to the company, municipality, or government agency for whom you work), you represent to Axon that you have legal authority to bind that entity. If you do not have this authority, please do not sign this Quote.

## Exceptions to Standard Terms and Conditions

Agency has existing contract 00055233(originated via Q-312527) and is terminating that contract upon the new license start date (2/1/2024) of this quote. Any change in this date and resulting license start date will result in modification of this program value which may result in additional fees due to or from Axon. The parties agree that Axon is granting a credit of \$(10,961.31) to credit invoiced, but undelivered services. This credit is contingent upon payment in full of the following amounts:

INUS# INUS127605 - Q-312527 - 1/1/2023 - \$34,202.40

These represent valid payment obligations expected to be paid upon their respective due dates.

This credit is contingent upon agency payment of any outstanding invoices including and not limited to Year 5 Billing of contract 00055233.

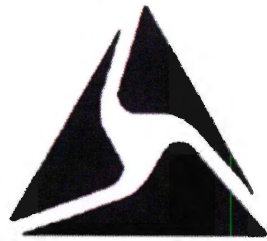
---

Signature

---

Date Signed

5/26/2023



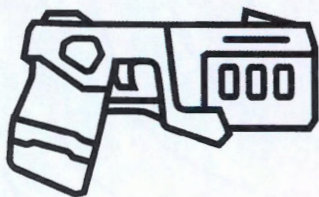
# TASER 10

A New Era in Less-Lethal Technology



# BENEFITS

## BETTER OUTCOMES



### 45-Foot Maximum Range

More Time & More Situations

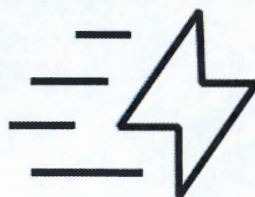
### 10 Individually Targeted Probes

Easier to Use, Especially  
in Stressful Situations

### Any Probe Connect

Significantly Improved Effectiveness,  
4 Maximum Energized Connections

## ENHANCED SAFETY



### Warning Alert

Gain Compliance without Deploying  
Cartridges

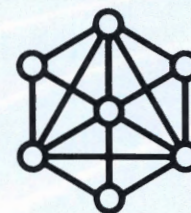
### Visual Indicators

Improved Safety with Weapon Mode Side  
Lights and Sound Statuses

### Low Voltage

Less Likely to Ignite Flammables

## CONNECTED TECHNOLOGY



### Integration with Axon VR Training

Enhanced UoF Decision  
Making, Confidence, and Accuracy

### Full Integration with Axon Evidence

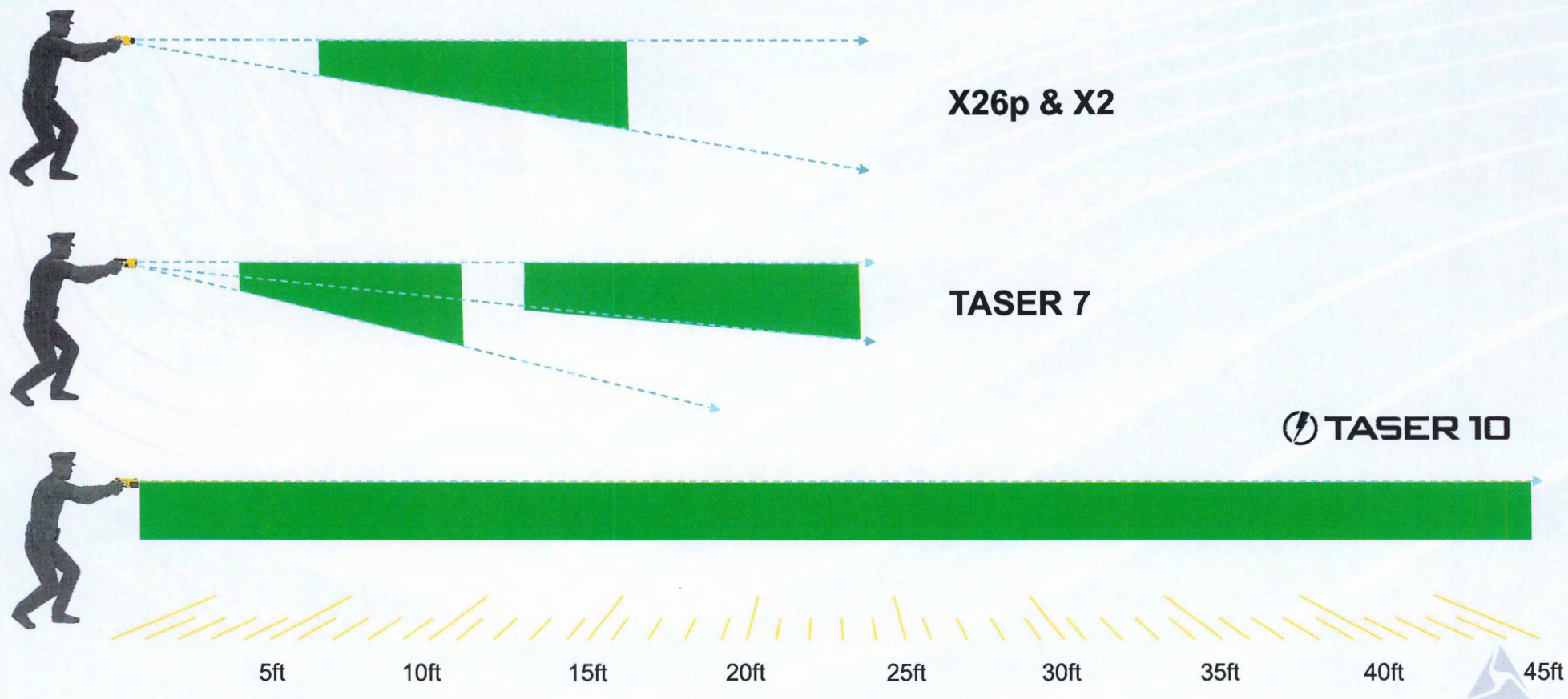
Enhanced Data Management

### Holster Signal Integration

Activate Axon Body Worn Cameras when  
Unholstering Weapon



# TASER ENERGY WEAPON STAND OFF GEOMETRY



**As public servants, our goal is never to bring harm to anyone in a difficult situation. The TASER 10 adds a new level of confidence for our deputies when intervention is required to ensure that they can de-escalate with accuracy and enhanced safety. I believe that the TASER 10 will play a key role in reducing situations where our deputies may otherwise have to resort to lethal options, and we believe that the TASER 10 will serve as a key tool to continue to keep our communities safe.”**

**— Sheriff Dennis Lemma**

**Seminole County Sheriff's Office, Sanford FL**





# AXON BODY 4

CAPTURE EVERY MOMENT



# FULL SHIFT CONNECTED CAMERA WITHOUT COMPROMISES

13+ hour runtime

Remove previous battery tradeoffs of being connected

Magnetic quick-disconnect for in-field charging

Optimizations to maintain battery runtime throughout useful life



# POV IS BACK!

Add-on POV supports recording and livestreaming in smaller, lighter, and more durable (IP67) form factor

POV module does not need to be charged

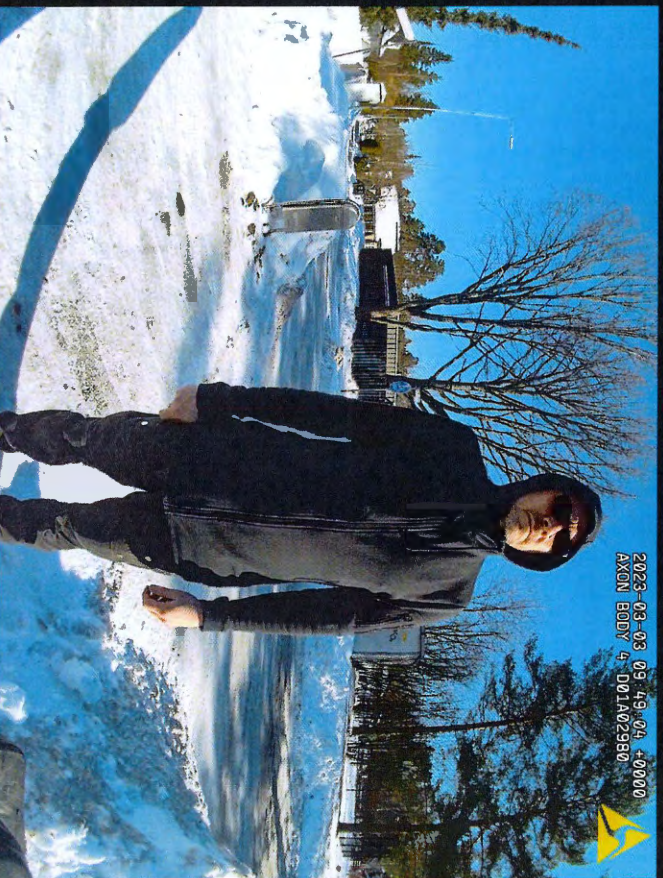
Higher resolution video

Wider field-of-view (160 degrees)

Increased vertical FOV with 4:3 aspect ratio support



# CAPTURE MORE OF THE SCENE WITH 4:3 ASPECT RATIO



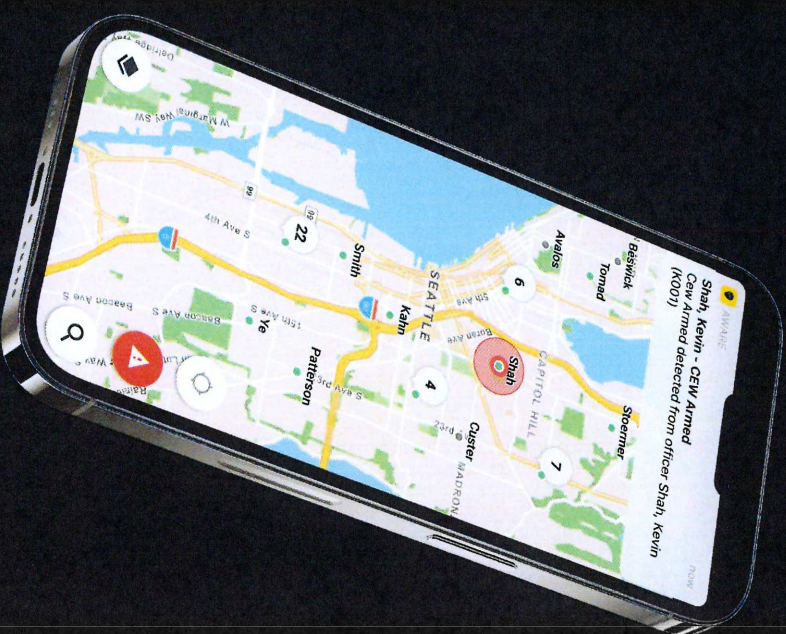
# REAL-TIME SUPPORT

Locate officers

Real-time alerting

Livestreaming

Critical evidence offload

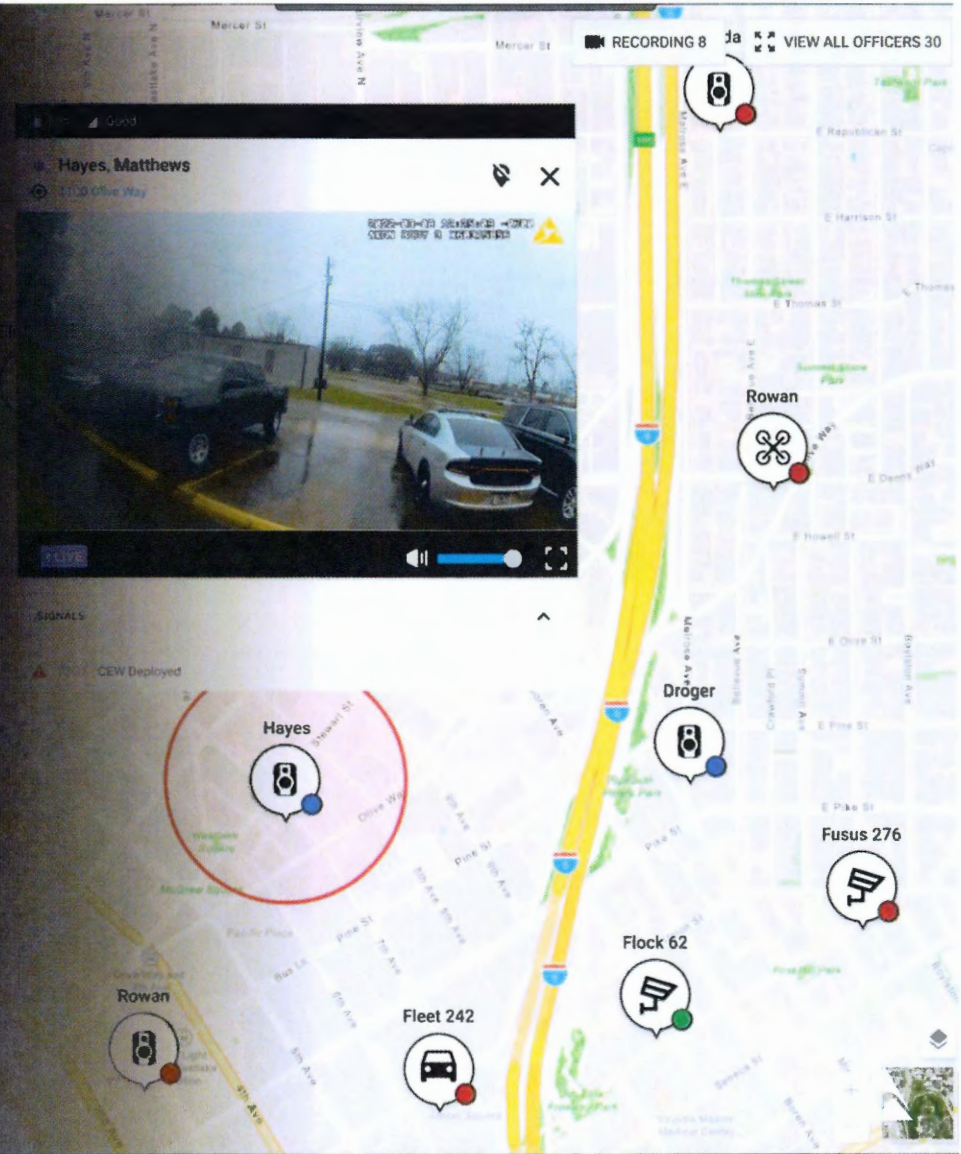


# RESPOND ENHANCEMENTS

More accurate real-time officer location

Faster “Priority Evidence Upload”

Battery life improvements while connected to Respond



# BI-DIRECTIONAL COMMUNICATION

Request support with a single press

Hands free communication

Enhanced audio with dual  
user-facing speakers



RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION EXPRESSING THE WILLINGNESS OF  
THE CITY OF OSCEOLA  
TO PARTNER WITH THE ARKANSAS DEPARTMENT OF TRANSPORTATION  
FOR THE FOLLOWING PROJECT:**

**Highway 61/Highway 140 Intersection Improvements**

**WHEREAS**, the City of Osceola (City) has expressed interest in partnering with the Arkansas Department of Transportation (Department) to improve the intersection of Highway 61 and Highway 140; and

**WHEREAS**, the City has agreed to contribute \$125,000 towards the construction of this improvement; and

**WHEREAS**, the City will also be financially responsible for the relocation of all City owned utilities that are deemed non-reimbursable for Federal-aid funding; and

**WHEREAS**, the Department will oversee all phases of the project.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF OSCEOLA, ARKANSAS THAT:**

**SECTION I:** The City will participate in accordance with its designated responsibilities in this project, which includes providing electrical service, and maintenance of the traffic signal and associated control equipment.

**SECTION II:** The Mayor, or their designated representative, is hereby authorized and directed to execute all appropriate agreements and contracts necessary to expedite implementation of this project.

**SECTION III:** The City pledges its full support and hereby requests that the Arkansas Department of Transportation initiate action to implement these improvements.

**THIS RESOLUTION** adopted this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Joe Harris Jr.  
Mayor

**ATTEST:** \_\_\_\_\_  
(SEAL)

DETECTOR SPACING CHART			
A+DOT HWY. 140 MAIN LANE VIRTUAL LOOPS			
POSTED SPEED	DISTANCE FROM STOP LINE	LEAD VDZ	LAG VDZ
35 MPH	200'	85'	
A+DOT HWY. 61 MAIN LANE VIRTUAL LOOPS			
POSTED SPEED	DISTANCE FROM STOP LINE	LEAD VDZ	LAG VDZ
35 MPH	200'	85'	

PRELIMINARY  
SUBJECT TO REVISION

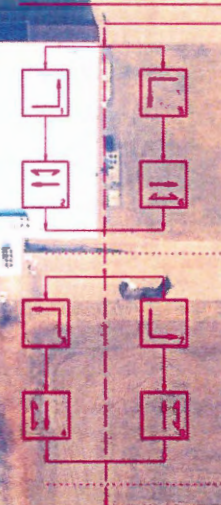
HIGHWAY 140/HIGHWAY 61 POLE DIMENSIONS						
POLE	MAST ARM	* MAST ARM ANGLE	VERT. SHAFT	LUM ARM	* LUM ANGLE	
A	38"	270°	35'	10'	270°	
B	N/A	N/A	10'	N/A	N/A	
C	42"	180°	35'	10'	180°	
D	56"	180°	35'	10'	180°	
E	38"	270°	35'	10'	270°	
F	N/A	N/A	10'	N/A	N/A	

\* ANGLE MEASURED CLOCKWISE FROM HAND HOLE

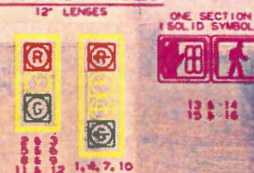
HIGHWAY 140/HIGHWAY 61 POLE LOCATIONS				
POLE	LOCATION & STATION	OFFSET	X, Y COORDINATES	
A	HWY 140 - STA 16+74.73	38.25 RT	490.10	1002.90
B	HWY 140 - STA 16+55.83	49.14 RT	470.83	1013.38
C	HWY 140 - STA 15+77.76	40.95 RT	392.96	1003.32
D	HWY 140 - STA 15+52.00	56.00 LT	369.55	905.77
E	HWY 140 - STA 16+51.78	45.59 LT	469.06	918.58
F	HWY 140 - STA 16+74.25	35.55 LT	491.17	929.11

SERVICE POINT AND MAIN BREAKER BY CONTRACTOR WITH 2" DIA. NAC AND CONCRETE PULL BOX (TYPE 2 HD) WITHIN 10 FEET OF THE CONTROLLER

### PHASING DIAGRAM



### SIGNAL FACES



- NOTES:
1. ALL SIGNAL HEADS SHALL HAVE BACKPLATES.
  2. REFER TO SPECIAL PROVISION "RETROREFLECTIVE BACKPLATES" FOR DETAILS ON REQUIREMENTS AND BACKPLATES.
  3. REFER TO SPECIAL PROVISIONS FOR DETAILS ON REQUIREMENTS FOR PEDESTRIAN SIGNAL HEADS.
  4. ALL PEDESTRIAN SIGNAL HEADS CAN BE PLACED INTO OPERATION IF THERE ARE BOTH WHEELCHAIR RAMP AND A CROSSWALK THAT MEETS A.D.A.S. STANDARD.

LOCATION: HIGHWAY 140/HIGHWAY 61  
CITY: OSCEOLA  
COUNTY: MISSISSIPPI  
DISTRICT: 10 SCALE: 1" = 100' DRAWN BY: GWE

DATE: 09-28-2022 FILE NAME: 10Osceola\_Hwy 140 & Hwy 61.dgn