

RESOLUTION 2025-~~55~~⁵⁵

**A RESOLUTION AUTHORIZING THE ISSUANCE OF AN IRREVOCABLE LETTER
OF CREDIT FOR THE CITY OF OSCEOLA, ARKANSAS**

WHEREAS, the Mayor and City Council, acting for and on behalf of the citizens of Osceola, Arkansas, have determined that there is a need for the City of Osceola to obtain an irrevocable letter of credit in the amount of one million dollars (\$1,000,000.00); and

WHEREAS, section eleven of the Agreement for Electric Service between Mississippi County Electric Cooperative and the City of Osceola, Arkansas will allow the City of Osceola to provide an acceptable irrevocable letter of credit in lieu of a deposit as here-to-described:

11. Deposit.

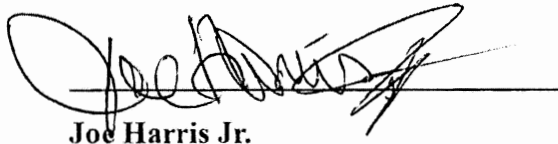
Osceola shall deposit with MCEC an amount equal to the estimated average monthly bill from MCEC. Deposit shall be made upon effective date of the Agreement. As an alternative, Osceola may provide an acceptable irrevocable Letter of credit in lieu of a deposit. The irrevocable letter of credit is subject to the approval of MCEC as to form, content, and provider based on the sole judgment of MCEC as to sustainability.

WHEREAS, the City of Osceola sought out to local banks to issue a letter of credit in the amount of \$1,000,000.00, and Cross Bank has offered to issue the letter of credit for an annual fee amount of \$12,500, representing the lowest fee proposal received ; and

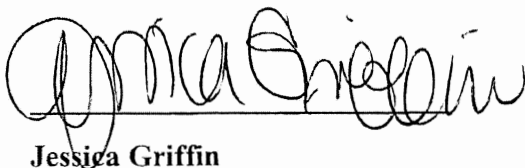
WHEREAS, the irrevocable letter of credit will be secured by a pledge of surplus utility system revenues.

THEREFORE, BE IT RESOLVED, that the Mayor of the City of Osceola and City Clerk/Treasurer are hereby authorized to extend and execute the letter of credit, security documents, and all other documents necessary and incidental thereto as required by Cross Bank, and all such actions are hereby approved by the City Council of the City of Osceola.

Adopted and approved this 15th day of December, 2025 by the City Council of the City of Osceola.


Joe Harris Jr.

Mayor


Jessica Griffin

City Clerk



CROSS BANK

December 4, 2025

City of Osceola
303 W Hale Ave,
Osceola, AR 72370

Dear Honorable City Council Members:

On behalf of everyone at Cross Bank we would like to build on the relationships we've had with the City of Osceola. We would like to provide an unsecured one-year irrevocable letter of credit for the amount of one million dollars (\$1,000,000.00) to the City of Osceola, Arkansas to be used in lieu of a deposit to the Mississippi County Electric Cooperative. For this service we propose a fee of 1.2%, which comes to \$12,500.00. The fee will be due at signing. I would like to thank you for allowing us to provide our services to the City of Osceola throughout years and I hope we can continue to serve the City of Osceola. We are proud of our personal and friendly service and I sincerely hope that your experience with us has been a pleasant one.

We want your relationship with Cross Bank to be the best possible and if you have any questions or if you ever encounter a problem with our products or services, please do not hesitate to contact me or any of my co-workers.

We strive to give you the high level of service you deserve and we appreciate the trust you have placed in us. We know that you have a choice when it comes to banking and we are glad that you have chosen Cross Bank through the years

Sincerely,

Justin E. Cissell

Assistant Vice President/Loan Officer

750 W. Keiser Ave.

P. O. Box 688 Osceola, AR 72370

O: (870) 563-3232 NMLS #73365

justin.cissell@mycrossbank.com

Harbans Mangat

From: Taylor Lucius <tlucius@fnbea.com>
Sent: Monday, November 24, 2025 2:51 PM
To: Harbans Mangat
Subject: Letter of Credit

Good afternoon!

I am submitting our offer for the letter of credit for OMLP. First National Bank of Eastern Arkansas would like to submit our same offer as last year. A 1.5% fee (\$15,000) for the letter of credit. Please let me know if you have any questions. I hope you all have a very Happy Thanksgiving!

Thank you,

Taylor Lucius

Assistant Vice President

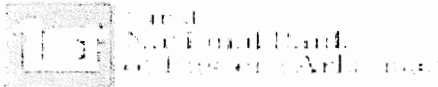
NMLS# 2337458

First National Bank of Eastern Arkansas

1460 W Keiser Ave

Osceola, AR 72370

Phone: (870)622-0400



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Harbans Mangat

From: Samantha Blanchard <sam.blanchard@cadencebank.com>
Sent: Thursday, December 4, 2025 11:05 AM
To: Harbans Mangat
Subject: Fw: Letter of Credit fee schedule

Harbans, below is the information you inquired about.

Thank you!

Samantha Blanchard

Branch Manager/VP

NMLS ID 1697880

Cadence Bank

749 West Keiser Ave. Osceola AR. 72370

Branch: 870-563-2265 Office: 870-576-4232

From: Jake A. Bland <jake.bland@cadencebank.com>
Sent: Thursday, December 4, 2025 11:02 AM
To: Samantha Blanchard <sam.blanchard@cadencebank.com>
Subject: Re: Letter of Credit fee schedule

Thank you for inquiring about a Standby Letter of Credit with Cadence Bank. The fees are slightly different depending on if the proposal is secured with collateral or unsecured. If secured, it is typical to pledge a CD or other Cadence deposit account for the duration of the LOC. Other forms of collateral can also be considered. One year or less is a typical maturity.

I have included our fee schedule below which includes both secured and unsecured options.

- Secured – 100% cash secured: 1.00% per annum with a minimum of \$250.00
- Secured – Non-cash secured: 1.25% per annum with a minimum of \$250.00
- Unsecured or secured outside of General Loan Policy margin requirements: 1.50% per annum with a minimum of \$250.00

Application or Amendment Fee:	\$200.00
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Document Examination & Drawing Fee:	\$100.00 per draw
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Transfer/Assignment Fee:	\$200.00
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