ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF A WATER AND SEWER REVENUE BOND; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BOND; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Bryant, Arkansas (the "City") owns water and sewer facilities, which are operated as one interrelated municipal undertaking (the "System"); and

WHEREAS, the City Council has determined that certain improvements for the System, including particularly, without limitation, the acquisition of certain vehicles and equipment (the "Project"), are needed; and

WHEREAS, the City can pay all or a portion of the costs of the Project by the issuance of its Water and Sewer Revenue Bond in the principal amount of $2,960,000 (the "bond"); and

WHEREAS, through the assistance of Stephens Inc. and Crews & Associates, Inc., the City has received an offer for the purchase of the bond from Webster Bank, National Association (the "Lender"), at a price of par (the "Purchase Price"), pursuant to a Letter of Offer and Representations (the "Offer"), which has been presented to and is before this meeting; and

WHEREAS, the City has outstanding its Water and Sewer Revenue Bond, Series 2011 (the "2011 Bond"), authorized by Ordinance No. 2011-1, adopted January 13, 2011, as amended by Ordinance No. 2021-25, adopted November 16, 2021; and

WHEREAS, the City has outstanding its Water and Sewer Revenue Bond, Series 2012 (the "2012 Bond"), authorized by Ordinance No. 2012-14, adopted May 31, 2012, as amended by Ordinance No. 2021-26, adopted November 16, 2021; and

WHEREAS, the City has outstanding its Water and Sewer Refunding Revenue Bonds, Series 2017 (the "Parity Bonds"), authorized by Ordinance No. 2017-26, adopted October 24, 2017; and

WHEREAS, the City has outstanding its Water and Sewer Revenue Bond, Series 2024 (the "2024 Bond"), authorized by Ordinance No. 2024-13, adopted August 27, 2024; and

WHEREAS, the City has outstanding its Water and Sewer Revenue Bond, Series 2024B (the "2024B Bond"), authorized by Ordinance No. 2024-23, adopted October 29, 2024; and

WHEREAS, the coverage test for securing the bond with a lien on System revenues on a parity with the lien on System revenues in favor of the Parity Bonds has been or will be met; and

WHEREAS, the coverage test for securing the bond with a lien on System revenues senior to the lien on System revenues in favor of the 2011 Bond, the 2012 Bond, the 2024 Bond and the 2024B Bond (collectively, the "Subordinate Bonds") has been or will be met;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Bryant, Arkansas:

Section 1. The Project shall be accomplished. The Mayor and City Clerk are hereby authorized to take, or cause to be taken, all action necessary to accomplish the same and to execute all required documents.

Section 2. The City Council hereby finds and declares that the period of usefulness of the System will be more than 10 years, which is longer than the term of the bond.

Section 3. The Offer of the Lender for the purchase of the bond from the City at the Purchase Price, for a bond bearing interest at the rate per annum, maturing and otherwise subject to the terms and provisions hereafter in this Ordinance set forth in detail is hereby accepted, and the bond is hereby sold to the Lender. The Mayor is hereby authorized and directed to execute and deliver the Offer on behalf of the City.

Section 4. Under the authority of the Constitution and laws of the State of Arkansas (the "State"), including particularly Title 14, Chapter 234, Subchapter 2, Title 14, Chapter 235, Subchapter 2, and Title 14, Chapter 164, Subchapter 4 of the Arkansas Code of 1987 Annotated and applicable decisions of the Supreme Court of the State, including particularly City of Harrison v. Braswell, 209 Ark. 1094, 194 S.W. 2d 12 (1946), a City of Bryant, Arkansas Water and Sewer Revenue Bond is hereby authorized and ordered issued in the principal amount of $2,960,000 for the purpose of financing all or a portion of the costs of the Project and paying expenses of issuing the bond. The bond shall mature on December 1, 2030 and shall bear interest at the rate of 3.39% per annum, calculated on a 360-day year consisting of twelve 30-day months.

The bond shall be dated the date of issuance and delivery to the Lender and shall be issuable only as one fully registered typewritten bond without coupons and numbered R-1.

Interest on the bond shall be payable on June 1, 2026 and semiannually thereafter on June 1 and December 1 of each year. Payment of each installment of principal and interest shall be made to the person in whose name the bond is registered on the registration books of the City maintained by the City Clerk as bond registrar. Final payment of principal shall be made upon presentation and surrender of the bond at the office of the City Clerk.

The City shall cause books to be maintained for the registration and for the transfer of the bond as provided herein and in the bond. The City Clerk shall act as the bond registrar. The bond is transferable by the registered owner thereof or by his attorney duly authorized in writing at the principal office of the City Clerk. Every transferee shall take the transferred bond subject to all payments of principal and interest (as reflected by the Payment

Record to be maintained by the City Clerk), prior to such surrender for transfer. When the principal of and interest on the bond have been fully paid, the bond shall be canceled by the City Clerk.

No charge shall be made to the registered owner of the bond for the privilege of transfer, but the registered owner of the bond requesting any such transfer shall pay any tax or other governmental charge required to be paid with respect thereto.

The person in whose name the 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 or premium, if any, or interest of the 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 interest on or principal of the bond or the date fixed for redemption of the bond 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 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 5. The bond shall be executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk and shall have impressed or imprinted thereon the seal of the City. The bond, together with interest thereon, is secured by and is payable solely from revenues derived from the System ("Revenues"), which are hereby pledged and mortgaged for the equal and ratable payment of the bond. In this regard, the pledge of Revenues in favor of the bond is (a) on a parity with the pledge in favor of the Parity Bonds and (b) senior to the pledge in favor of the Subordinate Bonds. The bond shall not constitute an indebtedness of the City within any constitutional or statutory limitation.

Section 6. The bond shall be in substantially the following form and the Mayor and City Clerk are hereby expressly authorized and directed to make all recitals contained therein:

[Remainder of page intentionally left blank]

(Form of Bond)

REGISTERED REGISTERED

No. R-1 $2,960,000

UNITED STATES OF AMERICA
STATE OF ARKANSAS
COUNTY OF SALINE
CITY OF BRYANT
WATER AND SEWER REVENUE BOND

Interest Rate: 3.39% Maturity Date: December 1, 2030
Dated Date: December 2, 2025
Registered Owner: Webster Bank, National Association
Principal Amount: Two Million Nine Hundred Sixty Thousand Dollars

KNOW ALL MEN BY THESE PRESENTS:

That the City of Bryant, County of Saline, State of Arkansas (the "City"), for value received, hereby promises to pay, solely from the source as hereinafter provided and not otherwise, to the Registered Owner shown above, or registered assigns, on the Maturity Date shown above, the Principal Amount shown 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 and to pay interest thereon, but solely from the source as hereinafter provided and not otherwise, in like coin or currency from the Dated Date shown above, at the Interest Rate per annum shown above, calculated on a 360-day year consisting of twelve 30-day months, payable June 1, 2026 and semiannually thereafter on the first days of June and December of each year, until payment of such Principal Amount or, if this bond shall be duly called for redemption, until the date fixed for redemption, and to pay interest on overdue principal and interest (to the extent legally enforceable) at the rate borne by this bond. Payment of each installment of principal (except final payment) and interest shall be made by wire transfer in immediately available funds or other form of electronic payment in accordance with written instructions provided by the Registered Owner to the person in whose name this bond is registered on the registration books of the City maintained by the City Clerk. The final payment of principal shall only be made upon presentation and surrender hereof at the principal office of the City Clerk.

This bond is issued for the purpose of financing all or a portion of the costs of acquiring certain vehicles and equipment for the City's water and sewer (combined) system (the "System") and paying necessary expenses incidental thereto and to the authorization and issuance of this bond. This bond is issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas (the "State"), including particularly Title 14, Chapter 234, Subchapter 2, Title 14, Chapter 164, Subchapter 4, and Title 14, Chapter 235, Subchapter 2 of the Arkansas Code of 1987 Annotated and applicable decisions of the Supreme Court of Arkansas, including particularly City of Harrison v. Braswell, 209 Ark. 1094, 194 S.W. 2d 12 (1946), and pursuant to Ordinance No. _____, duly adopted on October 28, 2025 (the

"Authorizing Ordinance"). This bond does not constitute an indebtedness of the City within any constitutional or statutory limitation. This bond is not a general obligation of the City, but is a special obligation payable solely from the revenues derived from the operation of the System. In this regard, the pledge of System revenues in favor of this bond is (a) on a parity with the pledge in favor of the City's Water and Sewer Refunding Revenue Bonds, Series 2017 and (b) senior to the pledge in favor of the City's Water and Sewer Revenue Bond, Series 2011, the City's Water and Sewer Revenue Bond, Series 2012, the City's Water and Sewer Revenue Bond, Series 2024 and the City's Water and Sewer Revenue Bond, Series 2024B. An amount of System revenues sufficient to pay the principal of and interest on the bond has been duly pledged and set aside into the 2025 Water and Sewer Revenue Bond Fund created by the Authorizing Ordinance. Reference is hereby made to the Authorizing Ordinance for a detailed statement of the terms and conditions upon which this bond is issued, of the nature and extent of the security for this bond, and the rights and obligations of the City and the Registered Owner. The City has fixed and has covenanted and agreed to maintain rates for the services of the System which shall be sufficient at all times to provide for the proper and reasonable expenses of operation and maintenance of the System and for the payment of the principal of and interest on this bond and on all outstanding bonds to which System revenues are pledged, as the same become due and payable, to establish and maintain any required debt service reserves and to make the required deposit for the depreciation of the System.

This bond shall be subject to optional and mandatory sinking fund redemption as follows:

1. This bond is subject to redemption at the option of the City, on and after December 1, 2028, in whole but not in part on any business day, at a price equal to the outstanding principal amount hereof, plus accrued interest to the redemption date.

2. This bond is subject to mandatory sinking fund redemption on December 1 in each of the years and in the amounts set forth below, at a redemption price equal to the outstanding principal amount hereof, plus accrued interest to the date of redemption:

Year (December 1)	Principal Amount
2026	$555,000
2027	570,000
2028	590,000
2029	610,000
2030 (maturity)	635,000

Notice of optional redemption shall be given by the City Clerk, not less than 30 nor more than 60 days prior to the date fixed for redemption, by mailing a copy of the redemption notice by first class mail, postage prepaid, or by sending a copy of the redemption notice via other standard means, including electronic or facsimile communication, to the Registered Owner. If funds are duly provided and set aside in accordance with the Authorizing Ordinance prior to the date fixed for redemption, this bond will cease to bear interest on such redemption date.

This bond is transferable by the Registered Owner hereof in person or by his attorney in fact duly authorized in writing at the principal office of the City Clerk, but only in the manner, subject to the limitations and upon payment of the charges provided in the Authorizing Ordinance, and upon surrender of this bond. Every transferee shall take this bond subject to all payments and redemptions of principal and interest (as reflected by the Payment Record to be maintained by the City Clerk), prior to such surrender for transfer. This bond is issued with the intent that the laws of the State shall govern its construction.

The City may deem and treat the Registered Owner as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and premium, if any, hereon and interest due hereon and for all other purposes, and the City shall not be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this bond do exist, have happened and have been performed in due time, form and manner as required by law; that the indebtedness represented by this bond, together with all obligations of the City, does not exceed any constitutional or statutory limitation; and that the revenues pledged to the payment of the principal of and premium, if any, and interest on this bond as the same become due and payable will be sufficient in amount for that purpose.

THE CITY HAS DESIGNATED THIS BOND AS A "QUALIFIED TAX-EXEMPT OBLIGATION" WITHIN THE MEANING OF SECTION 265 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

IN WITNESS WHEREOF, the City of Bryant, Arkansas has caused this bond to be manually executed by its Mayor and City Clerk and its corporate seal to be impressed or imprinted on this bond, all as of the Dated Date shown above.

CITY OF BRYANT, ARKANSAS

ATTEST:

By _____
Mayor

_____
City Clerk

(SEAL)

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, _____ ("Transferor"), hereby sells, assigns and transfers unto _____, the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ as attorney to transfer the within bond on the books kept for registration thereof with full power of substitution in the premises.

DATE: _____

_____
Transferor

GUARANTEED BY:

_____
NOTICE: Signature(s) must be guaranteed by a member of or participant in the Securities Transfer Agents Medallion Program (STAMP), or in another signature guaranty program recognized by the City.

Section 7. (a) The rates charged for services of the System heretofore fixed by ordinances of the City and the conditions, rights and obligations pertaining thereto, as set out in those ordinances, are hereby ratified, confirmed and continued.

(b) The City covenants and agrees that the rates shall never be reduced while the bond is outstanding unless there is obtained from an independent certified public accountant not in the regular employ of the City ("Accountant") a certificate that the Net Revenues ("Net Revenues" being defined as gross Revenues less the expenses of operation and maintenance of the System, including all expense items properly attributable to the operation and maintenance of the System under generally accepted accounting principles applicable to municipal water and sewer facilities, excluding depreciation, interest and bond amortization expenses), with the reduced rates, will always be equal to at least 110% of the average annual principal and interest requirements on all outstanding bonds to which Revenues are pledged ("System Bonds").

(c) The City further covenants and agrees that the rates shall, if and when necessary, from time to time, be increased in such manner as will produce Net Revenues at least equal to 110% of the average annual principal and interest requirements on all System Bonds.

Section 8. The City covenants that it will continuously operate the System as a revenue-producing undertaking and will not sell or lease the same, or any substantial portion thereof; provided, however, that nothing herein shall be construed to prohibit the City from making such dispositions of properties of the System and such replacements and substitutions for

properties of the System as shall be necessary or incidental to the efficient operation of the System as a revenue-producing undertaking.

Section 9. The Treasurer of the City shall be statutory custodian of the Revenues. Each employee of the City handling Revenues shall give bond for the faithful discharge of his or her duties in such amounts as approved by the City Council. All Revenues shall at all times be accounted for separately and distinctly from other moneys of the City and shall be used and applied only as provided herein. Except as hereinafter provided, all Revenues shall be deposited in such depository or depositories for the City as may be lawfully designated from time to time by the City; subject, however, to the giving of security as now or hereafter may be required by law, and provided that such depository or depositories shall hold membership in the Federal Deposit Insurance Corporation ("FDIC") or any successor entity. All deposits shall be in the name of the City and shall be so designated as to indicate the particular fund to which the Revenues belong. Except as hereinafter provided, all payments from the respective funds shall be by check or voucher, signed by two persons designated by the City Council and drawn on the depository with which the moneys in the fund shall have been deposited and each such check or voucher shall briefly specify the purpose of the expenditure.

Section 10. All Revenues shall be deposited into a fund heretofore created and designated as the "Water and Sewer System Revenue Fund" (the "Revenue Fund"). Moneys in the Revenue Fund shall be applied to the payment of the reasonable and necessary expenses of operation and maintenance of the System, to the payment of the principal of and interest on the bond and other System Bonds, to the maintenance of any required debt service reserve funds, to the providing of the Depreciation Fund, and otherwise as described herein.

Section 11. There shall first be paid from the Revenue Fund into a fund heretofore created and designated "Water and Sewer System Operation and Maintenance Fund" (the "Operation and Maintenance Fund"), on or before the first business day of each month, an amount sufficient to pay the reasonable and necessary expenses of operation, repair and maintenance of the System for such month and from which disbursements shall be made only for those purposes. Fixed annual charges, such as insurance premiums and the cost of major repair and maintenance expenses may be computed and set up on an annual basis and one-twelfth (1/12) of the amount thereof may be paid into the Operation and Maintenance Fund each month.

If in any month for any reason there shall be a failure to transfer and pay the required amount into the Operation and Maintenance Fund, the amount of the deficiency shall be added to the amount otherwise required to be transferred and paid into the fund the next succeeding month. If in any fiscal year a surplus shall be accumulated in the Operation and Maintenance Fund over and above the amount necessary to meet the requirements thereof during the remainder of the then current fiscal year and the next ensuing fiscal year, such surplus may be transferred into the Revenue Fund.

Section 12. (a) After making the required payment into the Operation and Maintenance Fund, there shall be transferred from the Revenue Fund into a special fund hereby created and designated "2025 Water and Sewer Revenue Bond Fund" (the "Bond Fund"), the

sums in the amounts and at the times hereinafter stated in subsection (b) for the purpose of providing funds for the payment of the principal of and interest on the bond as it matures.

(b) There shall be paid into the Bond Fund on the first business day of each month until the bond with interest thereon has been paid in full or provision made for such payment, a sum equal to 1/6 of the next installment of interest on the bond plus 1/12 of the next installment of principal; provided, however, that monthly payments through November 2026 shall be adjusted as necessary in order to provide sufficient funds to pay principal of and interest on the bond through and including December 1, 2026. The City shall realize a credit against monthly deposits into the Bond Fund from interest earnings on moneys in the Bond Fund.

(c) If Revenues are insufficient to make the required payment on the first business day of the following month into the Bond Fund, the amount of any such deficiency in the payment made shall be added to the amount otherwise required to be paid into the Bond Fund on the first business day of the next month.

If a surplus shall exist in the Bond Fund over and above the amount required for making all principal and interest payments during the next succeeding twelve-month period, such surplus shall be deposited into the Revenue Fund.

(d) When the moneys held in the Bond Fund shall be and remain sufficient to pay the principal of and interest on the bond, the City shall not be obligated to make any further payments into the Bond Fund.

(e) It shall be the duty of the City to cause to be withdrawn from the Bond Fund at least one (1) business day before the due date for the principal and/or interest on the bond, at maturity or redemption prior to maturity and paid to the registered owner of the bond the amount of the bond and interest due thereon for the sole purpose of paying the same. No withdrawal of funds from the Bond Fund shall be made for any other purpose except as otherwise authorized in this Ordinance.

(f) The bond shall be specifically secured by a pledge of all Revenues. This pledge in favor of the bond is hereby irrevocably made according to the terms of this Ordinance, and the City and its officers and employees shall execute, perform and carry out the terms thereof in strict conformity with the provisions of this Ordinance.

(g) Simultaneously with making the deposit into the Bond Fund, there shall be transferred from the Revenue Fund into the bond fund for the Parity Bonds (the "Parity Bond Fund"), an amount equal to the required monthly deposit into such fund. The obligation to make the required monthly deposits into the Bond Fund and the Parity Bond Fund shall rank on a parity of security. If the City issues any additional parity bonds, the obligation to make payments into debt service funds for those bonds shall rank on a parity of security with the obligation to make payments into the Bond Fund and the Parity Bond Fund. In the event the Revenues remaining after the required monthly deposit into the Operation and Maintenance Fund are insufficient to make the full monthly deposits into the Bond Fund, the Parity Bond Fund and the

bond funds for the additional parity bonds, the amount deposited into each shall be reduced proportionately.

Section 13. After making the payments set forth above and after making the payments into the bond funds for the Subordinate Bonds, there shall be paid from the Revenue Fund into a fund heretofore created and designated "Water and Sewer System Depreciation Fund" (the "Depreciation Fund") on or before the first business day of each month, an amount equal to (a) 5% of the gross Revenues for the preceding month or (b) such other amount required by State law. The moneys in the Depreciation Fund shall be used for the purpose of paying the costs of repairs and replacements made necessary by the depreciation of the System and for the purpose of paying the cost of economically justifiable extensions to the System.

Section 14. Any surplus in the Revenue Fund after making all disbursements and providing for all funds described above may be used, at the option of the City, for any lawful municipal purpose.

Section 15. So long as the bond is outstanding, the City shall not issue or attempt to issue any bonds claimed to be entitled to a priority of lien on Revenues over the lien securing the bond. The City reserves the right to issue additional bonds to finance or pay the cost of constructing any future extensions, betterments or improvements to the System or to refund bonds issued for such purposes, but the City shall not authorize or issue any such additional bonds ranking on a parity with the bond unless there has been procured and filed with the City Clerk and the registered owner of the bond a statement by an Accountant reciting the opinion, based upon necessary investigation, that the Net Revenues (as defined in Section 7) for the fiscal year immediately preceding the fiscal year in which it is proposed to issue such additional bonds shall equal not less than 110% of the average annual principal and interest requirements on the then outstanding System Bonds and the additional bonds then proposed to be issued. In making the computation set forth above, the City, and the Accountant on behalf of the City, may, based upon the opinion or report of an independent consulting engineer or rate analyst not in the regular employ of the City, treat any increase in rates for the System enacted subsequent to the first day of such preceding fiscal year as having been in effect throughout such fiscal year and may include in gross Revenues for such fiscal year the amount that would have been received, based on such opinion or report, had the increase been in effect throughout such fiscal year.

The additional bonds, the issuance of which is restricted and conditioned by this Section, shall not be deemed to mean bonds the security and source of payment of which are subordinate and subject to the priority of the bond, and such additional bonds may be issued without complying with the terms and conditions of this Section.

Section 16. The bond shall be subject to redemption prior to maturity in accordance with the terms set out in the bond form in Section 6 hereof. The City covenants and agrees to cause to be paid into the Bond Fund sufficient funds to redeem the bond in the amounts and on the dates set forth in the bond. Therefore, in calculating the monthly payments to be deposited into the Bond Fund, the term "next installment of principal" shall include the principal of the bond maturing on the next principal payment date and the principal of the bond which will

be redeemed in accordance with the mandatory sinking fund redemption provisions of the bond on the next interest payment date scheduled for such redemption.

Section 17. (a) The City shall cause proper books of accounts and records to be kept (separate from all other records and accounts) in which complete and correct entries shall be made of all transactions relating to the operation of the System, and such books shall be available for inspection by the registered owner of the bond at reasonable times and under reasonable circumstances. The City agrees to have these records audited by an Accountant at least once each year. In the event that the City fails or refuses to make the audit, the registered owner of the bond may have the audit made, and the cost thereof shall be charged against the Operation and Maintenance Fund.

(b) A copy of the audited financial statements of the System shall be provided to the registered owner of the bond within 180 days after the end of each fiscal year; provided, however, that if the audited financial statements are unavailable on that date, the City will provide the registered owner with unaudited financial statements and will provide the audited financial statements to the registered owner within 30 days after receipt thereof. To the extent the City files such information on the Electronic Municipal Market Access system ("EMMA") maintained by the Municipal Securities Rulemaking Board, such requirement for delivery to the registered owner shall be deemed satisfied. The audited financial statements may be sent to the following email address (or such other address as the registered owner of the bond supplies to the City in writing): PublicFinance@WebsterBank.com.

Section 18. The City covenants that it will maintain the System in good condition and operate the same in an efficient manner and at reasonable cost. While the bond is outstanding, the City agrees that it will insure and at all times keep insured, in the amount of the actual value thereof, in a responsible insurance company or companies authorized and qualified under the laws of the State to assume the risk thereof, properties of the 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 and other perils included in extended coverage insurance in effect in the State. In the event of loss, the proceeds of such insurance shall be applied solely toward the reconstruction, replacement or repair of the 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 and third from available moneys in the Revenue Fund. 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.

Section 19. The bond shall be deemed to be paid within the meaning of this Ordinance when payment of the principal of and interest on the 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 registered owner of the bond, in trust and irrevocably set aside exclusively for such payment, (1) cash fully insured by the FDIC and/or fully collateralized with Government Obligations (as hereinafter defined) sufficient to make such payment and/or (2) direct or fully guaranteed 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 ("Government Obligations") (provided that such deposit will not affect the tax exempt status of the interest on the bond or cause the bond to be classified as an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code")), maturing as to principal and interest in such amounts and at such times as will provide sufficient moneys to make such payment.

Section 20. If there be any default in the payment of the principal of or interest on the bond, or if the City defaults in any Bond Fund requirement or in the performance of any of the other covenants contained in this Ordinance, the registered owner of the bond may, by proper suit, compel the performance of the duties of the officials of the City under the laws of the State. And in the case of a default in the payment of the principal of and interest on the bond, the registered owner of the bond may apply in a proper action to a court of competent jurisdiction for the appointment of a receiver to administer the System on behalf of the City and the registered owner of the bond with power to charge and collect (or by mandatory injunction or otherwise to cause to be charged and collected) rates sufficient to provide for the payment of the expenses of operation and maintenance and to pay the bond and interest outstanding and to apply the Revenues in conformity with the laws of the State and with this Ordinance. When all defaults in principal and interest payments have been cured, the custody and operation of the System shall revert to the City.

Except in the case of a default in the payment of the principal of or interest on the bond, the registered owner of the bond shall not have any right to institute any suit, action, mandamus or other proceeding in equity or at law for the protection or enforcement of any power or right unless such registered owner previously shall have given to the City written notice of the default on account of which such suit, action or proceeding is to be taken, and unless such default is not cured within thirty (30) days. The registered owner of the bond shall not have any right in any manner whatever by his or her action to affect, disturb or prejudice the security of this Ordinance, or to enforce any right thereunder except in the manner herein described. All proceedings at law or in equity shall be instituted, had and maintained in the manner herein described and for the benefit of the registered owner of the bond.

No remedy conferred upon or reserved to the registered owner of the bond is intended to be exclusive of any other remedy or remedies, and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Ordinance or by law.

No delay or omission of the registered owner of the bond to exercise any right or power accrued upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein; and every power and remedy given by this Ordinance to the registered owner of the bond may be exercised from time to time and as often as may be deemed expedient.

In any proceeding to enforce the provisions of this Ordinance any plaintiff bondholder shall be entitled to recover from the City all costs of such proceeding, including reasonable attorneys' fees.

Section 21. When the bond has been executed, it shall be delivered to the Lender upon payment of the Purchase Price. The Purchase Price shall be deposited into a special account in the name of the City hereby created in a bank selected by the City that is a member of the FDIC and designated "2025 Water and Sewer Revenue Bond Construction Fund" (the "Construction Fund"). The moneys in the Construction Fund shall be disbursed solely in payment of the costs of accomplishing the Project, paying necessary expenses incidental thereto, and paying expenses of issuing the bond. Disbursements shall be on the basis of checks which shall contain at least the following information: the person to whom payment is being made; the amount of the payment; and the purpose by general classification of the payment. Each check must be signed by two persons designated by the City Council.

When all required expenses have been paid and expenditures made from the Construction Fund for and in connection with the accomplishment of the Project and the financing thereof, this fact shall, if there are moneys on hand in the Construction Fund, be evidenced by a certificate signed by the Mayor, which certificate shall state, among other things, that all obligations payable from the Construction Fund have been discharged. A copy of the certificate shall be filed with the depository of the Construction Fund, and upon receipt thereof, such depository shall transfer any remaining balance to the City for deposit into the Bond Fund to be used to redeem the bond.

Section 22. (a) The City covenants that it shall not take any action or suffer or permit any action to be taken or conditions to exist which causes or may cause the interest payable on the bond to be included in gross income for federal income tax purposes. Without limiting the generality of the foregoing, the City covenants that the proceeds of the sale of the bond and the Revenues will not be used directly or indirectly in such manner as to cause the bond to be treated as an "arbitrage bond" within the meaning of Section 148 of the Code.

(b) The City shall assure that (i) not in excess of 10% of the Net Proceeds of the bond is used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the bond during the term thereof is, under the terms of the bond or any underlying arrangement, directly or indirectly secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the City, in respect of property or borrowed moneys used or to be used for a Private Business Use; and (ii) that, in the event that both (A) in excess of 5% of the Net Proceeds of the bond are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the bond during the term thereof is, under the terms of the bond or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the City, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said

5% of Net Proceeds of the bond used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System.

The City shall assure that not in excess of 5% of the Net Proceeds of the bond are used, directly or indirectly, to make or finance a loan to persons other than state or local governmental units.

As used in this subsection (b), the following terms shall have the following meanings:

"Net Proceeds" means the face amount of the bond.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

(c) The bond is hereby designated as a "qualified tax-exempt obligation" within the meaning of the Code. The City represents that the aggregate principal amount of its qualified tax-exempt obligations (excluding "private activity bonds" within the meaning of Section 141 of the Code which are not "qualified 501(c)(3) bonds" within the meaning of Section 145 of the Code), including those of its subordinate entities, issued in calendar year 2025 are not reasonably expected to exceed $10,000,000.

(d) The City covenants that it will take no action which would cause the bond to be "federally guaranteed" within the meaning of Section 149(b) of the Code. Nothing in this Section shall prohibit investments in bonds issued by the United States Treasury.

(e) The City covenants that it will submit to the Secretary of the Treasury of the United States, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the bond is issued, a statement required by Section 149(e) of the Code.

(f) The City covenants that it will retain all documents and records pertaining to the bond and the Project for the life of the bond plus an additional three (3) years.

(g) The City covenants that it will not reimburse itself from proceeds of the bond for any costs paid prior to the date the bond is issued except in compliance with United States Treasury Regulation §1.150-2 (the "Regulation"). Resolution No. 2025-04, adopted February 13, 2025, shall constitute an "official intent" for purposes of the Regulation.

(h) The City represents that it does not reasonably expect that it and all subordinate entities will issue tax-exempt obligations (not including "private activity bonds" within the meaning of Section 141 of the Code) in amounts exceeding $5,000,000 in calendar

year 2025. The City covenants that at least 95% of the net proceeds of the bond will be used to accomplish local governmental activities of the City.

Section 23. (a) Moneys held for the credit of the Bond Fund shall be continuously invested and reinvested in Permitted Investments (as hereinafter defined), which shall mature, or which 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.

(b) Moneys held for the credit of any other fund, including the Construction Fund, may be invested and reinvested in Permitted Investments (as hereinafter defined), or other investments as may, from time to time, be permitted by State 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.

(c) Obligations so purchased as an investment of moneys in any fund shall be deemed at all times to be a part of such fund and the interest accruing thereon and any profit realized from such investments shall be credited to such fund, and any loss resulting from such investment shall be charged to such fund.

(d) Moneys so invested in Government Obligations or in certificates of deposit of banks to the extent insured by FDIC, need not be secured by the depository bank or banks.

(e) "Permitted Investments" are defined as (i) Government Obligations, (ii) direct obligations of an agency, instrumentality or government-sponsored enterprise created by 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 or demand deposits of banks, which are insured by FDIC or, if in excess of insurance coverage, collateralized by Government Obligations or other investments authorized by State law to secure public funds or (iv) money market funds invested exclusively in Government Obligations and the obligations described in (ii) above.

(f) 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 a manner that the money required to be expended from any fund will be available at the proper time or times.

(g) 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.

Section 24. In the event the office of Mayor, City Clerk, City Treasurer, or City Council shall be abolished, or any two or more of such offices shall be merged or consolidated,

or in the event the duties of a particular office shall be transferred to another office or officer, or in the event of a vacancy in any such office by reason of death, resignation, removal from office or otherwise, or in the event any such officer shall become incapable of performing the duties of his office by reason of sickness, absence from the City or otherwise, all powers conferred and all obligations and duties imposed upon such office or officer shall be performed by the office or officer succeeding to the principal functions thereof, or by the office or officer upon whom such powers, obligations and duties shall be imposed by law.

Section 25. The Mayor is hereby authorized and directed to work with Friday, Eldredge & Clark, LLP, as bond counsel, to review and revise, as needed, its written procedures to monitor compliance with federal tax requirements with respect to tax-exempt obligations of the City.

Section 26. Stephens Inc. and Crews & Associates, Inc. are hereby retained as Placement Agents in connection with the issuance of the bond.

Section 27. In the event the City files with EMMA this Ordinance or any description of the material terms thereof or notice of any agreement to covenants, events of default, remedies, priority rights or other similar terms, or any other document or certificate signed or delivered by the registered owner of the bond, either voluntarily or as required pursuant to a continuing disclosure agreement or Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule") (each such posting, an "EMMA Posting"), the City shall (i) provide the registered owner of the bond with a copy of each EMMA Posting prior to submitting or posting on EMMA and (ii) shall not file or permit the filing of any EMMA Posting that includes Confidential Information. The City acknowledges and agrees that the registered owner of the bond is not responsible for the City's or any other entity's (including, but not limited to, any broker-dealer's) compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with any continuing disclosure agreement or any applicable securities or other laws, including, but not limited to, those relating to the Rule. "Confidential Information" means any sensitive or confidential information regarding the City or the registered owner of the bond, including, without limitation, address, account and wiring information, e-mail addresses, telephone numbers, facsimile numbers, logos, names and signatures of officers, employees or representatives of the City and the registered owner of the bond.

Section 28. The provisions of this Ordinance are hereby declared to be separable and if any provision shall for any reason be held illegal or invalid, such holding shall not affect the validity of the remainder of this Ordinance.

Section 29. All ordinances and resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 30. It is hereby ascertained and declared that the Project is immediately needed for the preservation of the public peace, health and safety and to remove existing hazards thereto. The Project cannot be accomplished without the issuance of the bond, which cannot be sold at the interest rate specified herein unless this Ordinance is immediately effective. Therefore, it is declared that an emergency exists and this Ordinance being necessary

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

PASSED: October 28, 2025

APPROVED:

_____
Mayor

ATTEST:

_____
City Clerk

(SEAL)

CERTIFICATE

The undersigned, City Clerk of the City of Bryant, Arkansas, hereby certifies that the foregoing pages are a true and perfect copy of Ordinance No. _____, adopted at a regular session of the City Council of the City of Bryant, Arkansas, held at the regular meeting place in said City at 6:30 p.m., on the 28th day of October, 2025, and that the Ordinance is of record in Ordinance Record Book No. _____, Page _____, now in my possession.

GIVEN under my hand and seal on this 28th day of October, 2025.

_____
City Clerk

(SEAL)