ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE CONSTRUCTION OF BETTERMENTS AND IMPROVEMENTS TO THE SEWER FACILITIES OF THE CITY OF BRYANT, ARKANSAS; AUTHORIZING THE ISSUANCE OF A WATER AND SEWER REVENUE BOND FOR THE PURPOSE OF FINANCING ALL OR A PORTION OF THE COST OF CONSTRUCTION; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BOND; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, the City of Bryant, Arkansas (the "City") owns and operates a water and sewer system (the "System"); and

WHEREAS, the City Council has determined that betterments and improvements to the sewer facilities of the System (the "Improvements") are necessary in order to make the services of the System adequate for the needs of the City; and

WHEREAS, a preliminary report, general plans and estimates of cost for the Improvements have been examined and approved by the City Council and a copy of such general plans are on file at the offices of the City where they may be inspected by any interested person; and

WHEREAS, in order to finance all or a portion of the costs of the Improvements, including bond issuance costs, the City is making arrangements for the sale of a bond in the principal amount of $1,500,000 to the Arkansas Development Finance Authority, as purchaser (the "Bondholder"), at a price of par for a bond bearing interest at the rate of 0.75% per annum pursuant to a Bond Purchase Agreement (the "Agreement") among the City, the Bondholder and the Arkansas Natural Resources Commission (the "Commission"), 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 Refunding Revenue Bonds, Series 2017 (the "2017 Bonds"), authorized by Ordinance No. 2017-26, adopted October 24, 2017; 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 Revenue Bond, Series 2024 (the "2024 Bond"), authorized by Ordinance No. 2024-13, adopted August 27, 2024; and

WHEREAS, the City is authorized, under the provisions of Amendment No. 65 to the Arkansas Constitution, Title 14, Chapter 234, Subchapter 2 of the Arkansas Code of 1987 Annotated (the "Code"), Title 14, Chapter 164, Subchapter 4 of the Code and Title 14, Chapter 235, Subchapter 2 of the Code (collectively, the "Authorizing Legislation"), to issue and sell the bond; and

WHEREAS, the Bondholder may pledge the bond as collateral for the payment of its revolving loan fund revenue bonds (the "ADFA Bonds"), which may be issued from time to time, to the bank or trust company to be named as trustee for the ADFA Bonds (the "ADFA Trustee"); and

WHEREAS, the City is required to pay to the Arkansas Development Finance Authority, as servicer (the "Authority"), a servicing fee equal to 1% per annum of the outstanding principal amount of the bond (the "Servicing Fee");

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

Section 1. The Improvements shall be accomplished and shall be a part of the System. The Mayor and City Clerk are hereby authorized to take, or cause to be taken, all action necessary to accomplish the Improvements and to execute all required contracts.

Section 2. The sale to the Bondholder of up to $1,500,000 in principal amount of a bond from the City at a price of par for a bond bearing interest at the rate of 0.75% per annum and otherwise subject to the terms and provisions hereafter in this Ordinance set forth in detail is hereby approved and the bond is hereby sold to the Bondholder. The Mayor is hereby authorized and directed to execute and deliver the Agreement on behalf of the City and to take all action required on the part of the City to fulfill its obligations under the Agreement. The Agreement is hereby approved in substantially the form submitted to this meeting with such changes as may be approved by the Mayor, his execution to constitute complete evidence of such approval.

Section 3. The City Council hereby finds and declares that the period of usefulness of the System after completion of the Improvements will be more than 25 years, which is longer than the term of the bond.

Section 4. Under the authority of the Constitution and laws of the State of Arkansas (the "State"), including particularly the Authorizing Legislation 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, Series 2024B (the "bond") is hereby authorized and ordered issued in the principal amount

of $1,500,000, the proceeds of the sale of which will be used to finance all or a portion of the costs of the Improvements, pay expenses incidental thereto and pay expenses of issuing the bond.

The bond shall bear interest at the rate of 0.75% per annum based upon a 360-day year of twelve consecutive 30-day months. The bond shall be dated the date of delivery to the Bondholder. Interest shall be payable on the first day of each month after the bond is issued. Commencing on December 1, 2027, principal shall be payable in monthly installments as set forth in Exhibit A to the Agreement which is structured for the bond to be repaid in equal amortized monthly installments of principal and interest over a 20 year period with the final payment due on November 1, 2047.

The bond will be registered as to both principal and interest, payable to the Bondholder, or registered assigns, as set forth hereinafter in the bond form, and shall be numbered R-1.

Payment of principal and interest shall be by check or draft to the Bondholder at its address shown on the bond registration books of the City which shall be maintained by the City Clerk as Bond Registrar, without presentation or surrender of the bond (except upon final payment) and such payments shall discharge the obligation of the City to the extent thereof. The City Clerk shall keep a payment record and make proper notations thereon of all payments of principal and interest.

Payment of principal and interest shall be in any coin or currency of the United States of America which, as at the time of payment, shall be legal tender for the payment of debts due the United States of America. When the principal of and interest on the bond have been fully paid, it shall be canceled and delivered to the City Clerk.

Section 5. The bond shall be executed on behalf of the City by the Mayor and City Clerk and shall have impressed thereon the seal of the City. The bond is not a general obligation of the City but is a special obligation, the principal of and interest on which, and Servicing Fee in connection therewith, are secured by a pledge of and are payable from revenues derived from the System ("Revenues"). The pledge of Revenues in favor of the bond is (a) subordinate to the pledge of Revenues in favor of the 2011 Bond and the 2017 Bonds (collectively, the "Senior Bonds") and (b) on a parity with the pledge of Revenues in favor of the 2012 Bond and the 2024 Bond (collectively, the "Parity Bonds"). The bond and interest thereon 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 authorized and directed to make all the recitals contained therein:

(form of single registered bond)
(To be typewritten)

UNITED STATES OF AMERICA
STATE OF ARKANSAS
COUNTY OF SALINE
CITY OF BRYANT
0.75% WATER AND SEWER REVENUE BOND, SERIES 2024B

No. R-1 $1,500,000

KNOW ALL MEN BY THESE PRESENTS:

That the City of Bryant, Saline County, Arkansas (the "City"), for value received, hereby acknowledges itself to owe and promises to pay to the Arkansas Development Finance Authority, or registered assigns, solely from the special fund provided as hereinafter set forth, the principal sum of

ONE MILLION FIVE HUNDRED THOUSAND DOLLARS
(or the total principal amount outstanding as reflected
by the Record of Payment of Advances attached hereto)

with interest on the unpaid balance of the total principal amount at the rate of 0.75% per annum from the date of each advance. 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.

Interest on the unpaid balance of the total principal amount shall be payable on _____ 1, 202__ and on the first day of each month thereafter. Principal shall be payable in installments on December 1, 2027 and on the first day of each month thereafter until the unpaid principal is paid in full as shown on Exhibit A attached hereto.

Payments of the principal and interest installments due hereon shall be made, except for final payment, without presentation and surrender of this bond, directly to the registered owner at his address shown on the bond registration book of the City maintained by the City Clerk as Bond Registrar, and such payments shall fully discharge the obligation of the City to the extent of the payments so made.

This bond is issued to finance all or a portion of the costs of constructing betterments and improvements to the sewer facilities of the water and sewer system of the City (the "System") and to pay costs of authorizing and issuing this bond, and 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. _____ of the City, duly

adopted and approved on the 29th day of October, 2024 (the "Authorizing Ordinance"). Reference is hereby made to 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 owner of this bond.

This bond may be assigned with the written approval of the Arkansas Natural Resources Commission (the "Commission"), and in order to effect such assignment the assignor shall promptly notify the City Clerk by registered mail, and the assignee shall surrender this bond along with a written approval of the Commission to the City Clerk 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 City Clerk), prior to such surrender for transfer.

This bond may be prepaid at the option of the City from funds from any source, in whole but not in part, at any time on and after April 15, 2035, at a prepayment price equal to the principal amount outstanding, plus accrued interest and Servicing Fee (as defined in the Authorizing Ordinance) to the prepayment date. Notice shall be given of such prepayment to the owner of this bond or registered assigns at least 90 days prior to the prepayment date. Such notice shall be in writing mailed to the address of the owner of this bond or registered assigns at the address as reflected on the bond registration books of the City Clerk.

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 this bond. This bond 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) subordinate to the pledge of System revenues in favor of the City's Water and Sewer Revenue Bond, Series 2011 and the City's Water and Sewer Refunding Revenue Bonds, Series 2017 and (b) on a parity with the pledge of System revenues in favor of the City's Water and Sewer Revenue Bond, Series 2012 and the City's Water and Sewer Revenue Bond, Series 2024, so long as such bonds are outstanding. A sufficient amount of System revenues to pay principal and interest has been duly set aside and pledged as a special fund for that purpose, identified as the "ADFA Bond Fund," in the Authorizing Ordinance. The City has fixed and has covenanted and agreed to maintain rates for use of the System which shall be sufficient at all times to at least provide for the payment of the reasonable expenses of operation and maintenance of the System, to provide for the payment of the principal of and interest on all the outstanding obligations to which System revenues are pledged as the same become due, to establish and maintain debt service reserves and to provide a depreciation fund, all as set forth in the Authorizing Ordinance.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State 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 this 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 this bond, as provided in the Authorizing Ordinance.

IN WITNESS WHEREOF, the City of Bryant, Arkansas has caused this bond to be executed in its name by its Mayor and City Clerk, thereunto duly authorized, and its corporate seal to be affixed, all as of the _____ day of _____, 2024.

CITY OF BRYANT, ARKANSAS

By _____
Mayor

ATTEST:

_____
City Clerk

(SEAL)

[A Registration Certificate and Record of Payment
of Advances shall be attached to the bond along with an
Exhibit A setting forth the monthly principal amounts to be paid.]

Section 7. 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 these ordinances, are hereby ratified, confirmed and continued.

The City covenants and agrees that the rates established will produce gross Revenues at least sufficient to pay monthly operation, maintenance and funded depreciation expenses of the System, pay the principal of and interest on all outstanding obligations to which Revenues are pledged ("System Obligations"), as the same become due, pay any financing, servicing and administrative fees in connection therewith as the same become due, and create and maintain any required debt service reserves ("Required Payments"). The City covenants always to maintain rates (including increases as necessary) which will provide for the Required Payments. The rates currently in effect for sewer service shall not be reduced without the prior written consent of the Commission and the Bondholder.

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, without the prior written approval of the Bondholder and the Commission; 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 the 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 special fund heretofore created and designated "Water and Sewer System Revenue Fund" (the "Revenue Fund"). Moneys in the Revenue Fund shall be applied to the payment of the expenses of operation and maintenance of the System, to the payment of the principal of and interest on outstanding System Obligations, to the establishment and maintenance of any required debt service reserves and to the providing of any required depreciation fund.

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 monthly 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 payments into the Operation and Maintenance Fund and into the bond funds for the Senior Bonds, there shall be paid from the Revenue Fund, contemporaneously with the required payments into the bond funds for the Parity Bonds, into an account of the City in a special fund to be created by the Bondholder and designated "Series 2024B" (the "ADFA Bond Fund") for the purpose of paying the principal of and interest on the bond the amounts specified in (b) below.

(b) There shall be deposited, from moneys in the Revenue Fund, into the ADFA Bond Fund on the first day of each month after the bond is issued and on the first day of each month thereafter until November 1, 2027, the interest due on the bond on such dates.

Commencing on the first day of each month thereafter, there shall be deposited from moneys in the Revenue Fund into the ADFA Bond Fund an amount equal to the principal of and interest on the bond due on such date. Moneys in the ADFA Bond Fund shall be used to pay the principal of and interest on the bond when due.

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

(d) The bond shall be specifically secured by a pledge of all Revenues required to be placed into the ADFA Bond Fund. 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.

Section 13. After making the payments and deposits described in Sections 11 and 12 hereof, there shall be paid from the Revenue Fund the Servicing Fee to the Authority. The Servicing Fee shall be payable on each date interest on the bond is due and shall be calculated on the same basis as interest on the bond. The payment of the Servicing Fee is expressly made subordinate to the payment of the principal of and interest on the bond.

Section 14. After making the payments and deposits described in Section 11, 12 and 13 hereof, there shall be paid from the Revenue Fund into a special fund heretofore created and designated "Water and Sewer System Depreciation Fund" (the "Depreciation Fund"), 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 or replacements made necessary by the depreciation of the System.

Section 15. Any surplus in the Revenue Fund, after making full provision for the payments and deposits described above, may be used, at the option of the City, for the redemption of the bonds or other System Obligations prior to maturity in accordance with their terms, for betterments and improvements to the System, or for other lawful purposes.

Section 16. The City shall assure that (i) not in excess of 10% of the 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 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 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 Improvements.

The City shall assure that not in excess of 5% of the 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 Section, "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.

Section 17. The principal and interest installments shall be prepayable prior to maturity as provided in the bond form in Section 6 hereof.

Section 18. (a) The City may issue additional bonds senior to the lien on Revenues in favor of the bond to finance or pay the cost of constructing extensions, betterments and improvements to the System or to refund other outstanding System Obligations if there shall have been procured and filed with the City Clerk and the Bondholder a statement by a certified public accountant not in the regular employ of the City ("Accountant") reciting the opinion that (i) the Net Revenues (Net Revenues being gross Revenues less operation and maintenance expenses, but not including interest and depreciation) for the fiscal year preceding the year in which such additional bonds are to be issued were not less than 120% of the maximum annual debt service requirements (including principal, interest and servicing and administrative fees) on all outstanding System Obligations and the bonds then proposed to be issued or (ii) the Net Revenues for the fiscal year succeeding the year in which such additional bonds are to be issued are projected to be sufficient in amount, taking in consideration any enacted increase in Revenues, to be not less than 120% of the maximum annual debt service requirements (including principal, interest and servicing and administrative fees) on all outstanding System Obligations and the bonds then proposed to be issued.

(b) The City may issue additional bonds on a parity with the lien on Revenues in favor of the bond to finance or pay the cost of constructing extensions, betterments and improvements to the System or to refund other outstanding System Obligations if there shall have been procured and filed with the City Clerk and the Bondholder a statement by an Accountant reciting the opinion that (i) the Net Revenues for the fiscal year preceding the year in which such additional bonds are to be issued were not less than 110% of the maximum annual debt service requirements (including principal, interest and servicing and administrative fees) on all outstanding System Obligations and the bonds then proposed to be issued or (ii) the Net Revenues for the fiscal year succeeding the year in which such additional bonds are to be issued are projected to be sufficient in amount, taking in consideration any enacted increase in Revenues, to be not less than 110% of the maximum annual debt service requirements (including principal, interest and servicing and administrative fees) on all outstanding System Obligations and the bonds then proposed to be issued.

(c) 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 19. It is covenanted and agreed by the City with the Bondholder and the Commission that it will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State and by this Ordinance, including, without limitation, the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the System, segregating Revenues and applying them to the respective funds maintained pursuant to this Ordinance.

The City covenants and agrees that the Bondholder shall have the protection of all the provisions of the Authorizing Legislation, and that the City will diligently proceed to enforce those provisions to the end of the Bondholder realizing fully upon its security. And, if the City shall fail to proceed within 30 days after written request shall have been filed by the Bondholder, the Bondholder may proceed to enforce all such provisions.

If there be any default in the payment of the principal of or interest on the bond, or if the City defaults in any ADFA Bond Fund requirement or in the performance of any of the other covenants contained in this Ordinance, the Bondholder may, by proper suit, compel the performance of the duties of the officials of the City under the laws of the State. In the case of a default in the payment of the principal of and interest on the bond, the Bondholder 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 Bondholder 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, repair and maintenance and to pay the bond and interest outstanding and to apply Revenues in conformity 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. No remedy herein conferred upon or reserved to the Bondholder is intended to be exclusive of any other remedy or remedies herein provided or provided by law, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or given by law. No delay or omission of the Bondholder 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 default or an acquiescence therein; and every power and remedy given by this Ordinance to the Bondholder may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon. Any costs of enforcement of the bond or of any provision of this Ordinance, including reasonable attorney's fees, shall be paid by the City. The Authority may enforce all rights and exercise all remedies available to the Bondholder in the event the Servicing Fee is not paid when due.

Section 20. When the bond has been executed and sealed as herein provided, it shall be delivered to the Bondholder upon payment of all or a portion of the purchase price in accordance with the Agreement. The sale proceeds shall be deposited, as and when received, in

a special account of the City hereby created in a bank selected by the City that is a member of the FDIC and designated the "2024B Sewer Construction Fund" (the "Construction Fund"). The moneys in the Construction Fund shall be used for directly paying, or reimbursing the City for, the costs of accomplishing the Improvements, expenses incidental thereto and the expenses of issuing the bond approved in accordance with the Agreement. Payments from the Construction Fund shall be by check or voucher signed by two persons designated by the City Council and drawn on the depository. Each such check or voucher shall briefly specify the purpose of the expenditure.

When the Improvements have been completed and all required expenses paid and expenditures made from the Construction Fund for and in connection with the accomplishment of the Improvements and the financing thereof, this fact shall be evidenced by a certificate signed by the Mayor and by the consulting engineer, which certificate shall state, among other things, the date of the completion and that all obligations payable from the Construction Fund have been discharged. A copy of the certificate shall be filed with the depository bank, the Bondholder and the Commission.

Section 21. The terms of this Ordinance shall constitute a contract among the City, the Bondholder and the Commission and no variation or change in the undertaking herein set forth shall be made while the bond is outstanding unless consented to in writing by the Bondholder and the Commission.

Section 22. The City agrees that it will keep proper records, books and accounts relating to the operation of the System, which shall be kept separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the operation of the System in accordance with generally accepted government accounting standards. Such books shall be available for inspection by the Bondholder and the Commission, or the agent or the representative of either, 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 report shall be furnished to the Commission and the Bondholder. In the event the City fails or refuses to furnish or cause such reports to be furnished, the Bondholder may have the reports made, and the cost thereof shall be charged against the Operation and Maintenance Fund.

Section 23. The City covenants and agrees that it will maintain the System in good condition and operate it in an efficient manner and at reasonable cost. The City agrees that, to the extent comparable protection is not otherwise provided to the satisfaction of the Bondholder and the Commission, it will insure, and at all times keep insured in a responsible insurance company or companies selected by the City and authorized and qualified under the laws of the State to assume the risk thereof, all above-ground structures of the System against loss or damage thereto in amounts and against such risks as are customarily insured against in connection with similar facilities and undertakings as the System. 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.

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. (a) Moneys held for the credit of any funds created hereby shall be continuously invested and reinvested in direct obligations of, or obligations the principal of and interest on which are fully guaranteed by, the United States Government ("Government Obligations"), or other investments as may be from time to time authorized by law, which mature or which shall be subject to redemption by the holder, at the option of such holder, not later than the date or dates when the moneys will be needed for the purposes intended.

(b) Obligations so purchased as an investment of moneys in any such 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 investment shall be credited to such fund, and any loss resulting from such investment shall be charged to such fund.

(c) Moneys so invested in Government Obligations need not be secured by the depository bank.

Section 26. The City agrees that the Bondholder may pledge the bond as security for the ADFA Bonds, and the ADFA Trustee and/or the municipal bond insurer for the ADFA Bonds may exercise any rights and remedies available to the Bondholder under this Ordinance or the Agreement while the bond is pledged and/or the ADFA Bonds are insured. In addition, the City agrees that while the bond is pledged and/or the ADFA Bonds are insured, copies of all financial information shall be furnished to the ADFA Trustee and/or the municipal bond insurer.

Section 27. A copy of the Agreement shall be filed in the office of the City Clerk where it may be inspected by any interested person.

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, it shall not affect the validity of the remainder of this Ordinance.

Section 29. References in this Ordinance to "Bondholder" shall include the original Bondholder or any registered assign thereof.

PASSED: October 29, 2024.

APPROVED:

_____
Mayor

ATTEST:

_____
City Clerk

(SEAL)

CERTIFICATE

The undersigned, City Clerk of the City of Bryant, Arkansas (the "City"), 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, held at the regular meeting place in the City at 6:30 p.m., on the 29th day of October, 2024, and that the Ordinance is of record in the Ordinance Record Book now in my possession.

GIVEN under my hand and seal on this 29th day of October, 2024.

_____
City Clerk

(SEAL)

BOND PURCHASE AGREEMENT

City of Bryant, Arkansas
Attention: Mayor

October 29, 2024

Ladies and Gentlemen:

Certain terms used in this Bond Purchase Agreement are defined as follows:

Issuer:	City of Bryant, Arkansas
Principal Amount:	$1,500,000
Interest Rate:	0.75%
Servicing Fee	1% per annum of the outstanding principal amount of the Bond (see Exhibit A)
Bond:	City of Bryant, Arkansas Water and Sewer Revenue Bond, Series 2024B
Bond Counsel:	Friday, Eldredge & Clark, LLP
Bond Ordinance:	Ordinance No. _____ of the Issuer, adopted October 29, 2024, under which the Bond is to be issued and secured.
Rate Ordinance:	Ordinance No. 2024-12 of the Issuer, adopted August 27, 2024, pursuant to which the rates are fixed for services of the Issuer's water and sewer system and System Revenues are collected.
System Revenues:	Revenues of the Issuer's water and sewer system.
Administrative Fee:	$-0-
Issuer's Notice Address:	City of Bryant, Arkansas 210 S.W. 3rd Bryant, Arkansas 72022 Attn: Mayor
Closing:	10:00 a.m., prevailing local time, on December 4, 2024 or at such other time or on such earlier or later date as is mutually agreed upon, at the offices of Bond Counsel in Little Rock, Arkansas.
Authorizing Legislation	Title 14, Chapter 164, Subchapter 4, Title 14, Chapter 234, Subchapter 2 and Title 14, Chapter 235, Subchapter 2 of the Arkansas Code of 1987 Annotated.

Disbursement
Cut-Off Date: November 1, 2027

The Arkansas Natural Resources Commission (the "Commission") and the Arkansas Development Finance Authority (the "Authority") hereby offer to enter into this Bond Purchase Agreement (the "Agreement") with you, the Issuer, for the purchase by the Authority from moneys in the Construction Assistance Revolving Loan Fund Account, created by Arkansas Code Annotated Section 15-5-901, as the same may be amended from time to time, including the Clean Water Loan Account being held in connection with the Authority's Revolving Loan Fund Revenue Bonds (the "Revolving Loan Fund"), and the sale by you of the Bond of the Issuer more particularly described below. Upon approval by you and by the execution of the acceptance hereof by the Mayor of the Issuer, this Agreement shall be in full force and effect in accordance with its terms and shall be valid, binding, and enforceable upon the Issuer, the Commission, and the Authority.

Further terms of this Agreement are:

1. Upon the terms and conditions and upon the basis of the representations herein set forth, the Authority hereby agrees to purchase from the Issuer and the Issuer hereby agrees to sell to the Authority the entire Principal Amount of the Bond to be issued under and secured by the Bond Ordinance.

2. The Bond is being issued for the purpose of financing all or a portion of the costs of betterments and improvements to the sewer facilities of the Issuer, as described in the plans and specifications furnished by the Issuer to and concurred with by the Commission (the "Project"), paying costs incidental thereto and paying approved expenses incurred in connection with the issuance of the Bond. The proceeds of the Bond are expected to be used as set forth in Exhibit B.

3. The Bond and the Servicing Fee shall be secured by a pledge of and payable from the System Revenues. The pledge of System Revenues in favor of the Bond is (a) subordinate to the pledge of System Revenues in favor of the Issuer's Water and Sewer Revenue Bond, Series 2011 and the Issuer's Water and Sewer Refunding Revenue Bonds, Series 2017 and (b) on a parity with the pledge of System Revenues in favor of the Issuer's Water and Sewer Revenue Bond, Series 2012 and the Issuer's Water and Sewer Revenue Bond, Series 2024 (collectively, the "Parity Bonds"). Rates for usage of the Issuer's water and sewer system (the "System") have been levied and the System Revenues are collected pursuant to the Rate Ordinance.

4. The Bond shall be dated the date of the Closing. The Bond shall be authorized in an amount up to the Principal Amount identified above, and shall bear interest at the Interest Rate identified above. Principal and interest shall be amortized in accordance with the schedule set forth on Exhibit A attached hereto (which is based upon monthly repayment of principal and interest commencing on December 1, 2027 and a 20 year amortization), and the Issuer shall pay to the Authority interest on the Bond on the first day of the month after the Bond is issued and on the first day of each month thereafter to and including the Disbursement Cut-Off Date. In addition to the payment of the principal and interest on the Bond, the Issuer shall be

obligated to pay the Servicing Fee to the Authority. The Servicing Fee shall be payable in the same manner and on the same dates as interest on the Bond is due. The payment of the Servicing Fee is expressly made subordinate to the payment of the principal of and interest on the Bond. The Issuer agrees that any delay in completion of the Project beyond the Disbursement Cut-Off Date shall not result in any extension of the date on which principal and interest payments are to be made on the Bond. The Bond shall be subject to redemption prior to maturity, shall be payable, and shall be as otherwise described in the Bond Ordinance. Interest on the Bond shall not be excludable from gross income for federal income tax purposes.

5. The Issuer recognizes that the Authority and the Commission shall be under no obligation to provide any funds to the Issuer other than the proceeds of the Bond. If, for any reason, the Issuer does not utilize the entire Bond proceeds, then in such event the Principal Amount of the Bond will be reduced to the amount actually withdrawn. Any reduction of the Bond pursuant to this provision shall result in pro rata reductions of the remaining installments of principal so that the weighted average life of the Bond immediately following any such reduction shall be substantially equal to the weighted average life of the Bond immediately prior to such reduction. The Authority agrees to accept, or cause the registered owner of the Bond to accept, a new Bond from the Issuer reflecting the revised payment schedule.

6. Subject to the terms and conditions and upon the basis of the representations herein set forth, the Authority hereby agrees to purchase the Bond from the Issuer in installments from time to time from moneys in the Revolving Loan Fund in an amount up to the Principal Amount, and the Issuer hereby agrees to sell the Bond to the Authority at a price of 100 percent of the Principal Amount of the Bond purchased from time to time. The purchase price for the Bond shall be paid in a series of advances in accordance with the provisions of paragraph 7. The initial advance of the purchase price shall take place at the Closing. At the Closing, the Issuer will deliver, or cause to be delivered, to the Authority a single typewritten bond, duly executed and authenticated, together with the other documents herein required, and the Authority will accept delivery and make the initial advance of the purchase price of the Bond by wire transfer of immediately available funds or by certified or official bank cashier's check as directed by the Issuer. If the Closing and the initial advance do not occur within 180 days from the date hereof, then the Authority’s obligation to purchase the Bond is terminated.

7. So long as the Issuer is in compliance with the terms and provisions of this Agreement and the Bond Ordinance and the representations and warranties of the Issuer made herein remain true and correct, the Authority agrees to make, and the Commission agrees to approve advances of the purchase price of the Bond ("Disbursements") from moneys in the Revolving Loan Fund as follows:

(a) Disbursements shall only be made based upon actual work completed;

(b) The Issuer may request reimbursement for costs not more often than monthly, provided however, during the Project performance period requests for reimbursement shall be limited to quarterly;

(c) Disbursements shall be for costs incurred prior to the Disbursement Cut-Off Date, and no Disbursements shall be made following the Disbursement Cut-Off Date;

(d) Disbursements shall be made for eligible work called for in the engineering services contract and in the plans and specifications approved by the Commission and Bond issuance costs eligible under Title XVI of the Rules of the Commission, as now or hereafter amended ("Title XVI"); and

(e) All requests for Disbursements must be made in accordance with Title XVI and shall be made by forwarding a completed copy of a Disbursement Request, in the form attached as Exhibit C hereto, to the Commission, along with the documentation for eligible Project costs incurred since the last Disbursement Request and not previously submitted.

8. The parties hereto acknowledge that the Authority may pledge the Bond to secure payment of the Authority's revolving loan fund revenue bonds to be issued from time to time (the "ADFA Bonds"). The Authority agrees not to make any other transfer or attempt to transfer the Bond without the prior written consent of the Commission and without written disclosure to the transferee that the interest on the Bond is includable in gross income for federal income tax purposes. Upon transfer of the Bond, the Authority and the Commission may assign their rights hereunder to the new owner of the Bond without consent of the Issuer.

9. The Issuer agrees to pay the Authority at the Closing the Administrative Fee, which fee may be paid from Bond proceeds at the option of the Issuer.

10. The Issuer represents and warrants to, and agrees with, the Authority and the Commission that:

(a) The Issuer is a city of the first class, duly organized and existing under the laws of the State of Arkansas, and has, and at the date of Closing will have, full legal right, power, and authority (i) to enter into this Agreement, (ii) to adopt the Bond Ordinance and the Rate Ordinance, (iii) to issue, sell, and deliver the Bond to the Authority as provided herein, (iv) to levy the rates for usage of the System ("Rates") and pledge the System Revenues, and (v) to carry out and consummate the transactions contemplated by this Agreement, the Bond Ordinance and the Rate Ordinance;

(b) The Issuer has complied, and will at the date of Closing be in compliance, in all respects, with the Authorizing Legislation;

(c) By adoption of the Bond Ordinance pursuant to the Authorizing Legislation, the Issuer has duly authorized and approved the execution and delivery of, and the performance by the Issuer of the obligations contained in, the Bond and this Agreement and, when delivered to and paid for by the Authority at the Closing in accordance with the provisions of this Agreement, the Bond will have been duly authorized, executed, issued, and delivered and will constitute a valid and binding obligation of the Issuer in accordance with its terms, in conformity with the Authorizing Legislation, entitled to the benefit and security of the Bond Ordinance;

(d) The financial statements of the System delivered to the Commission and the Authority are true and correct in all respects, have been prepared in accordance with generally accepted government accounting principles for municipalities, consistently applied, and fairly present the financial condition of the System as of their respective dates;

(e) The execution and delivery of this Agreement and the Bond, the adoption of the Bond Ordinance and the Rate Ordinance, the fixing of the Rates, the pledge of the System Revenues to the Bond, and the carrying out and consummation of the transactions contemplated by this Agreement and the Bond Ordinance will not conflict with or constitute a breach of or default under any applicable law or administrative regulation of the State of Arkansas or the United States or any judgment or decree or any agreement or other instrument to which the Issuer is a party or is otherwise subject;

(f) There is no action, suit, proceeding, or investigation involving the Issuer before or by any court, public board, or body pending or, to the knowledge of the Issuer, threatened wherein an unfavorable decision, ruling, or finding would: (i) affect the creation, organization, existence, or powers of the Issuer or the titles of its officials to their offices, (ii) enjoin or restrain the issuance, sale, and delivery of the Bond, the fixing of the Rates, or collection of the System Revenues or the pledge thereof, (iii) in any way question or affect any of the rights, powers, duties, or obligations of the Issuer with respect to the System Revenues, (iv) in any way question or affect any authority for the issuance of the Bond or the validity or enforceability of the Bond, the Bond Ordinance or the Rate Ordinance, or (v) in any way question or affect this Agreement or the transactions contemplated by this Agreement, or any other agreement or instrument relating thereto to which the Issuer is a party;

(g) The Rates have been duly fixed under the Authorizing Legislation and the Rate Ordinance, and the System Revenues have been duly pledged to the payment of the Bond under the Bond Ordinance pursuant to the authority granted by the Authorizing Legislation; and

(h) The Issuer will promptly remit each Disbursement to the person or persons to whom payment is then due and owing.

11. The Issuer covenants and agrees with the Commission and the Authority:

(a) To comply with all applicable Arkansas and federal statutes and regulations, including particularly, without limitation, Title XVI;

(b) To utilize and expend the proceeds of the Bond in a timely and expeditious manner by: (1) utilizing Bond proceeds for eligible Project costs and approved issuance costs, (2) proceeding expeditiously with and completing the Project, and (3) completing all facilities recommended in the approved facilities plan;

(c) To establish and maintain adequate financial records for the Project in accordance with "generally accepted governmental accounting standards" defined as, but not limited to, those contained in the U.S. General Accounting Office (GAO) publication "Standards

for Audit of Governmental Organizations, Programs, Activities and Functions" (February 27, 1981), and make these records available to the Commission or its authorized representatives;

(d) To undertake the Project on its own responsibility and release and hold harmless the Commission and the Authority, and their officers, members, directors and employees, from any claim arising in connection with the design, construction, or operation of the Project or any other aspect of the sewer facilities of the Issuer, including any matter due solely to their own negligence;

(e) To comply with all terms and conditions of any construction contracts, architectural or engineering agreements, and other agreements to which the Issuer is a party affecting the Project, the premises of the sewer facilities of the Issuer, and its operations and to require or cause to be required its construction contractor to furnish both a performance bond and payment bond in the full amount of the construction contract for the Project;

(f) To become familiar with and comply with all federal and state laws pertaining to equal employment opportunities ensuring that all engineers and contractors for the Project do not discriminate against any person on the basis of race, color, religion, sex, age, national origin, or handicap;

(g) To provide complete (unaudited) financial statements and budget information for the System to the Commission, within 30 days of a written request from the Commission, for any year(s) during which this Agreement is in effect;

(h) To maintain and operate the System in a sound and economical manner and in accordance with standards as may be required or prescribed by federal, state, or local regulatory agencies; and

(i) To comply with the federal requirements set forth in Exhibit D attached hereto unless such requirements are waived by the Commission and the Environmental Protection Agency. (For purposes of Exhibit D, the term "Borrower" therein shall have the same meaning as the term "Issuer" herein.)

12. The Issuer covenants and agrees with the Authority as follows:

(a) For purposes of this paragraph, the following terms shall have the meanings set forth below.

"Financial Obligation" shall mean a

(i) debt obligation;

(ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or

(iii) guarantee of obligations described in (i) or (ii).

The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with Rule 15c2-12.

"Rule 15c2-12" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (17 C.F.R., Part 240 §240.15c2-12).

"Obligated Person" shall mean any person who is committed by contract or other arrangement to support payments in a sum equal to twenty percent (20%) or more of the aggregate payments of the loans, including the Bond, which comprise the Revolving Loan Funds administered by the Authority, and which are pledged as security for ADFA Bonds.

(b) If, during any fiscal year of the Authority, the outstanding obligations of the Issuer under the terms of the Bond shall cause the Issuer to be deemed an Obligated Person, and unless in the opinion of bond counsel for the ADFA Bonds an exemption from Rule 15c2-12 is then available, the Issuer shall, upon notice from the Authority, within 120 days after the close of each fiscal year of the Authority, furnish the Authority (i) a copy of the latest financial statements of the Issuer (or the System if separately audited) prepared in accordance with generally accepted government accounting standards and audited by its independent auditors (or, if not available as of such date, the latest unaudited financial statements of the Issuer (or the System if separately audited) and, as soon thereafter as available, the audited financial statements) and (ii) such financial information and operating data relating to the Issuer and the System as agreed to by the Issuer and the Authority.

(c) The Issuer shall provide to the Authority, within five (5) business days after the occurrence thereof, notice of any of the following events with respect to the Bond:

(i) any principal or interest payment delinquency with respect to the Bond;

(ii) any non-payment related default under the Bond Ordinance, the Bond or this Agreement, if material;

(iii) any event that would cause the Bond to be a "private activity bond" under the Internal Revenue Code of 1986, as amended;

(iv) any release, substitution or sale of property securing repayment of the Bond, if material;

(v) bankruptcy, insolvency, receivership or similar event of the Issuer;

(vi) 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 action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(vii) incurrence of a Financial Obligation if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect owners of the ADFA Bonds, if material; and

(viii) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties.

(d) The Issuer's obligations under this paragraph shall terminate upon the prior redemption or payment in full of the Bond.

(e) Nothing in this paragraph shall be deemed to prevent the Issuer from disseminating any other information, or including any other information in any notice or report made hereunder, in addition to that which is specifically required by this paragraph. If the Issuer chooses to include any information in any report or notice made hereunder in addition to that which is specifically required by this paragraph, the Issuer shall have no obligation hereunder to update such information or include it in any future report or notice.

(f) The reporting requirements set forth in this Agreement are in addition to the financial reporting requirements set forth in the Bond Ordinance.

13. The Authority and the Commission have entered into this Agreement in reliance upon the representations and agreements of the Issuer herein and the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the Closing. The obligation of the Authority and the Commission under this Agreement are and shall be subject to the following further conditions:

(a) At the Closing, the Bond Ordinance and the Rate Ordinance shall be in full force and effect and shall not have been amended, modified, or supplemented after the date hereof except as may have been agreed to by the Authority and the Commission, and the Issuer shall have duly adopted and there shall be in full force and effect such other ordinances and resolutions as, in the opinion of Bond Counsel and the Commission, shall be necessary in connection with the transactions contemplated hereby.

(b) The representations and warranties of the Issuer contained herein shall be true, complete, and correct on the date hereof and on and as of the date of the Closing, as if made on and as of the date of the Closing.

(c) At or prior to the Closing, the Commission and the Authority shall have received the following:

(1) The Bond Ordinance and the Rate Ordinance, certified by the Issuer under its seal as having been duly adopted and as being in full force and effect, with only such amendments as may have been agreed to by the Commission and the Authority;

(2) An unqualified approving opinion, dated the date of the Closing, of Bond Counsel, in form and substance satisfactory to the Commission and the Authority, to the effect that:

(i) the Issuer is duly created and validly existing as a city of the first class of the State of Arkansas, with the power to adopt the Bond Ordinance and the Rate Ordinance, perform the agreements on its part contained in the Bond Ordinance, and issue the Bond;

(ii) the Bond has been duly authorized and issued by the Issuer and is a valid and binding special obligation of the Issuer enforceable in accordance with its terms;

(iii) the Bond is secured by an irrevocable pledge of and lien on the System Revenues as provided in the Bond Ordinance, which pledge is valid and enforceable; and

(iv) the interest on the Bond is exempt from all Arkansas state, county, and municipal taxes;

(3) A supplemental opinion, dated the date of Closing, of Bond Counsel, in form and substance satisfactory to the Commission and the Authority, to the effect that (i) the Bond and the Bond Ordinance conform in both form and tenor to the provisions relating thereto summarized in the Term Sheet attached to the Memorandum of Agreement for the Project, (ii) if the Bond was being purchased on a tax-exempt basis, the Bond would not constitute a "private activity bond" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended, and (iii) the Agreement has been authorized, executed and delivered by the Issuer and is a binding and enforceable agreement of the Issuer enforceable in accordance with its terms, and covering such other matters as may be reasonably requested by the Authority and the Commission;

(4) A certificate dated the date of the Closing and signed by the Mayor and the City Clerk of the Issuer and the manager of the System, if applicable, to the effect that: (i) the representations and warranties of the Issuer contained herein are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing, (ii) the Issuer has complied with all agreements and covenants and satisfied all conditions on its part to be complied with or satisfied at or prior to the Closing, and (iii) there has been no material adverse change in the business, property, or financial condition of the System and the System has not incurred any material liabilities other than in the normal course of business which

have not been disclosed in writing to the Commission and the Authority since the date of the latest financial statements submitted to the Commission and the Authority;

(5) A transcript of all proceedings relating to the authorization and issuance of the Bond; and

(6) Such additional legal opinions, certificates, proceedings, instruments, and other documents as the Commission, the Authority, and Bond Counsel may reasonably request to evidence compliance by the Issuer with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of the Issuer herein contained, and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer.

All of the opinions, letters, certificates, instruments, and other documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Commission and the Authority. The performance of any and all obligations of the Issuer under this Agreement and the performance of any and all conditions contained herein for the benefit of the Authority and the Commission may be waived by the Authority and the Commission in their sole discretion.

14. All notices, demands, and formal actions hereunder will be in writing mailed, telegraphed, or delivered to the parties at the following addresses:

The Issuer: Issuer's Notice Address

The Commission: Arkansas Natural Resources Commission
10421 West Markham Street
Little Rock, Arkansas 72205
Attention: Rickey Thompson

The Authority: Arkansas Development Finance Authority
1 Commerce Way, Suite 602
Little Rock, Arkansas 72202
Attention: President

15. The Issuer shall maintain a Depreciation Fund as set forth in the Bond Ordinance.

16. All representations and warranties of the Issuer contained herein shall remain operative and in full force and shall survive (a) the execution and delivery of this Agreement, (b) any investigation made by or on behalf of the Commission or the Authority, (c) the purchase of the Bond hereunder, and (d) any disposition of or payment for the Bond.

17. Any audit or review of plans and specifications and any inspection of the work shall be for the Commission's convenience only in order to determine that they are within the approved scope of the Project. No such review and inspection, approvals, and disapprovals shall be an undertaking by the Commission of responsibility for design or construction.

18. Neither the Commission nor the Authority is a partner, joint venturer, or in any other way a party to the Project or the operation of the sewer facilities of the Issuer. Neither the Commission nor the Authority shall in any way be liable or responsible by reason of the provisions hereof to the Issuer or any third party for the payment of any claims in connection therewith.

19. The Issuer shall not purchase any of the ADFA Bonds or any other bonds issued for the purpose of providing funds to the Authority for the purchase of the Bond.

20. The Authority and the Commission agree that the Bond will be issued with a pledge of System Revenues on a parity with the pledge in favor of the Parity Bonds without complying with the provisions of the ordinances authorizing the issuance of the Parity Bonds relating to parity bonds.

21. This Agreement may be executed in any number of counterparts with each executed counterpart constituting an original but all of which together shall constitute one and the same instrument.

22. This Agreement will inure to the benefit of and be binding upon the parties hereto and their successors and will not confer any rights upon any other person. This Agreement shall be governed by and construed in accordance with the laws of the State of Arkansas.

ARKANSAS NATURAL RESOURCES COMMISSION

By_____
Authorized Representative

ARKANSAS DEVELOPMENT FINANCE AUTHORITY

By_____
President

ACCEPTED this 29th day of October, 2024.

CITY OF BRYANT, ARKANSAS

_____

Mayor

EXHIBIT A
AMORTIZATION SCHEDULE

Natural Resources Division
Bryant - 02334-CW-L
Loan Amortization Report

Loan Closing Date	Disbursement Cut-off Date	First Payment Date	Repayment Length Years	Total Number of Payments	Amortization Interest Start Date	Annual Lending Rate	Total Principal	Construction Interest Start Date
Dec 4, 2024	Nov 1, 2027	Dec 1, 2027	20	240	Nov 1, 2027	1.75%	$ 1,500,000.00	Dec 4, 2024

Num	Date	Principal	Rate	Interest	Fees	Total	Contracted Bal
0	/ /	$0.00	0	$0.00	$0.00	$0.00	$1,500,000.00
1	12/01/2027	$5,224.43	0.75	$937.50	$1,250.00	$7,411.93	$1,494,775.57
2	01/01/2028	$5,232.05	0.75	$934.23	$1,245.65	$7,411.93	$1,489,543.52
3	02/01/2028	$5,239.68	0.75	$930.96	$1,241.29	$7,411.93	$1,484,303.84
4	03/01/2028	$5,247.32	0.75	$927.69	$1,236.92	$7,411.93	$1,479,056.52
5	04/01/2028	$5,254.97	0.75	$924.41	$1,232.55	$7,411.93	$1,473,801.55
6	05/01/2028	$5,262.63	0.75	$921.13	$1,228.17	$7,411.93	$1,468,538.92
7	06/01/2028	$5,270.31	0.75	$917.84	$1,223.78	$7,411.93	$1,463,268.61
8	07/01/2028	$5,278.00	0.75	$914.54	$1,219.39	$7,411.93	$1,457,990.61
9	08/01/2028	$5,285.70	0.75	$911.24	$1,214.99	$7,411.93	$1,452,704.91
10	09/01/2028	$5,293.40	0.75	$907.94	$1,210.59	$7,411.93	$1,447,411.51
11	10/01/2028	$5,301.12	0.75	$904.63	$1,206.18	$7,411.93	$1,442,110.39
12	11/01/2028	$5,308.85	0.75	$901.32	$1,201.76	$7,411.93	$1,436,801.54
13	12/01/2028	$5,316.60	0.75	$898.00	$1,197.33	$7,411.93	$1,431,484.94
14	01/01/2029	$5,324.35	0.75	$894.68	$1,192.90	$7,411.93	$1,426,160.59
15	02/01/2029	$5,332.11	0.75	$891.35	$1,188.47	$7,411.93	$1,420,828.48
16	03/01/2029	$5,339.89	0.75	$888.02	$1,184.02	$7,411.93	$1,415,488.59
17	04/01/2029	$5,347.68	0.75	$884.68	$1,179.57	$7,411.93	$1,410,140.91
18	05/01/2029	$5,355.47	0.75	$881.34	$1,175.12	$7,411.93	$1,404,785.44
19	06/01/2029	$5,363.29	0.75	$877.99	$1,170.65	$7,411.93	$1,399,422.15
20	07/01/2029	$5,371.10	0.75	$874.64	$1,166.19	$7,411.93	$1,394,051.05
21	08/01/2029	$5,378.94	0.75	$871.28	$1,161.71	$7,411.93	$1,388,672.11
22	09/01/2029	$5,386.78	0.75	$867.92	$1,157.23	$7,411.93	$1,383,285.33
23	10/01/2029	$5,394.64	0.75	$864.55	$1,152.74	$7,411.93	$1,377,890.69
24	11/01/2029	$5,402.51	0.75	$861.18	$1,148.24	$7,411.93	$1,372,488.18
25	12/01/2029	$5,410.38	0.75	$857.81	$1,143.74	$7,411.93	$1,367,077.80
26	01/01/2030	$5,418.28	0.75	$854.42	$1,139.23	$7,411.93	$1,361,659.52
27	02/01/2030	$5,426.17	0.75	$851.04	$1,134.72	$7,411.93	$1,356,233.35
28	03/01/2030	$5,434.09	0.75	$847.65	$1,130.19	$7,411.93	$1,350,799.26
29	04/01/2030	$5,442.01	0.75	$844.25	$1,125.67	$7,411.93	$1,345,357.25
30	05/01/2030	$5,449.95	0.75	$840.85	$1,121.13	$7,411.93	$1,339,907.30
31	06/01/2030	$5,457.90	0.75	$837.44	$1,116.59	$7,411.93	$1,334,449.40
32	07/01/2030	$5,465.86	0.75	$834.03	$1,112.04	$7,411.93	$1,328,983.54
33	08/01/2030	$5,473.83	0.75	$830.61	$1,107.49	$7,411.93	$1,323,509.71
34	09/01/2030	$5,481.82	0.75	$827.19	$1,102.92	$7,411.93	$1,318,027.89
35	10/01/2030	$5,489.80	0.75	$823.77	$1,098.36	$7,411.93	$1,312,538.09
36	11/01/2030	$5,497.81	0.75	$820.34	$1,093.78	$7,411.93	$1,307,040.28
37	12/01/2030	$5,505.83	0.75	$816.90	$1,089.20	$7,411.93	$1,301,534.45
38	01/01/2031	$5,513.86	0.75	$813.46	$1,084.61	$7,411.93	$1,296,020.59
39	02/01/2031	$5,521.90	0.75	$810.01	$1,080.02	$7,411.93	$1,290,498.69
40	03/01/2031	$5,529.95	0.75	$806.56	$1,075.42	$7,411.93	$1,284,968.74
41	04/01/2031	$5,538.01	0.75	$803.11	$1,070.81	$7,411.93	$1,279,430.73
42	05/01/2031	$5,546.10	0.75	$799.64	$1,066.19	$7,411.93	$1,273,884.63
43	06/01/2031	$5,554.18	0.75	$796.18	$1,061.57	$7,411.93	$1,268,330.45
44	07/01/2031	$5,562.28	0.75	$792.71	$1,056.94	$7,411.93	$1,262,768.17
45	08/01/2031	$5,570.39	0.75	$789.23	$1,052.31	$7,411.93	$1,257,197.78
46	09/01/2031	$5,578.52	0.75	$785.75	$1,047.66	$7,411.93	$1,251,619.26
47	10/01/2031	$5,586.65	0.75	$782.26	$1,043.02	$7,411.93	$1,246,032.61
48	11/01/2031	$5,594.80	0.75	$778.77	$1,038.36	$7,411.93	$1,240,437.81
49	12/01/2031	$5,602.96	0.75	$775.27	$1,033.70	$7,411.93	$1,234,834.85

50	01/01/2032	$5,611.13	0.75	$771.77	$1,029.03	$7,411.93	$1,229,223.72	
51	02/01/2032	$5,619.32	0.75	$768.26	$1,024.35	$7,411.93	$1,223,604.40	
52	03/01/2032	$5,627.51	0.75	$764.75	$1,019.67	$7,411.93	$1,217,976.89	
53	04/01/2032	$5,635.71	0.75	$761.24	$1,014.98	$7,411.93	$1,212,341.18	
54	05/01/2032	$5,643.94	0.75	$757.71	$1,010.28	$7,411.93	$1,206,697.24	
55	06/01/2032	$5,652.16	0.75	$754.19	$1,005.58	$7,411.93	$1,201,045.08	
56	07/01/2032	$5,660.41	0.75	$750.65	$1,000.87	$7,411.93	$1,195,384.67	
57	08/01/2032	$5,668.66	0.75	$747.12	$996.15	$7,411.93	$1,189,716.01	
58	09/01/2032	$5,676.93	0.75	$743.57	$991.43	$7,411.93	$1,184,039.08	
59	10/01/2032	$5,685.21	0.75	$740.02	$986.70	$7,411.93	$1,178,353.87	
60	11/01/2032	$5,693.50	0.75	$736.47	$981.96	$7,411.93	$1,172,660.37	
61	12/01/2032	$5,701.80	0.75	$732.91	$977.22	$7,411.93	$1,166,958.57	
62	01/01/2033	$5,710.11	0.75	$729.35	$972.47	$7,411.93	$1,161,248.46	
63	02/01/2033	$5,718.44	0.75	$725.78	$967.71	$7,411.93	$1,155,530.02	
64	03/01/2033	$5,726.78	0.75	$722.21	$962.94	$7,411.93	$1,149,803.24	
65	04/01/2033	$5,735.13	0.75	$718.63	$958.17	$7,411.93	$1,144,068.11	
66	05/01/2033	$5,743.50	0.75	$715.04	$953.39	$7,411.93	$1,138,324.61	
67	06/01/2033	$5,751.88	0.75	$711.45	$948.60	$7,411.93	$1,132,572.73	
68	07/01/2033	$5,760.26	0.75	$707.86	$943.81	$7,411.93	$1,126,812.47	
69	08/01/2033	$5,768.66	0.75	$704.26	$939.01	$7,411.93	$1,121,043.81	
70	09/01/2033	$5,777.08	0.75	$700.65	$934.20	$7,411.93	$1,115,266.73	
71	10/01/2033	$5,785.50	0.75	$697.04	$929.39	$7,411.93	$1,109,481.23	
72	11/01/2033	$5,793.93	0.75	$693.43	$924.57	$7,411.93	$1,103,687.30	
73	12/01/2033	$5,802.39	0.75	$689.80	$919.74	$7,411.93	$1,097,884.91	
74	01/01/2034	$5,810.85	0.75	$686.18	$914.90	$7,411.93	$1,092,074.06	
75	02/01/2034	$5,819.32	0.75	$682.55	$910.06	$7,411.93	$1,086,254.74	
76	03/01/2034	$5,827.81	0.75	$678.91	$905.21	$7,411.93	$1,080,426.93	
77	04/01/2034	$5,836.30	0.75	$675.27	$900.36	$7,411.93	$1,074,590.63	
78	05/01/2034	$5,844.82	0.75	$671.62	$895.49	$7,411.93	$1,068,745.81	
79	06/01/2034	$5,853.34	0.75	$667.97	$890.62	$7,411.93	$1,062,892.47	
80	07/01/2034	$5,861.88	0.75	$664.31	$885.74	$7,411.93	$1,057,030.59	
81	08/01/2034	$5,870.43	0.75	$660.64	$880.86	$7,411.93	$1,051,160.16	
82	09/01/2034	$5,878.98	0.75	$656.98	$875.97	$7,411.93	$1,045,281.18	
83	10/01/2034	$5,887.56	0.75	$653.30	$871.07	$7,411.93	$1,039,393.62	
84	11/01/2034	$5,896.15	0.75	$649.62	$866.16	$7,411.93	$1,033,497.47	
85	12/01/2034	$5,904.74	0.75	$645.94	$861.25	$7,411.93	$1,027,592.73	
86	01/01/2035	$5,913.35	0.75	$642.25	$856.33	$7,411.93	$1,021,679.38	
87	02/01/2035	$5,921.98	0.75	$638.55	$851.40	$7,411.93	$1,015,757.40	
88	03/01/2035	$5,930.62	0.75	$634.85	$846.46	$7,411.93	$1,009,826.78	
89	04/01/2035	$5,939.27	0.75	$631.14	$841.52	$7,411.93	$1,003,887.51	
90	05/01/2035	$5,947.93	0.75	$627.43	$836.57	$7,411.93	$997,939.58	
91	06/01/2035	$5,956.60	0.75	$623.71	$831.62	$7,411.93	$991,982.98	
92	07/01/2035	$5,965.29	0.75	$619.99	$826.65	$7,411.93	$986,017.69	
93	08/01/2035	$5,973.99	0.75	$616.26	$821.68	$7,411.93	$980,043.70	
94	09/01/2035	$5,982.70	0.75	$612.53	$816.70	$7,411.93	$974,061.00	
95	10/01/2035	$5,991.42	0.75	$608.79	$811.72	$7,411.93	$968,069.58	
96	11/01/2035	$6,000.17	0.75	$605.04	$806.72	$7,411.93	$962,069.41	
97	12/01/2035	$6,008.92	0.75	$601.29	$801.72	$7,411.93	$956,060.49	
98	01/01/2036	$6,017.67	0.75	$597.54	$796.72	$7,411.93	$950,042.82	
99	02/01/2036	$6,026.45	0.75	$593.78	$791.70	$7,411.93	$944,016.37	
100	03/01/2036	$6,035.24	0.75	$590.01	$786.68	$7,411.93	$937,981.13	
101	04/01/2036	$6,044.04	0.75	$586.24	$781.65	$7,411.93	$931,937.09	
102	05/01/2036	$6,052.86	0.75	$582.46	$776.61	$7,411.93	$925,884.23	
103	06/01/2036	$6,061.68	0.75	$578.68	$771.57	$7,411.93	$919,822.55	
104	07/01/2036	$6,070.52	0.75	$574.89	$766.52	$7,411.93	$913,752.03	
105	08/01/2036	$6,079.37	0.75	$571.10	$761.46	$7,411.93	$907,672.66	
106	09/01/2036	$6,088.24	0.75	$567.30	$756.39	$7,411.93	$901,584.42	
107	10/01/2036	$6,097.12	0.75	$563.49	$751.32	$7,411.93	$895,487.30	
108	11/01/2036	$6,106.01	0.75	$559.68	$746.24	$7,411.93	$889,381.29	
109	12/01/2036	$6,114.92	0.75	$555.86	$741.15	$7,411.93	$883,266.37	
110	01/01/2037	$6,123.83	0.75	$552.04	$736.06	$7,411.93	$877,142.54	
111	02/01/2037	$6,132.77	0.75	$548.21	$730.95	$7,411.93	$871,009.77	
112	03/01/2037	$6,141.71	0.75	$544.38	$725.84	$7,411.93	$864,868.06	
113	04/01/2037	$6,150.67	0.75	$540.54	$720.72	$7,411.93	$858,717.39	

114	05/01/2037	$6,159.63	0.75	$536.70	$715.60	$7,411.93	$852,557.76	
115	06/01/2037	$6,168.62	0.75	$532.85	$710.46	$7,411.93	$846,389.14	
116	07/01/2037	$6,177.62	0.75	$528.99	$705.32	$7,411.93	$840,211.52	
117	08/01/2037	$6,186.62	0.75	$525.13	$700.18	$7,411.93	$834,024.90	
118	09/01/2037	$6,195.64	0.75	$521.27	$695.02	$7,411.93	$827,829.26	
119	10/01/2037	$6,204.68	0.75	$517.39	$689.86	$7,411.93	$821,624.58	
120	11/01/2037	$6,213.72	0.75	$513.52	$684.69	$7,411.93	$815,410.86	
121	12/01/2037	$6,222.79	0.75	$509.63	$679.51	$7,411.93	$809,188.07	
122	01/01/2038	$6,231.87	0.75	$505.74	$674.32	$7,411.93	$802,956.20	
123	02/01/2038	$6,240.95	0.75	$501.85	$669.13	$7,411.93	$796,715.25	
124	03/01/2038	$6,250.05	0.75	$497.95	$663.93	$7,411.93	$790,465.20	
125	04/01/2038	$6,259.17	0.75	$494.04	$658.72	$7,411.93	$784,206.03	
126	05/01/2038	$6,268.29	0.75	$490.13	$653.51	$7,411.93	$777,937.74	
127	06/01/2038	$6,277.44	0.75	$486.21	$648.28	$7,411.93	$771,660.30	
128	07/01/2038	$6,286.59	0.75	$482.29	$643.05	$7,411.93	$765,373.71	
129	08/01/2038	$6,295.76	0.75	$478.36	$637.81	$7,411.93	$759,077.95	
130	09/01/2038	$6,304.95	0.75	$474.42	$632.56	$7,411.93	$752,773.00	
131	10/01/2038	$6,314.14	0.75	$470.48	$627.31	$7,411.93	$746,458.86	
132	11/01/2038	$6,323.34	0.75	$466.54	$622.05	$7,411.93	$740,135.52	
133	12/01/2038	$6,332.57	0.75	$462.58	$616.78	$7,411.93	$733,802.95	
134	01/01/2039	$6,341.80	0.75	$458.63	$611.50	$7,411.93	$727,461.15	
135	02/01/2039	$6,351.05	0.75	$454.66	$606.22	$7,411.93	$721,110.10	
136	03/01/2039	$6,360.31	0.75	$450.69	$600.93	$7,411.93	$714,749.79	
137	04/01/2039	$6,369.59	0.75	$446.72	$595.62	$7,411.93	$708,380.20	
138	05/01/2039	$6,378.87	0.75	$442.74	$590.32	$7,411.93	$702,001.33	
139	06/01/2039	$6,388.18	0.75	$438.75	$585.00	$7,411.93	$695,613.15	
140	07/01/2039	$6,397.49	0.75	$434.76	$579.68	$7,411.93	$689,215.66	
141	08/01/2039	$6,406.82	0.75	$430.76	$574.35	$7,411.93	$682,808.84	
142	09/01/2039	$6,416.16	0.75	$426.76	$569.01	$7,411.93	$676,392.68	
143	10/01/2039	$6,425.52	0.75	$422.75	$563.66	$7,411.93	$669,967.16	
144	11/01/2039	$6,434.89	0.75	$418.73	$558.31	$7,411.93	$663,532.27	
145	12/01/2039	$6,444.28	0.75	$414.71	$552.94	$7,411.93	$657,087.99	
146	01/01/2040	$6,453.68	0.75	$410.68	$547.57	$7,411.93	$650,634.31	
147	02/01/2040	$6,463.08	0.75	$406.65	$542.20	$7,411.93	$644,171.23	
148	03/01/2040	$6,472.51	0.75	$402.61	$536.81	$7,411.93	$637,698.72	
149	04/01/2040	$6,481.95	0.75	$398.56	$531.42	$7,411.93	$631,216.77	
150	05/01/2040	$6,491.41	0.75	$394.51	$526.01	$7,411.93	$624,725.36	
151	06/01/2040	$6,500.88	0.75	$390.45	$520.60	$7,411.93	$618,224.48	
152	07/01/2040	$6,510.35	0.75	$386.39	$515.19	$7,411.93	$611,714.13	
153	08/01/2040	$6,519.85	0.75	$382.32	$509.76	$7,411.93	$605,194.28	
154	09/01/2040	$6,529.35	0.75	$378.25	$504.33	$7,411.93	$598,664.93	
155	10/01/2040	$6,538.87	0.75	$374.17	$498.89	$7,411.93	$592,126.06	
156	11/01/2040	$6,548.41	0.75	$370.08	$493.44	$7,411.93	$585,577.65	
157	12/01/2040	$6,557.96	0.75	$365.99	$487.98	$7,411.93	$579,019.69	
158	01/01/2041	$6,567.52	0.75	$361.89	$482.52	$7,411.93	$572,452.17	
159	02/01/2041	$6,577.11	0.75	$357.78	$477.04	$7,411.93	$565,875.06	
160	03/01/2041	$6,586.70	0.75	$353.67	$471.56	$7,411.93	$559,288.36	
161	04/01/2041	$6,596.30	0.75	$349.56	$466.07	$7,411.93	$552,692.06	
162	05/01/2041	$6,605.92	0.75	$345.43	$460.58	$7,411.93	$546,086.14	
163	06/01/2041	$6,615.56	0.75	$341.30	$455.07	$7,411.93	$539,470.58	
164	07/01/2041	$6,625.20	0.75	$337.17	$449.56	$7,411.93	$532,845.38	
165	08/01/2041	$6,634.86	0.75	$333.03	$444.04	$7,411.93	$526,210.52	
166	09/01/2041	$6,644.54	0.75	$328.88	$438.51	$7,411.93	$519,565.98	
167	10/01/2041	$6,654.23	0.75	$324.73	$432.97	$7,411.93	$512,911.75	
168	11/01/2041	$6,663.93	0.75	$320.57	$427.43	$7,411.93	$506,247.82	
169	12/01/2041	$6,673.66	0.75	$316.40	$421.87	$7,411.93	$499,574.16	
170	01/01/2042	$6,683.39	0.75	$312.23	$416.31	$7,411.93	$492,890.77	
171	02/01/2042	$6,693.13	0.75	$308.06	$410.74	$7,411.93	$486,197.64	
172	03/01/2042	$6,702.90	0.75	$303.87	$405.16	$7,411.93	$479,494.74	
173	04/01/2042	$6,712.67	0.75	$299.68	$399.58	$7,411.93	$472,782.07	
174	05/01/2042	$6,722.45	0.75	$295.49	$393.99	$7,411.93	$466,059.62	
175	06/01/2042	$6,732.26	0.75	$291.29	$388.38	$7,411.93	$459,327.36	
176	07/01/2042	$6,742.08	0.75	$287.08	$382.77	$7,411.93	$452,585.28	
177	08/01/2042	$6,751.91	0.75	$282.87	$377.15	$7,411.93	$445,833.37	

178	09/01/2042	$6,761.75	0.75	$278.65	$371.53	$7,411.93	$439,071.62	
179	10/01/2042	$6,771.62	0.75	$274.42	$365.89	$7,411.93	$432,300.00	
180	11/01/2042	$6,781.49	0.75	$270.19	$360.25	$7,411.93	$425,518.51	
181	12/01/2042	$6,791.38	0.75	$265.95	$354.60	$7,411.93	$418,727.13	
182	01/01/2043	$6,801.29	0.75	$261.70	$348.94	$7,411.93	$411,925.84	
183	02/01/2043	$6,811.21	0.75	$257.45	$343.27	$7,411.93	$405,114.63	
184	03/01/2043	$6,821.13	0.75	$253.20	$337.60	$7,411.93	$398,293.50	
185	04/01/2043	$6,831.09	0.75	$248.93	$331.91	$7,411.93	$391,462.41	
186	05/01/2043	$6,841.05	0.75	$244.66	$326.22	$7,411.93	$384,621.36	
187	06/01/2043	$6,851.02	0.75	$240.39	$320.52	$7,411.93	$377,770.34	
188	07/01/2043	$6,861.01	0.75	$236.11	$314.81	$7,411.93	$370,909.33	
189	08/01/2043	$6,871.02	0.75	$231.82	$309.09	$7,411.93	$364,038.31	
190	09/01/2043	$6,881.04	0.75	$227.52	$303.37	$7,411.93	$357,157.27	
191	10/01/2043	$6,891.08	0.75	$223.22	$297.63	$7,411.93	$350,266.19	
192	11/01/2043	$6,901.12	0.75	$218.92	$291.89	$7,411.93	$343,365.07	
193	12/01/2043	$6,911.19	0.75	$214.60	$286.14	$7,411.93	$336,453.88	
194	01/01/2044	$6,921.27	0.75	$210.28	$280.38	$7,411.93	$329,532.61	
195	02/01/2044	$6,931.36	0.75	$205.96	$274.61	$7,411.93	$322,601.25	
196	03/01/2044	$6,941.47	0.75	$201.63	$268.83	$7,411.93	$315,659.78	
197	04/01/2044	$6,951.59	0.75	$197.29	$263.05	$7,411.93	$308,708.19	
198	05/01/2044	$6,961.73	0.75	$192.94	$257.26	$7,411.93	$301,746.46	
199	06/01/2044	$6,971.88	0.75	$188.59	$251.46	$7,411.93	$294,774.58	
200	07/01/2044	$6,982.05	0.75	$184.23	$245.65	$7,411.93	$287,792.53	
201	08/01/2044	$6,992.23	0.75	$179.87	$239.83	$7,411.93	$280,800.30	
202	09/01/2044	$7,002.43	0.75	$175.50	$234.00	$7,411.93	$273,797.87	
203	10/01/2044	$7,012.65	0.75	$171.12	$228.16	$7,411.93	$266,785.22	
204	11/01/2044	$7,022.87	0.75	$166.74	$222.32	$7,411.93	$259,762.35	
205	12/01/2044	$7,033.11	0.75	$162.35	$216.47	$7,411.93	$252,729.24	
206	01/01/2045	$7,043.36	0.75	$157.96	$210.61	$7,411.93	$245,685.88	
207	02/01/2045	$7,053.64	0.75	$153.55	$204.74	$7,411.93	$238,632.24	
208	03/01/2045	$7,063.92	0.75	$149.15	$198.86	$7,411.93	$231,568.32	
209	04/01/2045	$7,074.23	0.75	$144.73	$192.97	$7,411.93	$224,494.09	
210	05/01/2045	$7,084.54	0.75	$140.31	$187.08	$7,411.93	$217,409.55	
211	06/01/2045	$7,094.88	0.75	$135.88	$181.17	$7,411.93	$210,314.67	
212	07/01/2045	$7,105.22	0.75	$131.45	$175.26	$7,411.93	$203,209.45	
213	08/01/2045	$7,115.58	0.75	$127.01	$169.34	$7,411.93	$196,093.87	
214	09/01/2045	$7,125.96	0.75	$122.56	$163.41	$7,411.93	$188,967.91	
215	10/01/2045	$7,136.36	0.75	$118.10	$157.47	$7,411.93	$181,831.55	
216	11/01/2045	$7,146.76	0.75	$113.64	$151.53	$7,411.93	$174,684.79	
217	12/01/2045	$7,157.18	0.75	$109.18	$145.57	$7,411.93	$167,527.61	
218	01/01/2046	$7,167.62	0.75	$104.70	$139.61	$7,411.93	$160,359.99	
219	02/01/2046	$7,178.08	0.75	$100.22	$133.63	$7,411.93	$153,181.91	
220	03/01/2046	$7,188.54	0.75	$95.74	$127.65	$7,411.93	$145,993.37	
221	04/01/2046	$7,199.02	0.75	$91.25	$121.66	$7,411.93	$138,794.35	
222	05/01/2046	$7,209.52	0.75	$86.75	$115.66	$7,411.93	$131,584.83	
223	06/01/2046	$7,220.04	0.75	$82.24	$109.65	$7,411.93	$124,364.79	
224	07/01/2046	$7,230.56	0.75	$77.73	$103.64	$7,411.93	$117,134.23	
225	08/01/2046	$7,241.11	0.75	$73.21	$97.61	$7,411.93	$109,893.12	
226	09/01/2046	$7,251.67	0.75	$68.68	$91.58	$7,411.93	$102,641.45	
227	10/01/2046	$7,262.25	0.75	$64.15	$85.53	$7,411.93	$95,379.20	
228	11/01/2046	$7,272.84	0.75	$59.61	$79.48	$7,411.93	$88,106.36	
229	12/01/2046	$7,283.44	0.75	$55.07	$73.42	$7,411.93	$80,822.92	
230	01/01/2047	$7,294.07	0.75	$50.51	$67.35	$7,411.93	$73,528.85	
231	02/01/2047	$7,304.70	0.75	$45.96	$61.27	$7,411.93	$66,224.15	
232	03/01/2047	$7,315.35	0.75	$41.39	$55.19	$7,411.93	$58,908.80	
233	04/01/2047	$7,326.02	0.75	$36.82	$49.09	$7,411.93	$51,582.78	
234	05/01/2047	$7,336.70	0.75	$32.24	$42.99	$7,411.93	$44,246.08	
235	06/01/2047	$7,347.41	0.75	$27.65	$36.87	$7,411.93	$36,898.67	
236	07/01/2047	$7,358.12	0.75	$23.06	$30.75	$7,411.93	$29,540.55	
237	08/01/2047	$7,368.85	0.75	$18.46	$24.62	$7,411.93	$22,171.70	
238	09/01/2047	$7,379.59	0.75	$13.86	$18.48	$7,411.93	$14,792.11	
239	10/01/2047	$7,390.35	0.75	$9.25	$12.33	$7,411.93	$7,401.76	
240	11/01/2047	$7,401.76	0.75	$4.63	$6.17	$7,412.56	$0.00	
	Totals:	**$1,500,000.00**		**$119,513.09**	**$159,350.74**	**$1,778,863.83**		

EXHIBIT B
USES OF FUNDS

Item	Costs
Construction and Contingency	$1,269,500
Engineering Services	212,000
Local Loan Expenses	18,500
PRINCIPAL AMOUNT OF BOND	$1,500,000

EXHIBIT C
DISBURSEMENT REQUEST

ENABLE DISBURSEMENT REQUEST COVER SHEET
Arkansas Natural Resources Division

Recipient: _____

Employer ID No.: _____

EnABLE Project Number: _____ **Project Percent Complete:** _____

Loan Number(s): _____ **Request Number:** _____

Please list all invoices submitted in EnABLE for reimbursement by company

No	Name	Invoice Number	Invoice Date	Invoice Amount	Eligible Amount requested for reimbursement
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
			TOTAL	$ -	

I certify that to the best of my knowledge, the invoices listed above and submited for reimbursement in EnABLE accurately reflect the total eligible amount due to date and that all costs requested are in accordance with the terms of the bond purchase agreement, loan agreement or grant agreement and relevant regulations. I further certify that all work has been inspected and performed in accordance with program requirements.

Signature of Consulting Engineering Consultant	Date Signed:
Typed or Printed Name and Title	Telephone Number:
Email address	

EXHIBIT D

REQUIRED FEDERAL CONDITIONS FOR SRF LOANS
(as of 1/12/23)

Accounting Standards

The Borrower shall establish and maintain an accounting system and internal controls which will ensure the recording and safeguarding of all project activities in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). The Borrower shall maintain separate accounting records for the project accounts in accordance with the CWSRF regulation 40 CFR 35.3135(i) or the DWSRF regulation 40 CFR 35.3550(i) as appropriate.

OMB – Uniform Guidance Subpart F Audits

In accordance with 2 CFR 200.501(a), the Borrower hereby agrees to obtain a single audit from an independent auditor, if their organization expends $750,000 or more in total Federal funds in their fiscal year beginning on or after December 26, 2014. The Borrower must submit the form SF-SAC and a Single Audit Report Package within 9 months of the end of the Borrower's fiscal year or 30 days after receiving the report from an independent auditor. The SF-SAC and a Single Audit Report Package MUST be submitted using the Federal Audit Clearinghouse's Internet Data Entry System available at: https://facides.census.gov/ . For complete information on how to accomplish the single audit submissions, you will need to visit the Federal Audit Clearinghouse Web site: https://facweb.census.gov/

Note: The FAC will transition from the U.S. Census Bureau (Census) to the U.S. General Services Administration (GSA) on October 1, 2023. At that time, all submissions will need to be made through the new FAC hosted by GSA. Any draft not fully submitted to the Census FAC by October 1, 2023, may need to be completely re-started at the new GSA FAC. Click here to access/bookmark the future GSA FAC site, and get updates about the transition.

Wage Rate Requirements (Davis-Bacon Act):

The Borrower agrees to include in all agreements to provide assistance for any construction project carried out in whole or in part with such assistance made available by either a State water pollution control revolving fund as authorized by title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et seq.) or with such assistance made available under section 205(m) of that Act (33 U.S.C. 1285(m)), or both, a term and condition requiring compliance with the requirements of section 513 of that Act (33 U.S.C. 1372); or a drinking water revolving loan fund as authorized by section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12), a term and condition requiring compliance with the requirements of section 1450(e) of the Safe Drinking Water Act (42 U.S.C.300j-9(e)) in all procurement contracts and sub-grants, and require that loan recipients, procurement contractors and sub-grantees include such a term and condition in subcontracts and other lower tiered transactions. All contracts and subcontracts for any construction project carried out in whole or in part with assistance made available as stated herein shall insert in full in any contract in excess of

$2,000 the contract clauses as attached hereto entitled "Wage Rate Requirements Under The Clean Water Act, Section 513 and the Safe Drinking Water Act, Section 1450(e)." This term and condition applies to all agreements to provide assistance under the authorities referenced herein, whether in the form of a loan, bond purchase, grant, or any other vehicle to provide financing for a project, where such agreements are executed on or after October 30, 2009.

See *"Attachment A"* for the Davis Bacon wage rate requirements.

Responsibilities of Participants Regarding Doing Business with Other Persons (Debarment)

Borrower shall fully comply with Subpart C of 2 C.F.R. Part 180 entitled, "Responsibilities of Participants Regarding Transactions Doing Business with Other Persons," as implemented and supplemented by 2 C.F.R. Part 1532. Borrower is responsible for ensuring that any lower tier covered transaction, as described in Subpart B of 2 C.F.R. Part 180, entitled "Covered Transactions," and 2 C.F.R. § 1532.220, includes a term or condition requiring compliance with 2 C.F.R. Part 180, Subpart C. Borrower is responsible for further requiring the inclusion of a similar term and condition in any subsequent lower tier covered transactions. Borrower acknowledges that failing to disclose the information required under 2 C.F.R. § 180.335 to the EPA office that is entering into the transaction with the Borrower may result in the delay or negation of this assistance agreement, or pursuance of administrative remedies, including suspension and debarment. Borrowers may access the System for Award Management (SAM) exclusion list at https://sam.gov/SAM/ to determine whether an entity or individual is presently excluded or disqualified.

Utilization of Disadvantaged, Minority and Women's Business Enterprises

The Borrower agrees to comply with the requirements of EPA's Program for Utilization of Disadvantaged, Minority and Women's Business Enterprises (DBE/MBE/WBE) in procurement under assistance agreements, contained in 40 CFR Part 33. This includes the contract administration provisions of 40 CFR 33.302.

GOOD FAITH EFFORTS, 40 CFR, Part 33, Subpart C

Pursuant to 40 CFR, Section 33.301, the Borrower agrees to make the following good faith efforts whenever procuring construction, equipment, services and supplies under an EPA financial assistance agreement, and to require that prime contractors also comply. Records documenting compliance with the six good faith efforts shall be retained.

(a) Require DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local and Government recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.

(b) Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.

(c) Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. For Indian Tribal, State and local Government recipients, this will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.

(d) Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.

(e) Use the services and assistance of the SBA and the Minority Business Development Agency of the Department of Commerce.

(f) If the prime contractor awards subcontracts, require the prime contractor to take the steps in paragraphs (a) through (e) of this section

MBE/WBE REPORTING, 40 CFR, Part 33, Sections 33.502 and 33.503

The Borrower agrees to complete and submit EPA Form 5700-52A, "MBE/WBE Utilization Under Federal Grants, Cooperative Agreements and Interagency Agreements," or other designated reporting form, beginning with the Federal fiscal year reporting period the recipient receives the award and continuing each quarter until the project is completed. Regardless of the activity, if the project is not complete, reports must be submitted to meet the reporting requirement each quarter. Failure to submit reports timely, could result in non-compliance. According to eCFR title 2, subtitle A, chapter II, Part 200, Part D 200.339 "remedies for noncompliance" list six (6) circumstances the State can take for noncompliance, the list can be found at https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D?toc=1.Only procurements with certified MBE/WBEs are counted toward a recipient's MBE/WBE accomplishments. Quarterly reports are due by the 15th of the month following the end of each quarter:

Period	Due Date
Jan – Mar	Apr 15
Apr – Jun	Jul 15
Jul – Sept	Oct 15
Oct – Dec	Jan 15

SAM and UEI Requirements

System for Award Management and Universal Identifier Requirements.

A. Requirement for System for Award Management (SAM) unless exempted from this requirement under 2 CFR 25.110, the Borrower must maintain current information in the SAM. This includes information on the Borrower's immediate and highest-level owner and subsidiaries, as well as on all the Borrower's predecessors that have been awarded a federal contract or federal financial assistance within the last three years, if applicable, until the submittal of the final financial report required under this award or receipt of the final payment, whichever is later. This requires that the Borrower reviews

and updates the information at least annually after the initial registration, and more frequently if required by changes in the information or another award term,

B. Requirement for Unique Entity ID Numbers (UEI)to receive funding Borrower must provide and maintain status of its UEI.

C. Definitions. For purposes of this condition:

1. System for Award Management (SAM) means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the System for Award Management (SAM) Internet site: https://www.sam.gov.

2. The Unique Entity ID number (UEI) is a 12-character alphanumeric ID assigned to an entity by SAM.gov. The Unique Entity ID (UEI) is the official identifier for doing business with the U.S. Government as of April 4, 2022. Entities registering in SAM.gov are assigned a Unique Entity ID as a part of the registration process. Entity uniqueness continues to be validated by an entity validation service. As part of this transition, the DUNS Number has been removed from SAM.gov.

3. Entity, as it is used in this award term, means all of the following, as defined at 2 CFR Part 25, subpart C:

   a. A Governmental organization, which is a State, local government, or Indian tribe;
   b. A foreign public entity;
   c. A domestic or foreign nonprofit organization;
   d. A domestic or foreign for-profit organization; and
   e. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

4. Subaward (2 CFR 200.1):

   a. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.

   b. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. --.210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations").

   c. A subaward may be provided through any legal agreement, including an agreement that you consider a contract.

5. Subrecipient means an entity that (2 CFR 200.1):

   a. Receives a subaward from you under this award; and

b. Is accountable to you for the use of the Federal funds provided by the subaward.

Equipment Purchase and Disposition

All equipment purchases under this Loan, as well as the disposition of such equipment, shall be in accordance with 40 CFR 31.32.

Compliance with Cross-cutting Authorities

The Borrower will comply with the applicable Federal cross-cutting authorities as specified under 40 CFR 35.3575. The State further agrees to inform EPA when consultation or coordination with other Federal agencies is necessary to resolve issues regarding compliance with cross-cutter requirements.

American Iron and Steel

(1) *Definitions*. As used in this award term and condition —

(a) "iron and steel products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

(b) Steel means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

(2) *Domestic preference*.

(a) This award term and condition implements P.L. 113-76, Consolidated Appropriations Act, 2014, Section 436, by requiring that all iron and steel products used for a project for the construction, alteration, maintenance or repair of a public water system or treatment work are produced in the United States except as provided in paragraph (2)(b) and (2)(c) of this section and condition.

(b) This requirement does not apply with respect to a project if a State agency approves the engineering plans and specifications for the project, in that agency's capacity to approve such plans and specifications prior to a project requesting bids, prior to January 17, 2014.

(c) This requirement shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency finds that: —

(i) applying the requirement would be inconsistent with the public interest;
(ii) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or
(iii) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

(3) *Request for a Waiver under (2)(c)*.

(a) Any recipient request to use foreign iron or steel products in accordance with paragraph (2)(c) of this section shall include adequate information for Federal Government evaluation of the request, including —

(1) A description of the foreign and domestic iron, steel, and/or manufactured goods;
(2) Unit of measure;
(3) Quantity;
(4) Cost;
(5) Time of delivery or availability;
(6) Location of the project;
(7) Name and address of the proposed supplier; and
(8) A detailed justification of the reason for use of foreign iron or steel products cited in accordance with paragraph (2)(c) of this section.

(b) If the Administrator receives a request for a waiver under this section, the waiver request shall be made available to the public for at least 15 days prior to making a finding based on the request.

(c) Unless the Administrator issues a waiver of this term, use of foreign iron and steel products is noncompliant with P.L. 113-76 Section 436 section 1605 of the American Recovery and Reinvestment Act.

(d) This term and condition shall be applied in a manner consistent with United States obligations under international agreements.

Build America Buy America Act

(1) *Definitions*. As used in this award term and condition —

(a) "iron and steel products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

(b) Steel means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

(c) End Product Manufactured in the United States – as defined in part 25 of the Federal Acquisition Regulation by the Federal Acquisition Regulatory Council.

(d) Construction Material includes an article, material, or supply – *other than an item of primarily iron or steel; a manufactured product; cement and cementitious materials; aggregates such as stone, sand, or gravel; or aggregate binding agents or additives* - that consists primarily of:
(i) non-ferrous metals;

(ii) plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables)
(iii) glass (including optic glass);
(iv) lumber; or
(v) drywall

(2) *Domestic content procurement preference*.

(a) This award term and condition implements P.L. 117-58, Build America, Buy America Act §§70901-52, by requiring that all iron, steel, manufactured products, and construction materials used for a project for the construction, alteration, maintenance or repair of a public water system or treatment work are produced in the United States except as provided in paragraph (2)(b) and (2)(c) of this section and condition.

(b) This requirement does not apply with respect to a project if funds were secured prior to May 14, 2022.

(c) This requirement shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency finds that: —

(i) applying the domestic content procurement preference would be inconsistent with the public interest;
(ii) types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality; or
(iii) the inclusion of iron and steel, manufactured products, or construction materials produced in the United States will increase the cost of the overall project by more than 25 percent.

(3) *Request for a Waiver under (2)(c)*.

(a) Any recipient request to use foreign iron or steel products in accordance with paragraph (2)(c) of this section shall include adequate information for Federal Government evaluation of the request, including —

(1) Waiver type;
(2) Recipient Name and Unique Entity Identifier (UEI);
(3) Financial assistance listing name and number;
(4) Federal financial assistance program name;
(5) Federal Award Identification Number (FAIN) (if available)
(6) Federal financial assistance funding amount;
(7) Total cost of infrastructure expenditures, including all Federal and non-Federal funds (to the extent known);
(8) Infrastructure project description and location (to extent known);
(9) List of iron or steel item(s), manufactured products, and construction materials proposed to be excluded from Buy America requirements,

including name, cost, country(ies) of origin (if known), and relevant PSC and NAICS codes for each;

(10) A description and detailed justification for use of the foreign iron, steel, manufactured product(s), or construction material(s);

(11) A certification that the recipient made a good faith effort to solicit bids for domestic products supported by terms included in requests for proposals, contracts, and nonproprietary communications with the prime contractor

(12) A statement of waiver justification, including a description of efforts made (e.g., market research, industry outreach), by the Federal awarding agency and, and in the case of a project or award specific waiver, by the recipient, in an attempt to avoid the need for a waiver. Such a justification may cite, if applicable, the absence of any Buy America-compliant bids received in response to a solicitation.

(13) Anticipated impact if no waiver is issued;

(14) Any relevant comments received during the public comment period.

(b) If the Administrator receives a request for a waiver under this section, the waiver request shall be made available to the public for at least 15 days prior to making a finding based on the request.

(c) Unless the Administrator issues a waiver of this term, use of foreign iron, steel, manufactured product(s), or construction material(s) is noncompliant with P.L. 117-58 Section 70914 of the Build America, Buy America Act.

(d) This term and condition shall be applied in a manner consistent with United States obligations under international agreements.

Signage

The Borrower agrees to comply with the 2015 SRF Signage Guidance in order to enhance public awareness of EPA assistance agreements nationwide. Projects that receive BIL funding must follow the BIL specific signage term and conditions. The BIL signage term and condition requires a physical sign displaying the official Building a Better America emblem and EPA logo be placed at construction sites for BIL-funded projects. For the Clean Water and Drinking Water SRF programs, this requirement applies only to the following projects:

- Construction projects identified as "equivalency projects" for BIL general supplemental capitalization grants.
- Construction projects that receive additional subsidization (grants or forgivable loans) made available by BIL general supplemental capitalization grants.
- All construction projects funded with BIL emerging contaminants capitalization grants.
- All construction projects funded with BIL lead service line replacement capitalization grants.

Equal Employment Opportunity Provision

The Borrower hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 CFR Chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, the following equal opportunity clause:

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin, such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other form of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, or national origin.

(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the contractor's non-compliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September

24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: PROVIDED, HOWEVER. That in the event a contractor becomes involved in or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency the contractor may request the United States to enter into such litigation to protect the interest of the United States.

The Borrower further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: PROVIDED, that if the Borrower so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering. agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliances.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee): refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

Non-Discrimination Provisions

Comply with the Civil Rights Act of 1964, P.L. 88-352; Section 13 of The Federal Water Pollution Control Act Amendments of 1972 regarding sex discrimination; Section 504 of the Rehabilitation Act of 1973 regarding discrimination against the handicapped; and The Age Discrimination Act of 1975.

Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment

This term and condition implements 2 CFR 200.216 and is effective for obligations and expenditures of EPA financial assistance funding on or after 8/13/2020.

As required by 2 CFR 200.216, EPA recipients and subrecipients, including borrowers under EPA funded revolving loan fund programs, are prohibited from obligating or expending loan or grant funds to procure or obtain; extend or renew a contract to procure or obtain; or enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities). Recipients, subrecipients, and borrowers also may not use EPA funds to purchase:

a. For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).

b. Telecommunications or video surveillance services provided by such entities or using such equipment.

c. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

Consistent with 2 CFR 200.471, costs incurred for telecommunications and video surveillance services or equipment such as phones, internet, video surveillance, and cloud servers are allowable except for the following circumstances:

a. Obligating or expending EPA funds for covered telecommunications and video surveillance services or equipment or services as described in 2 CFR 200.216 to:

    1) Procure or obtain, extend or renew a contract to procure or obtain;

    2) Enter into a contract (or extend or renew a contract) to procure; or

    3) Obtain the equipment, services, or systems.

Certain prohibited equipment, systems, or services, including equipment, systems, or services produced or provided by entities identified in section 889, are recorded in the System for Award Management exclusion list.

ATTACHMENT A

Wage Rate Requirements Under The Clean Water Act, Section 513
(As of 1/12/23)

Preamble

With respect to the Clean Water State Revolving Funds, EPA provides capitalization grants to each State which in turn provides sub grants or loans to eligible entities within the State. Typically, the sub recipients are municipal or other local governmental entities that manage the funds. For these types of recipients, the provisions set forth under Roman numeral I, below, shall apply. Although EPA and the State remain responsible for ensuring sub recipients' compliance with the wage rate requirements set forth herein, those sub recipients shall have the primary responsibility to maintain payroll records as described in Section 3(ii)(A), below and for compliance as described in Section I-5.

Occasionally, the sub recipient may be a private for profit or not for profit entity. For these types of recipients, the provisions set forth in Roman Numeral II, below, shall apply. Although EPA and the State remain responsible for ensuring sub recipients' compliance with the wage rate requirements set forth herein, those sub recipients shall have the primary responsibility to maintain payroll records as described in Section II-3(ii)(A), below and for compliance as described in Section II-5.

ATTACHMENT 1

I. Requirements Under The Water Resources Reform and Development Act of 2014 (WRRDA) For Sub recipients That Are Governmental Entities:

The following terms and conditions specify how recipients will assist EPA in meeting its Davis-Bacon (DB) responsibilities when DB applies to EPA awards of financial assistance under the Water Resources Reform and Development Act of 2014 (WRRDA) - with respect to State recipients and sub recipients that are governmental entities. If a sub recipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the State recipient. If a State recipient needs guidance, the recipient may contact**, Mr. Dannell Brown @ brown.dannell@epa.gov or 214-665-7279** of EPA, - for guidance. The recipient or sub recipient may also obtain additional guidance from DOL's web site at http://www.dol.gov/whd/

1. Applicability of the Davis- Bacon (DB) prevailing wage requirements.

Under the Water Resources Reform and Development Act of 2014 (WRRDA) -, DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving. If a sub recipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the sub recipient must discuss the situation with the recipient State before authorizing work on that site.

2. Obtaining Wage Determinations.

(a) Sub recipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

(i) While the solicitation remains open, the sub recipient shall monitor www.wdol.gov weekly to ensure that the wage determination contained in the solicitation remains current. The sub recipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the

applicable wage determination less than 10 days prior to the closing date, the sub recipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the sub recipient.

(ii) If the sub recipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the sub recipient, obtains an extension of the 90 day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The sub recipient shall monitor www.wdol.gov on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.

(b) If the sub recipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the sub recipient shall insert the appropriate DOL wage determination from www.wdol.gov into the ordering instrument.

(c) Sub recipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.

(d) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a sub recipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the sub recipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the sub recipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The sub recipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

3. Contract and Subcontract provisions.

(a) The Recipient shall insure that the sub recipient(s) shall insert in full in any contract in excess of $2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF - financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or -FY 2015 Water Resource Reform and Development Act, the following clauses:

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred

during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Sub recipients may obtain wage determinations from the U.S. Department of Labor's web site, www.dol.gov.

(ii)(A) The sub recipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the sub recipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit the request, to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210 and to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the sub recipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the award official shall refer the request and the local wage determination, including the views of all interested parties and the recommendation of the State award official, to the Administrator for determination. The request shall be sent to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding. The sub recipient(s), shall upon written request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the (Agency) may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the sub recipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the sub recipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at http://www.dol.gov/whd/forms/wh347instr.htm or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the sub recipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this

section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sub recipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and trainees

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or sub

contractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may by appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved

in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and sub recipient(s), State, EPA, the U.S. Department of Labor, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

4. Contract Provision for Contracts in Excess of $100,000.

(a) Contract Work Hours and Safety Standards Act. The sub recipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of $100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (a)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a)(1) of this section, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The sub recipient**,** upon written request of the EPA Award Official or an authorized representative of the Department of Labor, shall withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Sub recipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Sub recipient shall insert in any such contract a clause providing hat the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the (write the name of agency) and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

5. Compliance Verification

(a) The sub recipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(6), all interviews must be conducted in confidence. The sub recipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(b) The sub recipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Sub recipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB. Sub recipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence."

(c) The sub recipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The sub recipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, the sub recipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Sub recipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the sub recipient shall verify evidence of fringe benefit plans and payments there under by contractors and subcontractors who claim credit for fringe benefit contributions.

(d) The sub recipient shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S. Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

(e) Sub recipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at http://www.dol.gov/whd/america2.htm.

II. Requirements Under The Water Resource Reform and Development Act of 2014 (WRDA) For Sub recipients That Are Not Governmental Entities:

The following terms and conditions specify how recipients will assist EPA in meeting its DB responsibilities when DB applies to EPA awards of financial assistance under –FY 2014 Water Resource Reform and

Development Act with respect to sub recipients that are not governmental entities. If a sub recipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the State recipient for guidance. If a State recipient needs guidance, the recipient may contact, **Mr. Dannell Brown @ brown.dannell@epa.gov or 214-665-7279,** EPA Grants Management Office for guidance. The recipient or sub recipient may also obtain additional guidance from DOL's web site at http://www.dol.gov/whd/

Under these terms and conditions, the sub recipient must submit its proposed DB wage determinations to the State recipient for approval prior to including the wage determination in any solicitation, contract task orders, work assignments, or similar instruments to existing contractors.

1. Applicability of the Davis- Bacon (DB) prevailing wage requirements.

Under the FY 2015 Water Resource Reform and Development Act -, DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund -. If a sub recipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the sub recipient must discuss the situation with the recipient State before authorizing work on that site.

2. Obtaining Wage Determinations.

(a) Sub recipients must obtain proposed wage determinations for specific localities at www.wdol.gov. After the Sub recipient obtains its proposed wage determination, it must submit the wage determination to **the Arkansas Resources Commission Project Engineer assigned to the project,** for approval prior to inserting the wage determination into a solicitation, contract or issuing task orders, work assignments or similar instruments to existing contractors (ordering instruments unless subsequently directed otherwise by the State recipient Award Official.)

(b) Sub recipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

(i) While the solicitation remains open, the sub recipient shall monitor www.wdol.gov on a weekly basis to ensure that the wage determination contained in the solicitation remains current. The sub recipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the sub recipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the sub recipient.

(ii) If the sub recipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the sub recipient, obtains an extension of the 90 day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The sub recipient shall monitor www.wdol.gov on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.

(c) If the sub recipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the sub recipient shall insert the appropriate DOL wage determination from www.wdol.gov into the ordering instrument.

(d) Sub recipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.

(e) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a sub recipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the sub recipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the sub recipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The sub recipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

3. Contract and Subcontract provisions.

(a) The Recipient shall insure that the sub recipient(s) shall insert in full in any contract in excess of $2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF - or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or the FY 2015 Water Resource Reform and Development Act -, the following clauses:

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Sub recipients may obtain wage determinations from the U.S. Department of Labor's web site, www.dol.gov.

(ii)(A) The sub recipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the sub recipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient(s) to the State award official. The State award official will transmit the report, to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210 and to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the sub recipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the award official shall refer the request, and the local wage determination, including the views of all interested parties and the recommendation of the State award official, to the Administrator for determination. The request shall be sent to the EPA Regional Coordinator concurrently. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding. The sub recipient(s) shall upon written request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the (Agency) may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the sub recipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the sub recipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at http://www.dol.gov/whd/forms/wh347instr.htm or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the sub recipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sub recipient(s).

(B) Each payroll submitted shall be accompanied by a “Statement of Compliance,” signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the “Statement of Compliance” required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and trainees--

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractors registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of

fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may by appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and Sub recipient(s), State, EPA, the U.S. Department of Labor, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

4. Contract Provision for Contracts in Excess of $100,000.

(a) Contract Work Hours and Safety Standards Act. The sub recipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of $100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act.

These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (b)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The sub recipient shall upon the request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (a)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(c) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Sub recipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Sub recipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the (write the name of agency) and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

5. Compliance Verification

(a) The sub recipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(6), all interviews must be conducted in confidence. The sub recipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(b) The sub recipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Sub recipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB. Sub recipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence."

(c). The sub recipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The sub recipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable the sub recipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Sub recipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB . In addition, during the examinations the sub recipient shall verify evidence of fringe benefit plans and payments there under by contractors and subcontractors who claim credit for fringe benefit contributions.

(d). The sub recipient shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

(e) Sub recipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at http://www.dol.gov/whd/america2.htm.