ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF A PROMISSORY NOTE TO PROVIDE SHORT-TERM FINANCING UNDER AMENDMENT NO. 78 TO THE ARKANSAS CONSTITUTION; PRESCRIBING OTHER MATTERS PERTAINING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Bryant, Arkansas (the "City") is authorized and empowered under the provisions of Amendment No. 78 to the Arkansas Constitution ("Amendment No. 78") and Title 14, Chapter 78 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation") to issue notes and to expend the proceeds thereof to finance all or a portion of the costs of acquiring and constructing real property or tangible personal property having an expected useful life of more than one (1) year; and

WHEREAS, the City proposes to (a) acquire vehicles and equipment for the City's Planning and Development, Parks, Fire and Animal Control Departments and make improvements to the facilities of the Animal Control Department (collectively, the "Financed Personal Property") and (b) acquire land for the City's Fire Department (the "Financed Real Property"); and

WHEREAS, it is proposed that the City issue its promissory note in the principal amount of $2,225,000 (the "Note") under Amendment No. 78 and the Authorizing Legislation for the purpose of financing all or a portion of the costs of the Financed Personal Property and the Financed Real Property (collectively, the "Financed Property"); and

WHEREAS, the City has received an offer for the purchase of the Note from Regions Equipment Finance Corporation (the "Lender"), at a price of par (the "Purchase Price"), pursuant to a Letter of Offer and Representations (the "Offer"), which has been presented to and is before this meeting;

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

Section 1. The City Council hereby finds that the Financed Property will have a useful life of more than one (1) year and that the aggregate principal amount of the Note and any other outstanding indebtedness of the City issued pursuant to Amendment No. 78 and the Authorizing Legislation does not exceed five percent (5%) of the assessed value of taxable property located within the City as determined by the last tax assessment.

Section 2. The Offer of the Lender for the purchase of the Note from the City at the Purchase Price is hereby accepted, and the Note is hereby sold to the Lender. The Mayor is hereby authorized and directed to execute and deliver the Offer on behalf of the City.

Section 3. The issuance of the Note in the principal amount of $2,225,000 is hereby authorized under Amendment No. 78 and the Authorizing Legislation in order to finance all or a portion of the costs of the Financed Property. The Note shall be dated the date of issuance and shall bear interest on the outstanding principal amount at the rate of ____% per annum (the "Interest Rate"). If principal of or interest on the Note is not paid when due, the Note shall, during the period of such payment default, bear interest at the Default Rate, which is the Interest Rate plus 5%. The Note shall be subject to prepayment in whole or in part at any time.

Section 4. The Note shall be repaid in monthly amortized installments of principal and interest, commencing one (1) month from the date of the Note and continuing monthly thereafter on the same day, with the final installment due five (5) years from the date of the Note.

Section 5. As provided in Amendment No. 78, the monthly debt service payments on the Note in each fiscal year shall be charged against and paid from the general revenues of the City for such fiscal year. For the purpose of making the monthly debt service payments there is hereby appropriated to pay the Note, an amount of general revenues of the City sufficient for such purposes. The Finance Director is hereby authorized and directed to withdraw general revenues in the amounts and at the times necessary to make the monthly debt service payments on the Note.

Section 6. (a) The City covenants with the Lender that it shall not take any action or suffer or permit any action to be taken or condition to exist which causes or may cause the interest payable on the Note to be included in gross income for federal income tax purposes. Without limiting the generality of the foregoing, the City covenants with the Lender that the proceeds of the sale of the Note will not be used directly or indirectly in such manner as to cause the Note to be treated as an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code").

(b) The City covenants with the Lender that it will not use or permit the use of the Financed Property or the proceeds of the Note in such manner as to cause the Note to be a "private activity bond" within the meaning of Section 141 of the Code.

(c) The City covenants with the Lender that it will not reimburse itself from Note proceeds for any costs paid prior to the date the Note is issued except in compliance with United States Treasury Regulation §1.150-2 (the "Regulation"). This Ordinance shall constitute an "official intent" for purposes of the Regulation.

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

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

year 2024. The City covenants that at least 95% of the net proceeds of the Note will be used to accomplish local governmental activities of the City.

(f) The Note is hereby designated as a "qualified tax-exempt obligation" within the meaning of the Code. The City represents that the aggregate principal amount of its qualified tax-exempt obligations (excluding "private activity bonds" within the meaning of Section 145 of the Code), including those of its subordinate entities, issued in calendar year 2024 will not exceed $10,000,000.

Section 7. The Mayor and City Clerk, for and on behalf of the City, are hereby authorized and directed to do any and all things necessary to effect the issuance, execution, sale and delivery of the Note and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance. The Mayor and City Clerk are hereby further authorized and directed, for and on behalf of the City, to execute all papers, documents, agreements, certificates and other instruments that may be required for the carrying out of such authority or to evidence the exercise thereof.

Section 8. The provisions of this Ordinance are hereby declared to be separable, and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

Section 9. All ordinances, resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 10. It is hereby ascertained and declared that the Financed Property is immediately needed for the preservation of the public peace, health and safety and to remove existing hazards thereto. The acquisition of the Financed Property cannot be accomplished without the issuance of the Note, which cannot be sold at the interest rate specified herein unless this Ordinance is immediately effective. Therefore, it is declared that an emergency exists and this Ordinance being necessary for the preservation of the public peace, health and safety shall be in force and take effect immediately upon and after its passage.

PASSED: October 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 at 6:30 p.m., on the 29th day of October, 2024, and that the Ordinance is of record in Ordinance Record Book No. ____, Page ____, now in my possession.

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

_____
City Clerk

(SEAL)

LETTER OF OFFER AND REPRESENTATIONS

City of Bryant, Arkansas
210 S.W. 3rd
Bryant, Arkansas 72022
Attention: Mayor

Re: City of Bryant, Arkansas Promissory Note

Ladies and Gentlemen:

The undersigned (the "Lender") offers to purchase a Promissory Note in the principal amount of $2,225,000 (the "Note") from the City of Bryant, Arkansas (the "Issuer") at a price of 100% on the dollar. The Note shall be dated the date of delivery and shall bear interest at the rate of ____% (the "Interest Rate"). If the principal of or interest on the Note is not paid when due, the Note shall, during the period of such payment default, bear interest at the Default Rate, which is the Interest Rate plus 5%.

The Note shall be repaid in monthly amortized installments of principal and interest, commencing one month from the date of the Note and continuing monthly thereafter on the same day, with the remaining principal and interest due five (5) years from the date of the Note.

The Note will be in substantially the form set forth in Exhibit A and will be subject to prepayment, in whole or in part, at any time. This offer is subject to the terms of the Ordinance authorizing the Note. The Issuer may not assign its rights hereunder or under any of the documents executed in connection with the Note to any person without the prior written consent of the Lender.

Interest on the Note shall be excludable from gross income of the Lender for federal income tax purposes. At the closing we will receive the approving bond counsel opinion of Friday, Eldredge & Clark, LLP ("Bond Counsel"), in customary form and substance.

The closing shall occur on December 4, 2024, or at the request of the Issuer, at such earlier or later date agreed to by the Lender. At the closing, the Lender shall deliver to the Issuer the purchase price in immediately available funds. This offer shall expire if not accepted on or before October 31, 2024.

The Lender represents to you as follows:

1. We have sufficient knowledge and experience in business and financial matters to enable us to evaluate the Note, the credit of the Issuer and the terms of the Note and we will make our own independent credit analysis and decision to purchase the Note based upon an independent examination and evaluation of the transaction and the information deemed appropriate, without reliance on others. We have had access to and received all information concerning the Issuer which we have deemed material in formulating a decision to purchase the Note.

2. We acknowledge that the Issuer will not be entering into a continuing disclosure agreement to provide ongoing disclosure with respect to the Note pursuant to SEC Rule 15c2-12. We have been offered copies of or full access to all documents relating to the Note and all records, reports, financial statements and other information concerning the Issuer and pertinent to the source of payment for the Note as deemed material by us, which we have requested and to which we would attach significance in making the decision to purchase the Note without reliance upon others.

3. We confirm that we have regularly bought and sold obligations similar to the Note for our own account and have the knowledge and experience in financial and business matters sufficient to enable us to evaluate the merits and risks of purchasing the Note.

4. We are purchasing the Note for our own account or for our loan portfolio and are not purchasing the Note for resale or other disposition and not with a present view to the sale, redistribution or other disposition thereof in the ordinary course of business in a transaction not amounting to a public offering as contemplated by Section 4(2) of the Securities Act of 1933, as amended (the "1933 Act"). Although our present intention is to hold the Note to maturity or early redemption, we reserve the right, subject to paragraph 5 below, to sell participation interests in or otherwise dispose of the Note in the future as we choose. In reaching the conclusion that we desire to acquire the Note, we have carefully evaluated all risks associated with this purchase and acknowledge that we are able to bear the economic risk of this purchase. We are (i) an "accredited investor" within the meaning of Section 501(a)(1)-(8) of Regulation D under the 1933 Act or (ii) a "Qualified Institutional Buyer" within the meaning of Rule 144A under the 1933 Act with respect to the Note.

5. We acknowledge that (1) the Note will not be registered under the 1933 Act or any applicable state securities law and (2) the Note may not be transferred unless, in the opinion of counsel to the purchaser, such transfer will not cause a violation of the 1933 Act, or any applicable state securities law. We agree that we will not sell, transfer, assign, or otherwise dispose of the Note or such ownership interests therein (1) unless (a) we obtain from the purchaser and deliver to the Issuer an agreement similar in form and substance to this agreement, or (b) we obtain from the purchaser and deliver to the Issuer a written acknowledgement that such purchaser is a "qualified institutional buyer" as defined in Rule 144A promulgated under the 1933 Act, and (2) except in compliance with the applicable provisions of the 1933 Act, the Securities Exchange Act of 1934, as amended (the "1934 Act"), any rules and regulations promulgated under either the 1933 Act or the 1934 Act, and the applicable securities laws of any other jurisdiction, and in connection therewith, we agree that we shall furnish to any purchaser of the Note all information required by applicable law.

6. The Note will be purchased by us under the following conditions: (i) the Note will not be assigned a separate rating by any municipal securities rating agency, (ii) the Note is not being registered or otherwise qualified for sale under the "Blue Sky" laws, (iii) we are purchasing the Note as one single debt instrument in evidence of a privately negotiated loan, (iv) the Note will not be assigned a CUSIP number by the CUSIP Service Bureau, (v) no official statement or other similar offering document will be required or delivered in connection with the private placement of the Note, (vi) the Note will not be registered with the Depository Trust Company or any other

securities depository, and (vii) the obligations represented by the Note will be classified as a privately placed and negotiated loan.

7. We understand that the Issuer and Bond Counsel will rely upon the accuracy and truthfulness of the representations and warranties contained herein and hereby consent to such reliance.

8. The Lender and its representatives are not registered municipal advisors and do not provide advice to governmental entities or obligated persons with respect to financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning financial products or municipal securities issuances) or engage in the solicitation of governmental entities or obligated persons for the provision by non-affiliated persons of financial advisory services and/or investment advisory services. With respect to this Letter of Offer and Representations and any other information, materials or communications provided by the Lender: (a) the Lender and its representatives are not recommending an action to any governmental entity or obligated person, (b) the Lender and its representatives are not acting as an advisor to any governmental entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the 1934 Act to any governmental entity or obligated person with respect to this Letter of Offer and Representations, information, materials or communications, (c) the Lender and its representatives are acting for their own interests, and (d) the Issuer has been informed that the Issuer should discuss this Letter of Offer and Representations and any such other information, materials or communications with any and all internal and external advisors and experts that the Issuer, respectively, deems appropriate before acting on this Letter of Offer and Representations or any such other information, materials or communications.

9. The engagement of Friday, Eldredge & Clark, LLP, as bond counsel and Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., as Lender's counsel, did not include services related to the compilation, verification or furnishing to us of information regarding the merits and risks of making the loan to the Issuer evidenced by the Note. We have regularly made loans evidenced by debt instruments similar to the Note and have knowledge and experience in financial and business matters sufficient to enable us to evaluate such merits and risks.

10. The Issuer represents and warrants to the Lender that neither it nor any of its principals, shareholders, members, partners, or affiliates, as applicable, is a person named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of any such person. The Issuer further represents and warrants to the Lender that the Issuer and its principals, shareholders, members, partners, or affiliates, as applicable, are not directly or indirectly, engaged in, nor facilitating, the transactions contemplated by this transaction on behalf of any person named as a Specially Designated National and Blocked Person.

11. The signatory of this Letter of Offer and Representations is a duly authorized officer of Regions Equipment Finance Corporation with the authority to sign this Letter of Offer and Representations on behalf of Lender, and this Letter of Offer and Representations has been duly authorized, executed and delivered.

Dated: October 29, 2024

Sincerely,

REGIONS EQUIPMENT FINANCE CORPORATION

By _____

_____
(Title)

ACCEPTED this ____ day of October, 2024

CITY OF BRYANT, ARKANSAS

By _____
Mayor

EXHIBIT A

UNITED STATES OF AMERICA
STATE OF ARKANSAS
COUNTY OF SALINE
CITY OF BRYANT
4.33% PROMISSORY NOTE

No. R-1 $2,225,000

KNOW ALL MEN BY THESE PRESENTS:

That the City of Bryant, County of Saline, State of Arkansas (the "Issuer"), for value received, promises to pay to Regions Equipment Finance Corporation, and its successors and assigns (the "Owner"), the principal sum of

TWO MILLION TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS

and to pay interest on the unpaid balance of said principal amount at the rate of 4.33% per annum (the "Interest Rate"). If principal of or interest on this Note is not paid when due, this Note shall, during the period of such payment default, bear interest at the Default Rate, which is the Interest Rate plus 5%. Principal of and interest on this Note shall be due and payable in amortized installments of $_____ on the 4th day of each month, commencing January 4, 2025, with a final installment due on December 4, 2029 in the outstanding principal amount plus accrued interest. Interest shall accrue on the basis of a 360 day year of twelve 30 day months. To the extent not prohibited by law, the Issuer waives protest, presentment for payment, and notice of dishonor.

All payments and prepayments of principal of and interest on this Note shall be made by the Issuer to the Owner, in lawful money of the United States of America at the address of the Owner provided to the Issuer. Should the principal of, or any installment of the principal or interest on, this Note, or any fee, become due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day and interest thereon shall be payable at the then applicable rate during such extension. All payments made on this Note shall be credited, to the extent of the amount thereof, in accordance with the terms of this Note. "Business Day" means any day other than a Saturday, Sunday or a day when banks in Little Rock, Arkansas are required or authorized by law to be closed.

This Note is issued pursuant to and in full compliance with the laws of the State of Arkansas, particularly Amendment No. 78 to the Arkansas Constitution and Title 14, Chapter 78 of the Arkansas Code of 1987 Annotated, and pursuant to Ordinance No. _____ of the Issuer, duly adopted on October 29, 2024. The principal and interest payments in each fiscal year on this Note shall be charged against and paid from the general revenues of the Issuer for such fiscal year.

This Note may be prepaid at any time and from time to time, at the option of the Issuer, in whole or in part, at a prepayment price equal to the principal amount being prepaid plus accrued

interest to the prepayment date. Partial payments shall be applied in inverse chronological order of maturity. Such prepayments shall not affect the obligation of the Issuer to pay the remaining installments as scheduled herein.

The Owner may, at any time and from time to time, without obtaining the consent of the Issuer, assign, transfer or otherwise convey this Note. The Owner shall provide notice in writing to the Issuer prior to any such assignment, transfer or conveyance. Such notice shall contain the name and address of the new owner (the "Assignee") and the place at which payment of the principal of and interest on this Note is to be made. Every Assignee shall take this Note subject to all payments and prepayments of principal and interest prior to such assignment, transfer or conveyance. Subject to the provisions hereof, nothing contained in this Note shall affect or impair the negotiability of this Note, and this Note shall have all the qualities of a negotiable instrument under the law merchant and the Uniform Commercial Code of the State of Arkansas.

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by law; and that the indebtedness represented by this Note, together with all obligations of the Issuer, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Issuer has caused this Note to be executed by its Mayor and City Clerk, thereunto duly authorized, and its corporate seal to be affixed or impressed, all as of December 4, 2024.

CITY OF BRYANT, ARKANSAS

ATTEST:

By _____
Mayor

_____
City Clerk

(SEAL)