



# City of Jonesboro

Municipal Center  
300 S. Church Street  
Jonesboro, AR 72401

## Meeting Agenda Finance & Administration Council Committee

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Tuesday, March 26, 2019

4:00 PM

Municipal Center

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### 1. Call To Order

### 2. Roll Call by City Clerk Donna Jackson

### 3. Approval of minutes

[MIN-19:026](#) MINUTES FOR THE FINANCE AND ADMINISTRATION COMMITTEE MEETING ON MARCH 12, 2019

**Attachments:** [Finance Minutes 03122019.pdf](#)

### 4. New Business

#### *RESOLUTIONS TO BE INTRODUCED*

[RES-19:029](#) Letter of Credit with Centennial Bank to be issued to the Arkansas Department of Environmental Quality (ADEQ)

**Sponsors:** Finance

**Attachments:** [Incorporation of Jonesboro Arkansas - Renewal Documents - To be signed](#)  
[Renewal Documents - Copies](#)

### 5. Pending Items

### 6. Other Business

### 7. Public Comments

### 8. Adjournment



# City of Jonesboro

300 S. Church Street  
Jonesboro, AR 72401

## Legislation Details (With Text)

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**File #:** MIN-19:026    **Version:** 1    **Name:** MINUTES FOR THE FINANCE AND ADMINISTRATION COMMITTEE MEETING ON MARCH 12, 2019

**Type:** Minutes    **Status:** To Be Introduced

**File created:** 3/13/2019    **In control:** Finance & Administration Council Committee

**On agenda:**    **Final action:**

**Title:** MINUTES FOR THE FINANCE AND ADMINISTRATION COMMITTEE MEETING ON MARCH 12, 2019

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [Finance Minutes 03122019.pdf](#)

Date	Ver.	Action By	Action	Result
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MINUTES FOR THE FINANCE AND ADMINISTRATION COMMITTEE MEETING ON MARCH 12, 2019



# City of Jonesboro

Municipal Center  
300 S. Church Street  
Jonesboro, AR 72401

## Meeting Minutes Finance & Administration Council Committee

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Tuesday, March 12, 2019

4:00 PM

Municipal Center

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### 1. Call To Order

### 2. Roll Call by City Clerk Donna Jackson

**Present** 5 - Ann Williams; John Street; David McClain; LJ Bryant and Joe Hafner

**Absent** 1 - Charles Coleman

### 3. Approval of minutes

[MIN-19:021](#)

Minutes for the Finance Committee meeting on February 26, 2019

**Attachments:** [Minutes](#)

**A motion was made by Councilperson John Street, seconded by Councilperson David McClain, that this matter be Passed . The motion PASSED with the following vote.**

**Aye:** 4 - Ann Williams; John Street; David McClain and LJ Bryant

**Absent:** 1 - Charles Coleman

### 4. New Business

#### RESOLUTIONS TO BE INTRODUCED

[RES-19:022](#)

A RESOLUTION TO ENTER INTO AN AGREEMENT WITH AAA BUSINESS SYSTEMS TO SERVICE AND PROVIDE TONER FOR THE CITY'S COPIERS AND PRINTERS

**Attachments:** [City of Jonesboro AAA](#)

*Councilmember John Street asked, do you know what the cost per copy was? Did they break it down? Chairman Joe Hafner said, I don't know what it was. I know in this contract, the charge for black and white is .01 or one cent and color is .055. IT Director Jason Ratliff said, Forrest Office Machines was seven cents and Business World was six. Black and white copy was the same at one cent. Chairman Hafner said, this is an estimated monthly expense of about \$1,200. Obviously, it depends on usage. Mr. Ratliff said, right. Chairman Hafner said, about \$1,200 is what Jason said was a good estimate. Mr. Ratliff said, me and Trever have been working on this for about six months. The Finance Department had three different vendors to give us their*

*best price and service. Councilmember Street said, that is smart to consolidate it. Chairman Hafner said, yes, one call.*

*Councilmember LJ Bryant asked, will each department go through your department to get their cartridges or will they reach out to this vendor if they need cartridges. Mr. Ratliff said, so, the vendor monitors those copiers and as soon as they see the toner get to a certain level, they automatically ship the toner to that department. It is exactly the same as the other vendors do.*

**A motion was made by Councilperson John Street, seconded by Councilperson Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.**

**Aye:** 4 - Ann Williams;John Street;David McClain and LJ Bryant

**Absent:** 1 - Charles Coleman

## **5. Pending Items**

## **6. Other Business**

*Chairman Joe Hafner said, the only thing I have to say is obviously right now I would say that the Finance Department is facing challenges. So, hopefully, you are doing ok. I know the audit is going on. I talked to the Mayor and Bill Campbell a little bit on Friday and I asked a question and they weren't sure. I don't know if the Arkansas Municipal League has any resources or any contract companies they can suggest to us that we can use on an interim basis if needed, but obviously, we can't just have one or two people doing the work. Roy Ockert, consultant to the Mayor, said the Mayor has been in contact with the Arkansas Municipal League and they do have some resources that may be of use to us. He will be back in the office on Thursday and we will be talking about what we need and how we might deal with it from that point. Chairman Hafner said, ok, just keep me and this committee updated. I don't want us to lose our checks and balances and don't want people to get too stressed out. I know it has been a challenge anyway with Bill Reznicek being out and now you have two out. Mr. Ockert said, we had a big payment to make on worker's comp this week. The deadline was Friday and the Interim Director of Finance, Deanna Hornback has that figured out. So, I think we are either in the process of making the check or we already have the check made. We have passed one deadline ahead of time. Chairman Hafner said, well, whatever little help I may be, you know you can reach out to me if you just want a second set of eyes looking at something or whatever. Obviously, I don't need to be the one sitting there every day because I am not qualified for that. Just reach out if you need to. We are here for you. We appreciate the burden that you are unfortunately under.*

*Councilmember David McClain said, Mr. Chairman, you asked previously about the Veteran's Village and getting an update. Are we going to get that sometime soon as far as financially what the cost would be in the long term? Chairman Hafner said, I asked to have it I think either by this meeting or the Council meeting. That might be a little bit of a challenge now with the person who was going to be working on that no longer there. But, that is something that we have to do our due diligence on and know this is going to be an expense. Even if we have costs to cover the construction, there are going to be costs no matter how big or small they are, to maintain it, to make sure there is security there. There are going to be repairs. What kind of staff is going to be there? Those are all questions that we need to know before we get too deep into this. I*

*don't want this to be like an elephant that you keep chewing on that keeps getting bigger and bigger and bigger unexpectedly. Mr. Ockert said, I don't have any information about the costs, but I know that the Mayor has started working on that so that he can present something to the Council at the next meeting. Councilmember McClain asked, at the next council meeting? Mr. Ockert said, yes. Councilmember McClain said, thank you. Mr. Ockert said, that is the plan at least.*

*Chairman Hafner said, the other thing that I was going to ask about is how the new timeclock system is working. Interim Finance Director Deanna Hornback said, Trever and I were the ones working on that. On the last payroll or pay cycle, we did dual paper and the timeclocks plus. So, employees are using it every day. That is how they are putting their time requests in and that sort of thing. We found some discrepancies so it was obvious to us that it was not time to go totally with the timeclocks plus. The discrepancies were more on the paper side than the timeclocks plus side. So, that shows us that it is going to work once we get some of the kinks hammered out. So, I still have a few little setup things that I have come across with the Police Department, some call out codes, those sort of things. Everybody has been super patient and wonderful and we are working through those. I am going to reach out to timeclocks plus. They can help me on some of the filters and get that hammered out. But, other than that, I think it is going fairly well.*

*Chairman Hafner said, I have been spending a little bit of time with the police. I know they have had some issues. It seems like sometimes when they go to clock in, it shows that they are already clocked in. Ms. Hornback said, that occurs when they aren't clocking out so when they go to clock back in the next morning, it says, hey, you are already clocked in because they never clocked out the day before. It is getting the employees in the habit of clocking in and clocking out. All of that can be adjusted by the supervisor. In fact, the employee can fix what we call a missed punch. They can immediately go back in there and fix that. It is just training them and getting them used to doing that. But, a supervisor can always do that. They have reached out to me. I have helped them do that. So, it is going really well. And, as far as employees go, most of them are ok with it.*

*Chairman Hafner said, I know the different departments present different challenges too like police, like the SRO's. How does that work as far as what they put towards their comp time and all that. I know there are probably challenges like that you all are having to work through. Ms. Hornback said, police and fire have the most different callout codes. The K-9 get their extra hours. We had a few of those and we are slowly working through them. I think all in all it is going really well. Now, as we go totally live which we will not do until we are comfortable with the paper and the timeclocks plus, then, we will see if anything else comes up. I am ok with let's just do both until everybody is feeling comfortable with it. And, on this pay period, I am actually going to be sending out the timeclocks plus roster and the paper roster and I am going to let the departments reconcile this time because I think that is good for them to see where some of the misses are at instead of payroll trying to do it. So, that is our next step in that.*

*Councilmember LJ Bryant asked, if somebody is supposed to clock out at 5 p.m. and they come to work at 8 a.m. the next day and they didn't clock out, it won't let them have the time from 5 p.m. to 8 a.m. right? Ms. Hornback said, it will say that it is a missed punch and it will cause an issue which at that point, they can either go back in and back it up or the supervisor can go in and correct it. As we get a little farther into it, they can even set up schedules and some departments have done that. What that does is it alerts the supervisor if they haven't clocked out. So, the supervisor will get a*

*notice that says, hey, he has not clocked out. So, there are some advance settings in there that we are going to get to eventually. Some departments have already taken the initiative and they have those set up. So, it is a great program. I mean I feel real confident about it. I can already see where it is going to save the city money in some time off requests that were missed getting written down on paper but showed up in timeclocks plus.*

*Chairman Hafner said, I had an interesting situation. I was out riding with one of the officers Saturday night, but it was the time where it went from like 2 a.m. to 3 a.m. I said, wow, I guess the police and fire work seven hours for an eight hour shift one time and then at the other time of the year they work nine hours for an eight hour shift. That has really never had an impact on me, but third shift guys get impacted by it. Ms. Hornback said, correct. They have already reached out to me on that. We are paying off of paper so that will definitely be adjusted for that. Chairman Hafner said, thanks for the update. Ms. Hornback said, you are welcome.*

## **7. Public Comments**

## **8. Adjournment**

**A motion was made by Councilperson John Street, seconded by Councilperson LJ Bryant, that this meeting be Adjourned . The motion PASSED with the following vote.**

**Aye:** 4 - Ann Williams;John Street;David McClain and LJ Bryant

**Absent:** 1 - Charles Coleman



## Legislation Details (With Text)

<b>File #:</b>	RES-19:029	<b>Version:</b>	2	<b>Name:</b>	Letter of Credit with Centennial Bank to be issued to the Arkansas Department of Environmental Quality (ADEQ)
<b>Type:</b>	Resolution	<b>Status:</b>		<b>Status:</b>	To Be Introduced
<b>File created:</b>	3/20/2019	<b>In control:</b>		<b>In control:</b>	Finance & Administration Council Committee
<b>On agenda:</b>		<b>Final action:</b>		<b>Final action:</b>	
<b>Title:</b>	Letter of Credit with Centennial Bank to be issued to the Arkansas Department of Environmental Quality (ADEQ)				
<b>Sponsors:</b>	Finance				
<b>Indexes:</b>	Other				
<b>Code sections:</b>					
<b>Attachments:</b>	<a href="#">Incorporation of Jonesboro Arkansas - Renewal Documents - To be signed</a> <a href="#">Renewal Documents - Copies</a>				

Date	Ver.	Action By	Action	Result
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RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO PROVIDE FOR THE EXECUTION AND MAINTENANCE OF A LETTER OF CREDIT TO BE ISSUED TO THE ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY (ADEQ)  
WHEREAS, on May 11, 1998 the City of Jonesboro did execute a Contract of Obligation between the City of Jonesboro and the Arkansas Department of Pollution Control and Ecology (ADPCE) related to the closure and post-closure costs of the Jonesboro municipal landfill, said Contract binding the City of payment in the amount of \$500,000.00 in the event of default; and,

WHEREAS, The Arkansas Department of Environmental Quality (as successor agency to ADPCE), has advised City that, pursuant to Regulation 22.1403(c), the above Contract of Obligation may be rescinded upon receipt of a letter of credit in the amount equal to 20% of estimated post-closure maintenance costs; and,

WHEREAS, this letter of credit must be renewed annually, and the amount adjusted based on annual inflation factor provided by ADEQ; and,

WHEREAS, Centennial Bank, as primary depository for City, has tentatively agreed to provide an irrevocable standby letter of credit, in favor of the Arkansas Department of Environmental Quality, for this purpose and to renew said letter of credit annually, as needed.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF JONESBORO, ARKANSAS THAT:

Section 1: The Mayor and City Clerk are hereby authorized to execute any and all instruments necessary for the issuance of the mentioned letter of credit.

## CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$23,000.00	04-26-2019	04-26-2020	2757539938	B5	****	****	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

**Borrower:** Incorporation of Jonesboro, Arkansas  
PO Box 1845  
Jonesboro, AR 72403

**Lender:** CENTENNIAL BANK  
Jonesboro Main Branch  
2901 East Highland Drive  
Jonesboro, AR 72401

**Principal Amount: \$23,000.00**

**Date of Agreement: April 26, 2019**

**DESCRIPTION OF EXISTING INDEBTEDNESS.** Promissory Note #2757539938 dated 04/26/15 in the original amount of \$23,000.00.

**DESCRIPTION OF COLLATERAL.** Unsecured.

**DESCRIPTION OF CHANGE IN TERMS.** Renewal of loan #2757539938 and Letter of Credit #1471.

**PROMISE TO PAY.** Incorporation of Jonesboro, Arkansas ("Borrower") promises to pay to CENTENNIAL BANK ("Lender"), or order, in lawful money of the United States of America, the principal amount of Twenty-three Thousand & 00/100 Dollars (\$23,000.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance, calculated as described in the "INTEREST CALCULATION METHOD" paragraph using an interest rate of 5.750% per annum based on a year of 360 days. Interest shall be calculated from the date of each advance until repayment of each advance. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

**PAYMENT.** Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made, Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on April 26, 2020. Unless otherwise agreed or required by applicable law, payments will be applied first to any escrow or reserve account payments as required under any mortgage, deed of trust, or other security instrument or security agreement securing this Note; then to any late charges; then to any accrued unpaid interest; and then to principal. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**INTEREST CALCULATION METHOD.** Interest on this loan is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this loan is computed using this method. This calculation method results in a higher effective interest rate than the numerical interest rate stated in the loan documents.

**PREPAYMENT.** Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Agreement, and Borrower will remain obligated to pay any further amount owed to Lender. **All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: CENTENNIAL BANK, Jonesboro Main Branch, 2901 East Highland Drive, Jonesboro, AR 72401.**

**LATE CHARGE.** If a payment is 10 days or more late, Borrower will be charged **10.000% of the regularly scheduled payment or \$25.00, whichever is greater.**

**17.000% PER ANNUM DEFAULT.** Upon default, including failure to pay final maturity, the interest rate on this loan shall be increased to 17.000% per annum based on a year of 360 days. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

**DEFAULT.** Each of the following shall constitute an Event of Default under this Agreement:

**Payment Default.** Borrower fails to make any payment when due under the Indebtedness.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**Default in Favor of Third Parties.** Borrower defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or ability to perform Borrower's obligations under this Agreement or any of the Related Documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Insolvency.** The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the Indebtedness. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the Indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness evidenced by this Note.

**Change In Ownership.** Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire unpaid principal balance under this Agreement and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

**ATTORNEYS' FEES; EXPENSES.** Lender may hire or pay someone else to help collect this Agreement if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

**JURY WAIVER.** Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

**GOVERNING LAW.** This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Arkansas without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of Arkansas.

**CHOICE OF VENUE.** If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of the State of Arkansas, in the county in which Borrower's following address is located: PO Box 1845, Jonesboro, AR 72403.

**DISHONORED ITEM FEE.** Borrower will pay a fee to Lender of \$25.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower jointly with someone else and all accounts Borrower may



**CHANGE IN TERMS AGREEMENT  
(Continued)**

Loan No: 2757539938

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open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the debt against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

**LINE OF CREDIT.** This Agreement evidences a straight line of credit. Once the total amount of principal has been advanced, Borrower is not entitled to further loan advances. Advances under this Agreement may be requested either orally or in writing by Borrower or as provided in this paragraph. Lender may, but need not, require that all oral requests be confirmed in writing. All communications, instructions, or directions by telephone or otherwise to Lender are to be directed to Lender's office shown above. The following person or persons are authorized, except as provided in this paragraph, to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of such authority: **Harold Perrin, Mayor of Incorporation of Jonesboro, Arkansas. Draws are based upon customer request, lender inspection and loan officer approval.** Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Agreement at any time may be evidenced by endorsements on this Agreement or by Lender's internal records, including daily computer print-outs. Lender will have no obligation to advance funds under this Agreement if: (A) Borrower or any guarantor is in default under the terms of this Agreement or any agreement that Borrower or any guarantor has with Lender, including any agreement made in connection with the signing of this Agreement; (B) Borrower or any guarantor ceases doing business or is insolvent; (C) any guarantor seeks, claims or otherwise attempts to limit, modify or revoke such guarantor's guarantee of this Agreement or any other loan with Lender; (D) Borrower has applied funds provided pursuant to this Agreement for purposes other than those authorized by Lender; or (E) Lender in good faith believes itself insecure.

**CONTINUING VALIDITY.** Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

**INTEREST RATE GOVERNING LAW PROVISION.** This Note shall be governed by and construed in accordance with the laws of the State where the lender is located and the laws of the United States of America. The maximum interest rate applicable to the loan evidenced by this Note shall be governed by the laws of the United States of America, including 12 U.S.C. Section 1831u.

**ADDITIONAL WARRANTIES.** In further consideration of the modifications set forth herein and in order to induce the Lender to consent to these modifications, the Borrowers hereby represent and warrant that as of this date: (a) Borrowers have no defense to any actions by the Lender based on or arising out of the Promissory Note and/or any subsequent modifications; (b) Borrowers have no claims or causes of actions against the Lender based on or arising out of the Promissory Note and/or any subsequent modifications; and (c) the Lender is not in breach or default of any of the loan documents herein described.

**SUCCESSORS AND ASSIGNS.** Subject to any limitations stated in this Agreement on transfer of Borrower's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Collateral becomes vested in a person other than Borrower, Lender, without notice to Borrower, may deal with Borrower's successors with reference to this Agreement and the Indebtedness by way of forbearance or extension without releasing Borrower from the obligations of this Agreement or liability under the Indebtedness.

**NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES.** Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice describing the specific inaccuracy(ies) should be sent to us at the following address: Centennial Bank PO Box 966 Conway, AR 72033.

**MISCELLANEOUS PROVISIONS.** This Agreement is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Agreement on its demand. If any part of this Agreement cannot be enforced, this fact will not affect the rest of the Agreement. Lender may delay or forgo enforcing any of its rights or remedies under this Agreement without losing them. Borrower and any other person who signs, guarantees or endorses this Agreement, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Agreement, and unless otherwise expressly stated in writing, no party who signs this Agreement, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Agreement are joint and several.

**PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.**

**BORROWER:**

**INCORPORATION OF JONESBORO, ARKANSAS**

By: \_\_\_\_\_  
Harold Perrin, Mayor of Incorporation of Jonesboro,  
Arkansas

**LENDER:**

**CENTENNIAL BANK**

X \_\_\_\_\_  
John N. Wooten, Senior Commercial Loan Officer

# CORPORATE RESOLUTION TO BORROW / GRANT COLLATERAL

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$23,000.00	04-26-2019	04-26-2020	2757539938	B5	***	***	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*\*" has been omitted due to text length limitations.

<b>Corporation:</b> Incorporation of Jonesboro, Arkansas PO Box 1845 Jonesboro, AR 72403	<b>Lender:</b> CENTENNIAL BANK Jonesboro Main Branch 2901 East Highland Drive Jonesboro, AR 72401
------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------

**I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:**

**THE CORPORATION'S EXISTENCE.** The complete and correct name of the Corporation is Incorporation of Jonesboro, Arkansas ("Corporation"). The Corporation is a corporation for profit which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of Arkansas. The Corporation is duly authorized to transact business in all other states in which the Corporation is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Corporation is doing business. Specifically, the Corporation is, and at all times shall be, duly qualified as a foreign corporation in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Corporation has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Corporation maintains its principal office at 300 South Church Street, Jonesboro, AR 72401. Unless the Corporation has designated otherwise in writing, this is the principal office at which the Corporation keeps its books and records. The Corporation will notify Lender prior to any change in the location of the Corporation's state of organization or any change in the Corporation's name. The Corporation shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Corporation and the Corporation's business activities.

**RESOLUTIONS ADOPTED.** At a meeting of the Directors of the Corporation, or if the Corporation is a close corporation having no Board of Directors then at a meeting of the Corporation's shareholders, duly called and held on **April 16, 2019**, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Resolution were adopted.

**OFFICER.** The following named person is an officer of Incorporation of Jonesboro, Arkansas:

NAMES	TITLES	AUTHORIZED	ACTUAL SIGNATURES
Harold Perrin	Mayor	Y <input checked="" type="checkbox"/>	_____

**ACTIONS AUTHORIZED.** The authorized person listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Corporation. Specifically, but without limitation, the authorized person is authorized, empowered, and directed to do the following for and on behalf of the Corporation:

**Borrow Money.** To borrow, as a cosigner or otherwise, from time to time from Lender, on such terms as may be agreed upon between the Corporation and Lender, such sum or sums of money as in his or her judgment should be borrowed, without limitation.

**Execute Notes.** To execute and deliver to Lender the promissory note or notes, or other evidence of the Corporation's credit accommodations, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Corporation's indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

**Grant Security.** To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender any property now or hereafter belonging to the Corporation or in which the Corporation now or hereafter may have an interest, including without limitation all of the Corporation's real property and all of the Corporation's personal property (tangible or intangible), as security for the payment of any loans or credit accommodations so obtained, any promissory notes so executed (including any amendments to or modifications, renewals, and extensions of such promissory notes), or any other or further indebtedness of the Corporation to Lender at any time owing, however the same may be evidenced. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered.

**Execute Security Documents.** To execute and deliver to Lender the forms of mortgage, deed of trust, pledge agreement, hypothecation agreement, and other security agreements and financing statements which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances.

**Negotiate Items.** To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Corporation or in which the Corporation may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Corporation's account with Lender, or to cause such other disposition of the proceeds derived therefrom as he or she may deem advisable.

**Further Acts.** In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances under such lines, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements, **including agreements waiving the right to a trial by jury**, as the officer may in his or her discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Resolution. The following person or persons are authorized, except as provided in this paragraph, to request advances and authorize payments under the line of credit until Lender receives from the Corporation, at Lender's address shown above, written notice of revocation of such authority: **Harold Perrin, Mayor of Incorporation of Jonesboro, Arkansas. Draws are based upon customer request, lender inspection and loan officer approval.**

**ASSUMED BUSINESS NAMES.** The Corporation has filed or recorded all documents or filings required by law relating to all assumed business names used by the Corporation. Excluding the name of the Corporation, the following is a complete list of all assumed business names under which the Corporation does business: **None.**

**NOTICES TO LENDER.** The Corporation will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Corporation's name; (B) change in the Corporation's assumed business name(s); (C) change in the management of the Corporation; (D) change in the authorized signer(s); (E) change in the Corporation's principal office address; (F) change in the Corporation's state of organization; (G) conversion of the Corporation to a new or different type of business entity; or (H) change in any other aspect of the Corporation that directly or indirectly relates to any agreements between the Corporation and Lender. No change in the Corporation's name or state of organization will take effect until after Lender has received notice.

**CERTIFICATION CONCERNING OFFICERS AND RESOLUTIONS.** The officer named above is duly elected, appointed, or employed by or for the Corporation, as the case may be, and occupies the position set opposite his or her respective name. This Resolution now stands of record on the books of the Corporation, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

**NO CORPORATE SEAL.** The Corporation has no corporate seal, and therefore, no seal is affixed to this Resolution.

**CONTINUING VALIDITY.** Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Corporation's agreements or commitments in effect at the time notice is given.

**IN TESTIMONY WHEREOF,** I have hereunto set my hand and attest that the signature set opposite the name listed above is his or her genuine signature.


I have read all the provisions of this Resolution, and I personally and on behalf of the Corporation certify that all statements and representations made in this Resolution are true and correct. This Corporate Resolution to Borrow / Grant Collateral is dated April 26, 2019.

**CORPORATE RESOLUTION TO BORROW / GRANT COLLATERAL  
(Continued)**

Loan No: 2757539938

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CERTIFIED TO AND ATTESTED BY:

  
Harold Perrin, Mayor of Incorporation of Jonesboro,  
Arkansas

NOTE: If the officer signing this Resolution is designated by the foregoing document as one of the officers authorized to act on the Corporation's behalf, it is advisable to have this Resolution signed by at least one non-authorized officer of the Corporation.

## ERRORS AND OMISSIONS AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$23,000.00	04-26-2019	04-26-2020	2757539938	B5	***	***	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

**Borrower:** Incorporation of Jonesboro, Arkansas  
PO Box 1845  
Jonesboro, AR 72403

**Lender:** CENTENNIAL BANK  
Jonesboro Main Branch  
2901 East Highland Drive  
Jonesboro, AR 72401

**LOAN NO.:** 2757539938

The undersigned Borrower for and in consideration of the above-referenced Lender funding the closing of this loan agrees, if requested by Lender or Closing Agent for Lender, to fully cooperate and adjust for clerical errors, any or all loan closing documentation if deemed necessary or desirable in the reasonable discretion of Lender to enable Lender to sell, convey, seek guaranty or market said loan to any entity, including but not limited to an investor, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Federal Housing Authority or the Department of Veterans Affairs.

The undersigned Borrower does hereby so agree and covenant in order to assure that this loan documentation executed this date will conform and be acceptable in the marketplace in the instance of transfer, sale or conveyance by Lender of its interest in and to said loan documentation.

DATED effective this **April 26, 2019**

**BORROWER:**

**INCORPORATION OF JONESBORO, ARKANSAS**

by: \_\_\_\_\_  
Harold Perrin, Mayor of Incorporation of Jonesboro,  
Arkansas

Sworn to and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

X \_\_\_\_\_  
(Notary Public)

My Commission Expires: \_\_\_\_\_

## DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$23,000.00	04-26-2019	04-26-2020	2757539938	B5	***	***	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** Incorporation of Jonesboro, Arkansas  
 PO Box 1845  
 Jonesboro, AR 72403

**Lender:** CENTENNIAL BANK  
 Jonesboro Main Branch  
 2901 East Highland Drive  
 Jonesboro, AR 72401

**LOAN TYPE.** This is a Fixed Rate (5.750%) Nondisclosable Draw Down Line of Credit Loan to a Corporation for \$23,000.00 due on April 26, 2020. This is a secured renewal loan.

**PRIMARY PURPOSE OF LOAN.** The primary purpose of this loan is for:

Personal, Family, or Household Purposes or Personal Investment.

Business (Including Real Estate Investment).

**SPECIFIC PURPOSE.** The specific purpose of this loan is: CIT 2757539938.

**DISBURSEMENT INSTRUCTIONS.** Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$23,000.00 as follows:

Undisbursed Funds:	\$23,000.00
Note Principal:	\$23,000.00

**FINANCIAL CONDITION.** BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED APRIL 26, 2019.

**BORROWER:**

**INCORPORATION OF JONESBORO, ARKANSAS**

By: \_\_\_\_\_  
 Harold Perrin, Mayor of Incorporation of Jonesboro,  
 Arkansas

# NOTICE OF FINAL AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$23,000.00	04-26-2019	04-26-2020	2757539938	B5	***	***	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

**Borrower:** Incorporation of Jonesboro, Arkansas  
PO Box 1845  
Jonesboro, AR 72403

**Lender:** CENTENNIAL BANK  
Jonesboro Main Branch  
2901 East Highland Drive  
Jonesboro, AR 72401

BY SIGNING THIS DOCUMENT EACH PARTY REPRESENTS AND AGREES THAT: (A) THE WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES, (B) THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES, AND (C) THE WRITTEN LOAN AGREEMENT MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR UNDERSTANDINGS OF THE PARTIES.

As used in this Notice, the following terms have the following meanings:

**Loan.** The term "Loan" means the following described loan: a Fixed Rate (5.750%) Nondisclosable Draw Down Line of Credit Loan to a Corporation for \$23,000.00 due on April 26, 2020. This is a secured renewal loan.

**Loan Agreement.** The term "Loan Agreement" means one or more promises, promissory notes, agreements, undertakings, security agreements, deeds of trust or other documents, or commitments, or any combination of those actions or documents, relating to the Loan, including without limitation the following:

#### LOAN DOCUMENTS

- Corporate Resolution: Incorporation of Jonesboro, Arkansas
- BAR CODE FOR CREDIT DOCS - Bar Code Cover Sheet for CREDIT DOCS
- BAR CODE FOR REAL ESTATE - Bar Code Cover Sheet for REAL ESTATE
- Disbursement Request and Authorization
- Errors and Omissions Agreement: Incorporation of Jonesboro, Arkansas
- Change In Terms Agreement
- BAR CODE CS FOR MISC - Bar Code Cover Sheet for MISCELLANEOUS
- BAR CODE FOR NOTE - Bar Code Cover Sheet for NOTE
- BAR CODE FOR LOM - Bar Code Cover Sheet for LOM
- Notice of Final Agreement


**Parties.** The term "Parties" means CENTENNIAL BANK and any and all entities or individuals who are obligated to repay the loan or have pledged property as security for the Loan, including without limitation the following:

**Borrower:** Incorporation of Jonesboro, Arkansas

Each Party who signs below, other than CENTENNIAL BANK, acknowledges, represents, and warrants to CENTENNIAL BANK that it has received, read and understood this Notice of Final Agreement. This Notice is dated April 26, 2019.

**BORROWER:**

INCORPORATION OF JONESBORO, ARKANSAS

By:   
Harold Perrin, Mayor of Incorporation of Jonesboro,  
Arkansas

**LENDER:**

CENTENNIAL BANK

X  
John N. Wooten, Senior Commercial Loan Officer

## CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$23,000.00	04-26-2019	04-26-2020	2757539938	B5	***	***	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** Incorporation of Jonesboro, Arkansas  
PO Box 1845  
Jonesboro, AR 72403

**Lender:** CENTENNIAL BANK  
Jonesboro Main Branch  
2901 East Highland Drive  
Jonesboro, AR 72401

**Principal Amount: \$23,000.00**

**Date of Agreement: April 26, 2019**

**DESCRIPTION OF EXISTING INDEBTEDNESS.** Promissory Note #2757539938 dated 04/26/15 in the original amount of \$23,000.00.

**DESCRIPTION OF COLLATERAL.** Unsecured.

**DESCRIPTION OF CHANGE IN TERMS.** Renewal of loan #2757539938 and Letter of Credit #1471.

**PROMISE TO PAY.** Incorporation of Jonesboro, Arkansas ("Borrower") promises to pay to CENTENNIAL BANK ("Lender"), or order, in lawful money of the United States of America, the principal amount of Twenty-three Thousand & 00/100 Dollars (\$23,000.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance, calculated as described in the "INTEREST CALCULATION METHOD" paragraph using an interest rate of 5.750% per annum based on a year of 360 days. Interest shall be calculated from the date of each advance until repayment of each advance. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

**PAYMENT.** Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made, Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on April 26, 2020. Unless otherwise agreed or required by applicable law, payments will be applied first to any escrow or reserve account payments as required under any mortgage, deed of trust, or other security instrument or security agreement securing this Note; then to any late charges; then to any accrued unpaid interest; and then to principal. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**INTEREST CALCULATION METHOD.** Interest on this loan is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this loan is computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rate stated in the loan documents.

**PREPAYMENT.** Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Agreement, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: CENTENNIAL BANK, Jonesboro Main Branch, 2901 East Highland Drive, Jonesboro, AR 72401.

**LATE CHARGE.** If a payment is 10 days or more late, Borrower will be charged 10.000% of the regularly scheduled payment or \$25.00, whichever is greater.

**INTEREST AFTER DEFAULT.** Upon default, including failure to pay upon final maturity, the interest rate on this loan shall be increased to 17.000% per annum based on a year of 360 days. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

**DEFAULT.** Each of the following shall constitute an Event of Default under this Agreement:

**Payment Default.** Borrower fails to make any payment when due under the Indebtedness.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**Default in Favor of Third Parties.** Borrower defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or ability to perform Borrower's obligations under this Agreement or any of the Related Documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Insolvency.** The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the Indebtedness. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the Indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness evidenced by this Note.

**Change in Ownership.** Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire unpaid principal balance under this Agreement and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

**ATTORNEYS' FEES; EXPENSES.** Lender may hire or pay someone else to help collect this Agreement if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

**JURY WAIVER.** Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

**GOVERNING LAW.** This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Arkansas without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of Arkansas.

**CHOICE OF VENUE.** If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of the State of Arkansas, in the county in which Borrower's following address is located: PO Box 1845, Jonesboro, AR 72403.

**DISHONORED ITEM FEE.** Borrower will pay a fee to Lender of \$25.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may

**CHANGE IN TERMS AGREEMENT  
(Continued)**

Loan No: 2757539938

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open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the debt against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

**LINE OF CREDIT.** This Agreement evidences a straight line of credit. Once the total amount of principal has been advanced, Borrower is not entitled to further loan advances. Advances under this Agreement may be requested either orally or in writing by Borrower or as provided in this paragraph. Lender may, but need not, require that all oral requests be confirmed in writing. All communications, instructions, or directions by telephone or otherwise to Lender are to be directed to Lender's office shown above. The following person or persons are authorized, except as provided in this paragraph, to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of such authority: **Harold Perrin, Mayor of Incorporation of Jonesboro, Arkansas. Draws are based upon customer request, lender inspection and loan officer approval.** Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Agreement at any time may be evidenced by endorsements on this Agreement or by Lender's internal records, including daily computer print-outs. Lender will have no obligation to advance funds under this Agreement if: (A) Borrower or any guarantor is in default under the terms of this Agreement or any agreement that Borrower or any guarantor has with Lender, including any agreement made in connection with the signing of this Agreement; (B) Borrower or any guarantor ceases doing business or is insolvent; (C) any guarantor seeks, claims or otherwise attempts to limit, modify or revoke such guarantor's guarantee of this Agreement or any other loan with Lender; (D) Borrower has applied funds provided pursuant to this Agreement for purposes other than those authorized by Lender; or (E) Lender in good faith believes itself insecure.

**CONTINUING VALIDITY.** Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

**INTEREST RATE GOVERNING LAW PROVISION.** This Note shall be governed by and construed in accordance with the laws of the State where the lender is located and the laws of the United States of America. The maximum interest rate applicable to the loan evidenced by this Note shall be governed by the laws of the United States of America, including 12 U.S.C. Section 1831u.

**ADDITIONAL WARRANTIES.** In further consideration of the modifications set forth herein and in order to induce the Lender to consent to these modifications, the Borrowers hereby represent and warrant that as of this date: (a) Borrowers have no defense to any actions by the Lender based on or arising out of the Promissory Note and/or any subsequent modifications; (b) Borrowers have no claims or causes of actions against the Lender based on or arising out of the Promissory Note and/or any subsequent modifications; and (c) the Lender is not in breach or default of any of the loan documents herein described.

**SUCCESSORS AND ASSIGNS.** Subject to any limitations stated in this Agreement on transfer of Borrower's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Collateral becomes vested in a person other than Borrower, Lender, without notice to Borrower, may deal with Borrower's successors with reference to this Agreement and the Indebtedness by way of forbearance or extension without releasing Borrower from the obligations of this Agreement or liability under the Indebtedness.

**NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES.** Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice describing the specific inaccuracy(ies) should be sent to us at the following address: Centennial Bank PO Box 966 Conway, AR 72033.

**MISCELLANEOUS PROVISIONS.** This Agreement is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Agreement on its demand. If any part of this Agreement cannot be enforced, this fact will not affect the rest of the Agreement. Lender may delay or forgo enforcing any of its rights or remedies under this Agreement without losing them. Borrower and any other person who signs, guarantees or endorses this Agreement, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Agreement, and unless otherwise expressly stated in writing, no party who signs this Agreement, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Agreement are joint and several.

**PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.**

**BORROWER:**

**INCORPORATION OF JONESBORO, ARKANSAS**

By: COPY  
Harold Perrin, Mayor of Incorporation of Jonesboro,  
Arkansas

**LENDER:**

**CENTENNIAL BANK**

X COPY  
John N. Wooten, Senior Commercial Loan Officer



# DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$23,000.00	04-26-2019	04-26-2020	2757539938	B5	***	***	

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**Borrower:** Incorporation of Jonesboro, Arkansas  
PO Box 1845  
Jonesboro, AR 72403

**Lender:** CENTENNIAL BANK  
Jonesboro Main Branch  
2901 East Highland Drive  
Jonesboro, AR 72401

**LOAN TYPE.** This is a Fixed Rate (5.750%) Nondisclosable Draw Down Line of Credit Loan to a Corporation for \$23,000.00 due on April 26, 2020. This is a secured renewal loan.

**PRIMARY PURPOSE OF LOAN.** The primary purpose of this loan is for:

- Personal, Family, or Household Purposes or Personal Investment.  
 Business (Including Real Estate Investment).

**SPECIFIC PURPOSE.** The specific purpose of this loan is: CIT 2757539938.

**DISBURSEMENT INSTRUCTIONS.** Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$23,000.00 as follows:

Undisbursed Funds:	\$23,000.00
Note Principal:	\$23,000.00

**FINANCIAL CONDITION.** BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED APRIL 26, 2019.

**BORROWER:**

**INCORPORATION OF JONESBORO, ARKANSAS**

By: COPY  
Harold Perrin, Mayor of Incorporation of Jonesboro,  
Arkansas

## NOTICE OF FINAL AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$23,000.00	04-26-2019	04-26-2020	2757539938	B5	***	***	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

**Borrower:** Incorporation of Jonesboro, Arkansas  
PO Box 1845  
Jonesboro, AR 72403

**Lender:** CENTENNIAL BANK  
Jonesboro Main Branch  
2901 East Highland Drive  
Jonesboro, AR 72401

**BY SIGNING THIS DOCUMENT EACH PARTY REPRESENTS AND AGREES THAT: (A) THE WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES, (B) THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES, AND (C) THE WRITTEN LOAN AGREEMENT MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR UNDERSTANDINGS OF THE PARTIES.**

As used in this Notice, the following terms have the following meanings:

**Loan.** The term "Loan" means the following described loan: a Fixed Rate (5.750%) Nondisclosable Draw Down Line of Credit Loan to a Corporation for \$23,000.00 due on April 26, 2020. This is a secured renewal loan.

**Loan Agreement.** The term "Loan Agreement" means one or more promises, promissory notes, agreements, undertakings, security agreements, deeds of trust or other documents, or commitments, or any combination of those actions or documents, relating to the Loan, including without limitation the following:

#### LOAN DOCUMENTS

- Corporate Resolution: Incorporation of Jonesboro, Arkansas
- BAR CODE FOR CREDIT DOCS - Bar Code Cover Sheet for CREDIT DOCS
- BAR CODE FOR REAL ESTATE - Bar Code Cover Sheet for REAL ESTATE
- Disbursement Request and Authorization
- Errors and Omissions Agreement: Incorporation of Jonesboro, Arkansas
- Change In Terms Agreement
- BAR CODE CS FOR MISC - Bar Code Cover Sheet for MISCELLANEOUS
- BAR CODE FOR NOTE - Bar Code Cover Sheet for NOTE
- BAR CODE FOR LOM - Bar Code Cover Sheet for LOM
- Notice of Final Agreement

**Parties.** The term "Parties" means CENTENNIAL BANK and any and all entities or individuals who are obligated to repay the loan or have pledged property as security for the Loan, including without limitation the following:

**Borrower:** Incorporation of Jonesboro, Arkansas

Each Party who signs below, other than CENTENNIAL BANK, acknowledges, represents, and warrants to CENTENNIAL BANK that it has received, read and understood this Notice of Final Agreement. This Notice is dated April 26, 2019.

**BORROWER:**

INCORPORATION OF JONESBORO, ARKANSAS

By: COPY  
Harold Perrin, Mayor of Incorporation of Jonesboro,  
Arkansas

**LENDER:**

CENTENNIAL BANK

X COPY  
John N. Wooten, Senior Commercial Loan Officer