

OCTOBER, 16

2025

ARKANSAS
DEVELOPMENT
FINANCE
AUTHORITY

FALL RETREAT &
BOARD MEETING

Together, we'll shape the future of ADFA,
fostering growth and innovation to
better serve Arkansas communities



Fall Retreat
2025

The Red Apple Inn
Heber Springs



PUBLIC MEETING

**ARKANSAS DEVELOPMENT FINANCE AUTHORITY
BOARD OF DIRECTORS PUBLIC MEETING**

**Red Apple Inn,
305 Club Road, Heber Springs, AR
Quindell Conference Room**

**Thursday, October 16, 2025
1:00 PM**

AGENDA FOR PUBLIC MEETINGS

I. ROLL CALL AND NOTE OF ABSENCES.

II. MINUTES: TAB 1

- ADFA Board of Directors Meeting – August 21, 2025
- ADFA Special Board of Directors Meeting – August 27, 2025
- ADFA Special Board of Directors Meeting – October 1, 2025

III. PRESIDENT’S REMARKS TAB 2

IV. OTHER BUSINESS TAB 3

Board Committee Reports:

- Audit Committee, Presented by Committee Chair, Denise Sweat
- Financial Reporting and Operations Committee, Presented by Committee Chair, George O’Connor
- Housing Review Committee, Presented by Committee Chair, Rod Coleman

**V. RESOLUTION ADOPTING AND APPROVING A SERIES RESOLUTION
AUTHORIZING THE ISSUANCE AND SALE OF SINGLE FAMILY MORTGAGE
REVENUE BONDS, 2025 SERIES C -
Presented by Kathleen Orlandi, Hawkins Delafield & WoodTAB 4**

**VI. SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF REVOLVING
LOAN FUND REVENUE BONDS, SERIES 2026 IN A PRINCIPAL AMOUNT
NOT TO EXCEED \$150,000,000 -**
Presented by Ryan A. Bowman and Taylor Marshall, Friday Firm TAB 5

VII. ADFa STAFF BOARD REPORTS:TAB 6

President
Fiscal
Development Finance
Homeownership
ASLA
Communications

VIII. Announcement: 2026 ADFa Board of Directors Meeting Schedule TAB 7

ADJOURNMENT:

The next regular ADFa Board of Directors meeting is scheduled for
**Thursday, December 4, 2025, ADFa, Department of Commerce,
1 Commerce Way, Little Rock, Arkansas**

TAB 1

ARKANSAS DEVELOPMENT FINANCE AUTHORITY

ADFA BOARD OF DIRECTORS

SPECIAL MEETING

TUESDAY, AUGUST 27, 2025

VIA ZOOM

9:00 AM

ADFA Board Members Present Via Phone or Video: Carey Smith, Chairman; Jon Chadwell; Rod Coleman; Stephanie Garner; Alan McVey, (Designee for Jim Hudson, Secretary, Department of Finance and Administration); Katelyn Martin; Hugh McDonald, Cabinet Secretary of Department of Commerce; George O'Connor; Kirkley Thomas; and Kenneth Burleson (Designee for John Thurston, Treasurer, Office of Treasurer of State of Arkansas).

ADFA Board Members Absent: Dr. Lee Lane; Seth Mims; Harold Perrin; and Denise Sweat.

ADFA Staff Present via Phone or Video: Mark Conine, President of Arkansas Development Finance Authority; Robert "Ro" Arrington, Vice President, Homeownership and Public Finance; Jake Bleed, General Counsel; Lori Brockway, Federal Housing Program Manager; Kimmy Helble, Executive Assistant to President; and Derrick Rose, Director of Outreach and Communication.

Others Present Via Phone or Video: Allison Hatfield, Arkansas Department of Commerce.

Call to Order: Chairman Smith called the ADFA Board of Directors Special Meeting to order at approximately 9:00 AM.

RESOLUTION AUTHORIZING THE COMPENSATION OF INTERIM PRESIDENT:

Chairman Smith mentioned the Resolution Authorizing the Compensation of the Interim President, which had been emailed to the ADFA Board of Directors for their consideration. He noted that this matter should have been considered at the regular August Board meeting.

Chairman Smith read from Section 1 of the Resolution which read as *Effective August 29, 2025, compensation for the role of Interim President/Secretary shall be established at the rate of compensation awarded to the immediate past President.* Chairman Smith then inquired if any Board members had any comments or questions.

Being no comments or questions, Mr. Coleman made a motion to approve the Resolution Authorizing the Compensation of Interim President as presented.

Mr. O'Connor seconded the motion. The motion passed.

Adjournment: Being no additional discussion or other business, Chairman Smith adjourned the meeting at approximately 9:04 AM.

Minutes approved and signed on this 27th day of August 2025.

Carey Smith, Chairman of the Board

Mark Conine, President/Secretary

Minutes:
ADFAs Special Board of Directors Meeting
August 27, 2025

ARKANSAS DEVELOPMENT FINANCE AUTHORITY

BOARD OF DIRECTORS MEETING

AUGUST 21, 2025

DEPARTMENT OF COMMERCE, 1 COMMERCE WAY

CENTRAL HIGH/OLD MILL MEETING ROOM

LITTLE ROCK, AR

The Board of Directors of the Arkansas Development Finance Authority held its regularly scheduled Board of Directors Meetings on Thursday, August 21, 2025, at 1:00 PM.

ADFA Board Members Present: Carey Smith, Chairman; Jon Chadwell; Rod Coleman, Vice Chairman; Stephanie Garner; Andy Babbitt (Designee, Jim Hudson, Secretary, Department of Finance and Administration); Dr. Lee Lane; Katelyn Martin; Hugh McDonald, Cabinet Secretary of Department of Commerce; Seth Mims; Kirkley Thomas; and Kenneth Burleson (Designee, John Thurston, Arkansas Treasurer of State).

ADFA Board Members Present Via Phone or Video: Harold Perrin.

ADFA Board Members Absent: George O'Connor; and Denise Sweat.

ADFA Staff Present: Mark Conine, President, Arkansas Development Finance Authority; Robert "Ro" Arrington, Vice President, Homeownership and Public Finance; John Blackwell, Director of Tax Credits; Jake Bleed, General Counsel; Charles "Chuck" Cathey, Vice President, Development Finance; Tracy Green, Assistant Controller; Kimmy Helble, Executive Assistant to President and Capital Access Program Administrator; Yedda Matthews, Senior Accountant; Derrick Rose, Director of Outreach and Communication; Megan Summitt, Internal Auditor; Tammy White, Compliance Manager; and Tony Williams, Director, Arkansas Student Loan Authority.

ADFA Staff Present Via Phone or Video: Cathy Ganaway, Senior Accountant; Alisa Green, HOME-ARP Program Specialist; Lanita Hastings, HOME Program Coordinator; Amanda Hill, HOME Program Coordinator; Sam Leslie, Construction Inspector; Carol Leek, HOME Program Coordinator; Monica Trammell, HOME Program Coordinator; and Jenise Tucker, Accountant.

Others Present: Allison Hatfield, AEDC; Edmond Hurst, Carty, Harding & Hearn, Inc; Michele Allgood, John Bryant, and Clifford Mcleod, Mitchell Williams Law; Glenda Dean, Simmons Bank; Cheryl Schluterman, Raymond James; and Jim Fowler, Rose Law Firm.

Others Present VIA Phone or Video: Martin Eggenesperger, Black River Tech; Paul Phillips, Crews & Associates, Inc.; Ron Clewer, Gorman & Company; Amanda Raible, and S. Crow, PDC Companies; and Lornea Wells, The McVay Firm, PLLC.

NEW BUSINESS
Minutes, Resolutions, Proposals and Appeals

Call to Order: Chairman Smith called the ADFA Board Meeting to order at approximately 1:05 PM.

Minutes: Chairman Smith noted there were two sets of minutes to be considered for approval; one set of minutes was from the July 17th, 2025 Board of Directors Meeting with the second set being from the July 29th, 2025 Special Board of Directors Meeting.

Chairman Smith entertained a motion to approve both sets of minutes in a single motion.

Mr. Coleman made a motion to approve both sets of minutes as presented.

Mr. Perrin seconded the motion. The motion passed.

President's Remarks: Mr. Conine reminded the Board there would not be a September Board of Directors meeting unless there was a need for a special meeting. The next scheduled meeting will be at the ADFA Board Fall Retreat on Thursday, October 16th located at the Red Apple Inn in Heber Springs.

OTHER BUSINESS
Committee Meeting Reports to the Board

OTHER BUSINESS:

BOARD COMMITTEE REPORTS:

Professional Selection Committee: Mr. Thomas reported that the Professional Selection Committee convened in the morning Board Committee Meeting and approved the minutes of the April 17th, 2025 committee meeting. The Committee also approved the Single Family Master Servicer action memo which recommended that ServiSolutions continue as the Single Family Master Servicer for two years.

Mr. Thomas submitted the actions of the Professional Selection Committee to the Board for approval in the form of a motion.

Mr. Chadwell seconded the motion. The motion passed.

Audit Committee: Ms. Garner, Acting Committee Chair, reported that the Audit Committee convened in the morning session of the Board Committee Meeting and that the Committee approved the minutes of the February 20, 2025 committee meeting. The Committee received and accepted the Low-Income Housing Tax Credit Program (LIHTC) Internal Audit Report and the Annual Audit of the Arkansas Intuitional Fund (AIF), both were performed and presented by Ms. Megan Summitt.

Ms. Garner submitted the actions of the Audit Committee to the Board for approval in the form of a motion.

Mr. Thomas seconded the motion. The motion passed.

Housing Review Committee: Mr. Coleman reported that the Housing Review Committee convened in the morning Board Committee Meeting and that the Committee approved the minutes of the June 19th, July 17th, and July 21st, 2025 Housing Review Committee meetings. The Committee also approved the 2026 Qualified Action Plan (QAP).

Mr. Coleman submitted the actions of the Housing Review Committee to the Board for approval in the form of a motion.

Mr. Burleson seconded the motion. The motion passed.

RESOLUTION: Update/Request - Sunset Terrace: Mr. Fowler stated that Rose Law Firm was Special Counsel to ADFA on the Sunset Terrace matter and that the Resolution was authorizing Bonds to refund ADFA's 2022 Bond Issue that stipulated some rehabilitation of Sunset Terrace. For Federal Income Tax purposes, this is called a Reissuance of the 2022 Bonds.

Mr. Fowler continued that the reason for this particular Resolution was due to now that the Project was completed, it was time to convert from the construction loan that Bank of America had to allow Cedar Rapids Bank and Trust to assume control.

The Project owner planned to substitute Freddie Mac for Cedar Rapids Bank and Trust as the permanent lender. The Project has an anticipated closing date of mid-September.

For clarification, Chairman Smith reiterated that this Resolution did not involve new money borrowing, that it was simply a refinance of an existing transaction of an amount not to exceed \$4,130,500.

Chairman Smith entertained a motion to approve the Resolution Authorizing the Reissuance of the 2022 Bonds of an amount not to exceed \$4,130,500.

Ms. Martin seconded the motion. The motion passed.

State Infrastructure Bank (SIB): Chairman Smith opened the floor to Board members for discussion of the State Infrastructure Bank (SIB).

Mr. Babbitt sought clarification on whether ADFA would have liability and the role that ADFA would fulfill.

Mr. Conine stated that there were two model structures, and the current understanding was that ADFA was interested in Model B, which was more of a conduit-type structure where ADFA's role would be more intermediary.

After a brief discussion, Mr. Thomas made a motion that the Board intended to take beginning steps to establish a conduit type infrastructure bank and authorize staff to begin discussions with the appropriate federal agencies in determining the provisions thereof. The Board would have the ability to approve or disapprove the structure and parameters of the proposed State Infrastructure Bank prior to its creation.

Mr. Coleman seconded the motion. The motion passed.

RESOLUTION: Establishment of a New Committee: Mr. Bleed stated that as discussed in the morning session of the Board Committee meeting, the Resolution would establish a new committee of the Board. This would be the Executive committee.

The intent of the committee would be to oversee and approve certain aspects of the administration of ADFA, which had previously been managed by the state through its administrative process. Under Act 944, the independence of the agency was clarified, ADFA is no longer participating in state processes for things such as budgeting, rulemaking, procurement, administrative actions, compensation, etc.. Those are all processes that, under statute, the Board had always had the authority to oversee. With the establishment of this committee, it would be specifically tasked with overseeing those processes.

Mr. Bleed continued that the decisions of the committee would be presented to the Board for approval. The intent is for there to be three (3) members of the Board, the chairman, the vice chairman, and the previous past chairman. However, in the event that the Board feels otherwise, or there are those individuals who are not currently on the Board, there is flexibility in place for additional appointments to be made.

Mr. Bleed opened the floor for discussion or questions. Being no questions or comments, Chairman Smith entertained a motion to approve.

Mr. Chadwell made a motion to approve.

Ms. Garner seconded the motion. The motion passed.

NEW BUSINESS:

RESOLUTION: The Implementation of Pay Plan for the Staff of Arkansas Development Finance Authority: Chairman Smith stated that this Resolution had been discussed briefly in the morning Board Committee session.

Mr. Conine stated that the State of Arkansas implemented a pay plan recently for its agencies, and that ADFA was not part of the pay plan due to Act 944. However, in respect of the process of obtaining and reviewing the research that the State had completed for the ADFA salaries, many of ADFA's employees were being compensated fairly, and the State pay plan research recommended increases for only nine (9) of the forty-one (41) staff members. ADFA agreed with the increases for those nine (9) individuals.

Mr. Conine continued there were ten (10) additional staff member increases recommended by ADFA that were not on the State pay plan.

Chairman Smith noted that the last sentence at the bottom of the Resolution stated: *The total percentage increase of the July 1, 2025, payroll shall not exceed 2.53%, as outlined in the highlights presented today.*

Chairman Smith opened the floor to the Board for discussion or questions.

There being no further discussion, Mr. Mims made a motion to approve the resolution: The Implementation of Pay Plan for the Staff of Arkansas Development Finance Authority.

Mr. Babbitt seconded the motion. The motion passed.

RESOLUTION: Authorizing the Delegation of Authority to Act as President and Secretary of the Arkansas Development Finance Authority: Mr. Bleed stated that in Mr. Conine's absence as he transitions away from ADFA, the Authority would need a person that has decision-making authority. The individual to be named would need the authority to execute documents and take other actions as delegated by the Board.

Mr. Bleed continued the intent of this document was to ensure that the individual to be named, Robert "Ro" Arrington, who would retain the title of Director of Homeownership and Public Finance while also serving as Interim President and Secretary, and would continue in that role until a full-time president is appointed.

Mr. Bleed concluded this delegation of authority would be done with the approval and appointment of the governor and with the approval of the Board.

Mr. Babbitt made a motion to approve the Resolution Authorizing the Delegation of Authority to Act as President and Secretary of the Arkansas Development Finance Authority.

Mr. Mims seconded the motion. The motion passed.

ADJOURNMENT

Adjournment: Being no further business, Chairman Smith adjourned the ADFA Board of Directors meeting at 1:52 PM.

Minutes approved and signed on this 21st day of August, 2025.

Carey Smith,
Chairman of the Board

Robert Arrington,
Interim President/Secretary

Minutes:
ADFAs Special Board of Directors Meeting
October 1, 2025

ARKANSAS DEVELOPMENT FINANCE AUTHORITY

ADFA BOARD OF DIRECTORS

SPECIAL MEETING

WEDNESDAY, OCTOBER 1, 2025

VIA ZOOM

10:00 AM

ADFA Board Members Present Via Phone or Video: Carey Smith, Chairman; Jon Chadwell; Rod Coleman; Andy Babbitt, (Designee for Jim Hudson, Secretary, Department of Finance and Administration); Katelyn Martin; Seth Mims; Denise Sweat; Kirkley Thomas; and Michael Harry (Designee for John Thurston, Treasurer, Office of Treasurer of State of Arkansas).

ADFA Board Members Absent: Dr. Lee Lane; George O'Connor; and Harold Perrin.

ADFA Staff Present via Phone or Video: Robert "Ro" Arrington, Interim President of Arkansas Development Finance Authority; Jake Bleed, General Counsel; Kristy Cunningham, Chief Financial Officer; Paula Farthing, Loan Servicing Manager; Kimmy Helble, Executive Assistant to President; Hope Lewis, Controller; Derrick Rose, Director of Outreach and Communication; Megan Summitt, Internal Auditor.

Others Present Via Phone or Video: Daniel Byrne, Goldman Sachs; Edmond Hurst, Carty, Harding, and Hearn; Gordon Wilbourn, Kutak Rock; Scott Nickel, Weyerhaeuser; and Michele Allgood, and Craig Cockrell, Mitchell Williams Law.

Call to Order: Chairman Smith called the ADFA Board of Directors Special Meeting to order at 10:01 AM then requested roll call.

RESOLUTION: CONDUIT BOND ISSUE - WEYERHAEUSER COMPANY: Chairman Smith greeted the Board members and guests and stated there was one action item, which was the Resolution Authorizing the Issuance of Not to Exceed \$102,080,000 Arkansas Development Finance Authority Resource Recover Revenue Bond, Series 2025 (Weyerhaeuser Company Project).

Chairman Smith opened the floor to Ms. Allgood for the presentation of the resolution and to address questions as needed.

Ms. Allgood stated that on this transaction, Mitchell Williams was serving as Bond Counsel and introduced other individuals who were available to answer questions and were on the call. Ms. Allgood named Mr. Scott Nickel, Vice President and Treasurer of Weyerhaeuser; Mr. Daniel Byrne, Vice President of Goldman Sachs; and Mr. Edmund Hurst, Senior Managing Director of Carty, Harding and Hearn.

Ms. Allgood restated the resolution was to authorize the issuance of not to exceed \$102,080,000 in Resource Recovery Bonds that would support a Weyerhaeuser project that is just outside of the city limits of Monticello in Drew county.

Ms. Allgood continued the total project is about \$500M, so this would be the first of what is anticipated to be a series of bond issues. The justification for this to qualify for tax-exempt financing is due to it will develop a greenfield project, to construct a TimberStrand facility that would use products from the timber industry that would otherwise be solid waste. This waste will be used to create a laminated lumber product. This facility is anticipated to employ over 200 individuals.

Ms. Allgood stated the request for a Special Meeting with ADFA's Board of Directors was due to Weyerhaeuser is a publicly traded company, so it was essential to manage some of their disclosure obligations, their blackout periods, and also due to the recent changes to the Arkansas Freedom of Information Act that allow different requirements with respect to the resolutions that ADFA Board passes and a 30-day period where it can be challenged. The authorizing resolution that is before the Board is the final action before the bonds can be issued and includes the approval of four documents; a Preliminary Official Statement, a Trust Indenture; a Loan Agreement, and a Bond Purchase Agreement. One of the documents that is usually seen is a Continuing Disclosure Agreement and is part of this transaction, but ADFA does not have any disclosure obligations and will not be a party to that document. The maximum maturity date is October 2067 which is based on an analysis of the useful life of the assets that are eligible for tax abatement.

Ms. Allgood opened the floor to questions from the Board.

Chairman Smith asked for confirmation that ADFA had no liability on this transaction. Ms. Allgood confirmed.

Mr. Arrington inquired when the marketing was anticipated to take place, who were the likely purchasers of the bonds, in what denominations would the bonds take, and would there be any trading restrictions on the bonds. Mr. Byrne responded the transaction would launch on November 3rd, 2025, which is driven by Weyerhaeuser's blackout periods and would have approximately a one week marketing period, and will be sold more broadly in \$5,000 denominations with the expectation to sell primarily to tax-exempt mutual funds. Mr. Byrne continued there would be a mandatory redemption of the bonds for the benefit of the tax-exemption which is a way to preserve the tax-exempt status for as long as the tax code allows. Mr. Hurst concurred this would produce maximum benefit of the Private Activity Volume Cap and would extend the life of the resource for Weyerhaeuser.

After a brief discussion among Board members and Weyerhaeuser representatives, Ms. Martin made a motion to approve the resolution Authorizing the Issuance of Not to Exceed \$102,080,000 Arkansas Development Finance Authority Resource Recover Revenue Bond, Series 2025 (Weyerhaeuser Company Project) as presented.

Mr. Thomas seconded the motion.

The motion passed.

Adjournment: Being no additional discussion or other business, Chairman Smith adjourned the meeting at approximately 10:29 AM.

Minutes approved and signed on this 1st day of October 2025.

Carey Smith,
Chairman of the Board

Robert Arrington,
Interim President/Secretary

TAB 2

ADFA
PRESIDENT'S
REMARKS

TAB 3

Other Business:
Board Committee
Reports

TAB 4

AUTHORIZING RESOLUTION

A RESOLUTION ADOPTING AND APPROVING (1) A SERIES RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF SINGLE FAMILY MORTGAGE REVENUE BONDS, 2025 SERIES C, (2) THE DISTRIBUTION OF THE OFFICIAL STATEMENT AND (3) THE EXECUTION OF THE BOND PURCHASE CONTRACT AND THE CONTINUING DISCLOSURE AGREEMENT.

WHEREAS, the Seventy-Fifth General Assembly of the State of Arkansas at its 1985 Regular Session enacted Act No. 1062 of 1985, to be known and cited as the Arkansas Development Finance Authority Act, which is codified at Arkansas Code Annotated Section 15-5-101 *et seq.*, as amended and supplemented (the “Act”); and

WHEREAS, there was created by the Act, a body politic and corporate known and identified as the Arkansas Development Finance Authority (the “Authority”), such Authority being created and established to serve a public purpose and to act for the public benefit in improving the health, safety and welfare of the State and the general public; and

WHEREAS, among the purposes of the Authority, as established and declared by the General Assembly, are to encourage the construction and ownership of housing for families and persons of low and moderate income, in an orderly and sustained manner, so as to alleviate deteriorating housing conditions and improve the health, safety, convenience and welfare of the citizens of the State; and

WHEREAS, the Authority has determined that it will best serve and fulfill the purposes for which it was created by the establishment of a program which will provide for the construction and ownership of housing for families and persons of low and moderate income; and

WHEREAS, to provide for more residential single-family housing for families of low and moderate income, the Authority has developed a Mortgage-Backed Securities/Mortgage Loans Program; and

WHEREAS, the Authority has previously designated the firm of Raymond James & Associates, Inc. as senior manager (with such other underwriters as are selected by the Authority, the “Underwriters”) to underwrite the Authority’s Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities/Mortgage Loans Program); and

WHEREAS, the Authority has previously designated the firm of Hawkins Delafield & Wood LLP to serve as bond counsel with respect to the Authority’s Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities/Mortgage Loans Program); and

WHEREAS, the Authority has previously adopted its Amended and Restated Single Family Mortgage Revenue Bond General Resolution (Mortgage-Backed Securities/Mortgage Loans Program) on July 20, 1995, as amended and restated on May 16, 2013, as may be further amended and supplemented from time to time (the “General Resolution”), as well as a Mortgage Origination Agreement (which incorporates by reference Program Guides) with various

mortgage lenders and a Program Administration and Servicing Agreement with a mortgage loan servicer; and

WHEREAS, a public hearing was held on August 28, 2025, in the offices of the Authority on the issuance of not to exceed \$300,000,000 in principal amount of its single family mortgage revenue bonds and following such hearing, the Governor of the State of Arkansas approved the issuance of single family mortgage revenue bonds in a maximum principal amount of \$300,000,000 (the “Approval”); and

WHEREAS, there is up to \$300,000,000 in principal amount of the Bonds (as defined below) that may be issued pursuant to the Approval; and

WHEREAS, in order to prepare for the issuance of the Authority’s Single Family Mortgage Revenue Bonds, 2025 Series C (Mortgage-Backed Securities/Mortgage Loans Program) (the “Bonds”), the Authority hereby authorizes the preparation, delivery and execution of the following documents (and such other documents related thereto as may be necessary or desirable):

1. Series Resolution Authorizing the Issuance and Sale of not to exceed \$65,000,000 Single Family Mortgage Revenue Bonds, 2025 Series C (Mortgage-Backed Securities/Mortgage Loans Program) (the “Series Resolution”);
2. Bond Purchase Contract by and between the Authority and the Underwriters with respect to the Bonds (the “Bond Purchase Contract”);
3. Continuing Disclosure Agreement with respect to the Bonds (the “Continuing Disclosure Agreement”); and
4. Preliminary Official Statement with respect to the Bonds (the “Preliminary Official Statement”), including as finalized in the form of the Final Official Statement with respect to the Bonds (the “Final Official Statement” and; together with the Preliminary Official Statement, collectively, the “Official Statement”).

NOW, THEREFORE, BE IT RESOLVED BY THE AUTHORITY, AS FOLLOWS:

Section 1. Authorization of Issuance of Bonds. There is hereby approved and authorized the issuance by the Authority of an aggregate principal amount of Bonds not to exceed \$65,000,000, subject to the terms and conditions set forth in the General Resolution and the Series Resolution.

Section 2. Sale of Bonds. The sale of the Bonds to the Underwriters pursuant to the Bond Purchase Contract is hereby approved and authorized; provided, however, the sale of such Bonds shall be upon terms substantially as set forth in the Bond Purchase Contract and subject to the further conditions that all the Bonds mature not later than 32 years after the date of issuance of such Bonds and bear interest at rates which shall not exceed the highest lawful interest rate at the time the Bond Purchase Contract is executed. The Bonds shall be issued as fixed-rate bonds.

Section 3. Approval and Authorization of Documents. The Series Resolution, the Official Statement, the Bond Purchase Contract and the Continuing Disclosure Agreement, will be and the same are in all respects hereby adopted, as applicable, approved, authorized, ratified and/or confirmed in substantially the respective forms and content presented to the Authority on this date, and the President (or in his absence, the Interim President, the Vice President for Finance and Administration or the Vice President of Homeownership and Public Finance) will be and is hereby authorized and directed to execute, seal and/or deliver, for and on behalf of the Authority, the Series Resolution, the Official Statement, the Bond Purchase Contract and the Continuing Disclosure Agreement, in substantially the form and content presented to the Authority on this date and conformed to the terms of the issuance of the Bonds contained in the Bond Purchase Contract and otherwise in form approved by the President. The Series Resolution, Official Statement, the Bond Purchase Contract and the Continuing Disclosure Agreement may contain such changes, modifications, additions and deletions therein as shall be determined by the President (or in his absence, the Vice President for Finance and Administration or the Vice President of Homeownership and Public Finance) to be necessary, desirable or appropriate, such person's respective execution thereof to constitute conclusive evidence of such person's approval of any and all changes, modifications, additions and deletions.

The preparation and distribution of the Preliminary Official Statement to prospective purchasers of the Bonds are hereby approved. The Chair, Vice Chair and the President (or in his absence, the Vice President for Finance and Administration or the Vice President of Homeownership and Public Finance) are hereby authorized and directed to cause the Preliminary Official Statement to be delivered for and in the name of the Authority, with such provisions therein as shall be approved by such officers, any of whom are authorized to execute and deliver to the Underwriters a certificate, to the effect that the Preliminary Official Statement is deemed final for the purposes of Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended (the "Rule").

The preparation and distribution to various prospective and actual purchasers of the Bonds of the Final Official Statement is hereby approved. The Chair, Vice Chair and the President (or in his absence, the Vice President for Finance and Administration or the Vice President of Homeownership and Public Finance), for and on behalf of the Authority, are authorized to execute such Final Official Statement.

Section 4. Authority To Execute and Deliver Additional Documents. The President (or in his absence, the Vice President for Finance and Administration or the Vice President of Homeownership and Public Finance) is hereby authorized to direct Bond Counsel to prepare any and all additional certificates, documents and other papers and to perform all other acts as he may deem necessary or appropriate to implement and carry out the purposes and intent of this Resolution, including the preamble thereto. The President (or in his absence, the Vice President for Finance and Administration or the Vice President of Homeownership and Public Finance) is hereby authorized to execute and deliver for and on behalf of the Authority any and all additional certificates, documents and other papers and to perform all other acts as he or she may deem necessary or appropriate to implement and carry out the purposes and intent of this Resolution.

Section 5. Public Hearing. The action of the President and any other officers of the Authority in giving notice of a public hearing with respect to the issuance of the Bonds as set forth in the WHEREAS clauses of this Resolution and conducting such public hearing, and issuing a report as to such proceedings to the Governor of the State of Arkansas so as to obtain her approval of the issuance of the Bonds or any portion of the Bonds, is hereby approved, authorized and directed and, with respect to such actions already taken, ratified and confirmed.

Section 6. Authorization of Vice President for Finance and Administration and Vice President of Homeownership and Public Finance. Whereas the President of the Authority may be unavailable for the closing of the issuance and sale of the Bonds, the Vice President for Finance and Administration or the Vice President of Homeownership and Public Finance of the Authority are hereby authorized and directed to take all actions that the President is authorized or directed to take under the terms of this Resolution.

Section 7. Severability. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 8. Prior Resolutions. To the extent provisions of prior resolutions, or parts thereof, are in conflict with the provisions of this Resolution, this Resolution, to the extent of such conflict, shall govern.

Section 9. Conflict and Effectiveness. All resolutions or other proceedings of the Authority in conflict with this Resolution are repealed to the extent of the conflict. This Resolution shall become effective upon adoption.

Section 10. Captions. The captions or headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

ARKANSAS DEVELOPMENT FINANCE AUTHORITY

**SERIES RESOLUTION
AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED
\$65,000,000 SINGLE FAMILY MORTGAGE REVENUE BONDS, 2025 SERIES C
(MORTGAGE-BACKED SECURITIES/MORTGAGE LOANS PROGRAM)**

Adopted October 16, 2025

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ARKANSAS DEVELOPMENT FINANCE AUTHORITY

Series Resolution Authorizing the Issuance and Sale of Not to Exceed
\$65,000,000 Single Family Mortgage Revenue Bonds, 2025 Series C
(Mortgage-Backed Securities/Mortgage Loans Program)

Adopted October 16, 2025

WHEREAS, the Seventy-Fifth General Assembly of the State of Arkansas at its 1985 Regular Session enacted Act No. 1062 of 1985, to be known and cited as the Arkansas Development Finance Authority Act, which is codified at Arkansas Code Annotated Section 15-5-101 *et seq.*, as amended and supplemented (the “Act”); and

WHEREAS, there was created by the Act, a body politic and corporate known and identified as the Arkansas Development Finance Authority (the “Authority”), such Authority being created and established to serve a public purpose and to act for the public benefit in improving the health, safety and welfare of the State and the general public; and

WHEREAS, among the purposes of the Authority, as established and declared by the General Assembly, are to encourage the construction and rehabilitation of housing for the elderly and for families and persons of low and moderate income, in an orderly and sustained manner, so as to alleviate deteriorating housing conditions and improve the health, safety, convenience and welfare of the citizens of the State, by providing financing; and

WHEREAS, the Authority has determined to provide such financing by purchasing “Eligible Collateral” (as defined below) consisting of Mortgage Loans (as defined in the General Resolution) and Mortgage-Backed Securities (as defined in the General Resolution) backed by pools of Mortgage Loans made to qualified persons and families by qualified lending institutions pursuant to the Act; and

WHEREAS, the Authority desires to authorize the issuance of its Single Family Mortgage Revenue Bonds, 2025 Series C (Mortgage-Backed Securities/Mortgage Loans Program) for the purposes of (i) acquiring Eligible Collateral and (ii) paying certain costs of issuance; and

WHEREAS, pursuant to Section 2.02(b) of the General Resolution, the Authority must adopt a Series Resolution which establishes certain requirements for the Bonds (as hereinafter defined);

NOW, THEREFORE, BE IT RESOLVED by the Arkansas Development Finance Authority and the members thereof, as follows:

ARTICLE I

DEFINITIONS AND AUTHORITY

Section 1.01. Definitions.

(a) Except as provided in the WHEREAS clauses above and in paragraph (b) of this Section 1.01, all defined terms in this Series Resolution shall have the same meanings as such defined terms are given in the General Resolution.

(b) As used in this Series Resolution, unless the context shall otherwise require, the following terms shall have the following respective meanings:

“*Authority Fee*” means a fee payable to the Authority on each Bond Payment Date to the extent moneys are available in the Revenue Account, as provided in Section 5.05(c) of the General Resolution, in an amount equal to 0.15% annually (one-half payable semiannually) of the then-outstanding principal amount of Eligible Collateral held with respect to the Bonds; *provided, however*, that if any such Eligible Collateral shall have been outstanding for less than six months, such fee shall be prorated for such semiannual period on a 30-day month, 360-day-per-year basis. Under certain circumstances, the Authority Fee may be decreased to not less than 0% (one-half payable semiannually) or may be increased from time to time with the written confirmation from the Rating Agency (defined hereinafter).

“*Bonds*” or “*2025 Series C Bonds*” means the Authority’s Single Family Mortgage Revenue Bonds, 2025 Series C (Mortgage-Backed Securities/Mortgage Loans Program) authorized by and issued under the General Resolution and this Series Resolution.

“*Bond Counsel*” means Hawkins Delafield & Wood LLP, acting as bond counsel to the Authority, or any attorney or firm of attorneys of nationally recognized standing in the field of municipal finance law whose opinions are generally accepted by purchasers of municipal bonds, appointed from time to time by the Authority.

“*Bond Obligation*” means, with respect to any Bond or any maturity of Bonds or all Outstanding Bonds and as of any given date of calculation, the Outstanding principal amount of such Bond (or maturity of Bonds or all Outstanding Bonds).

“*Bond Purchase Contract*” means the Bond Purchase Contract between the Authority and Underwriters relating to the purchase and sale of the Bonds.

“*Cumulative 2025 Series C Restricted Percentages*” means the percentages anticipated by the Authority and set forth as follows which represent the cumulative percentage of Mortgage Repayments and Mortgage Prepayments on Eligible Collateral purchased in whole or in part, directly or indirectly, with moneys made available by the issuance of the 2025 Series C Bonds, that will, after payments of scheduled principal and interest and Sinking Fund Installments, constitute 2025 Series C Restricted Recoveries of Principal, in accordance with the Internal Revenue Code of 1986, as amended (the “Code”):

Cumulative 2025 Series C Restricted Recoveries of Principal Percentages

The period beginning [] and ending []	0%
The period beginning [] and continuing thereafter until the final redemption or payment of all 2025 Series C Bonds	100%

“*Delivery Period*” means the period of time for the purchase of Eligible Collateral by the Trustee from the Servicer, and with respect to the moneys on deposit in the Acquisition Account attributable to the 2025 Series C Bonds, such period will begin on [] and will end on [], but such period may be extended pursuant to Section 4.04(b) to no later than [].

“*General Resolution*” means the Amended and Restated Single Family Mortgage Revenue Bond General Resolution (Mortgage-Backed Securities/Mortgage Loans Program), adopted by the Authority on July 20, 1995, as amended and restated on May 16, 2013, and as further amended and supplemented from time to time, including as supplemented by this Series Resolution.

“*FHLMC Pool Purchase Contract*” means the Pool Purchase Contract entered into by and between FHLMC and the Servicer relating to the sale by the Servicer of Mortgage Loans to FHLMC and the servicing thereof.

“*FNMA Pool Purchase Contract*” means the Pool Purchase Contract entered into by and between FNMA and the Servicer relating to the sale by the Servicer of Mortgage Loans to FNMA and the servicing thereof.

“*Issue Date*” means, with respect to a Mortgage-Backed Security, the first day of the month the Mortgage-Backed Security is issued by the Servicer.

“*Notice Address*” means:

- (a) As to the Authority: Arkansas Development Finance Authority
1 Commerce Way, Suite 602
Little Rock, AR 72202
Attention: President
- (b) As to the Servicer: ServiSolutions
7460 Halcyon Pointe Drive, Suite 200
Montgomery, AL 36117
Attention: Single-Family
- (c) As to the Trustee: Simmons Bank

501 South Main Street
Pine Bluff, AR 71601
Attention: Corporate Trust Department;
ADFA MBS Bond Program,
2025 Series C

(d) As to S&P: S&P Global Ratings
55 Water Street
New York, NY 10041
Attention: Mortgage Surveillance Group

(e) As to the Mortgage Lender, the address shown on the Origination Agreement.

“*Origination Agreement*” means any Mortgage Origination Agreement, entered into pursuant to any Series Resolution by and among the Authority, the Servicer and a Mortgage Lender by which the Mortgage Lender agrees to make Mortgage Loans and to sell and assign such Mortgage Loans, with servicing released, to the Servicer, including the Mortgage Origination Agreement and Program Guides, dated as of the effective date as defined therein, by and among the Authority, the Servicer and the Mortgage Lenders.

“*Origination Period*” means the period during which the Servicer may acquire Mortgage Loans from Mortgage Lenders and with respect to the 2025 Series C Bonds, such period has begun and shall end [____], but such period may be extended pursuant to Section 4.04(b) hereof to no later than [____].

“*PSA Prepayment Model*” means the standard or model developed by the Securities Industry and Financial Markets Association (formerly The Bond Market Association and the Public Securities Association (“PSA”)) to measure prepayment speeds on 30-year mortgage loans.

“*Recoveries of Principal*” means any Mortgage Prepayments or Mortgage Repayments on Eligible Collateral (or participation interests therein), or any other recovery of principal on any Eligible Collateral purchased in whole or in part, directly or indirectly, with moneys made available by the issuance of the Bonds, not applied to a scheduled installment of principal and interest on the Bonds.

“*Resolution Bonds*” means all bonds issued under the General Resolution.

“*Serial Bonds*” shall mean the 2025 Series C Bonds designated as serial bonds in Section 2.03.

“*Series Resolution*” means this Series Resolution Authorizing the Issuance and Sale of Not to Exceed \$65,000,000 Single Family Mortgage Revenue Bonds, 2025 Series C (Mortgage-Backed Securities/Mortgage Loans Program) of the Authority, adopted October 16, 2025.

“*Servicer*” means ServiSolutions, a division of the Alabama Housing Finance Authority, as servicer under the Origination Agreement and the Servicing Agreement, and its successors or

assigns, or any substitute servicer designated by the Authority in accordance with the Servicing Agreement and any other entity so designated by the Authority.

“*Servicing Agreement*” means any Program Administration and Servicing Agreement to be entered into by and among the Authority, the Trustee and the Servicer, including the Program Administration and Servicing Agreement for Mortgage Loans Financed with Mortgage Revenue Bonds between the Authority and the Servicer dated as of February 29, 2024, together with separate Participating Lender Agreements among the Servicer and the Participating Lenders approved by the Authority.

“*Servicing Release Fee*” means a nonrefundable fee, payable at the times and in the amounts specified in Section 4.04 of the Servicing Agreement.

“*Term Bonds*” shall mean the 2025 Series C Bonds designated as term bonds in Section 2.03.

“*2025 Series C Cumulative Prepayments*” means the amount of Mortgage Prepayments of Eligible Collateral purchased in whole or in part, directly or indirectly, with moneys made available by the issuance of the 2025 Series C Bonds, expressed on a cumulative basis.

[“*2025 Series C Bonds Outstanding Applicable Amounts*” means the amounts of the 2025 Series C Bonds which are calculated to be Outstanding based on the assumed receipt of Mortgage Prepayments received with respect to Mortgage Loans purchased in whole or in part, directly or indirectly, with moneys made available by the issuance of the 2025 Series C Bonds at []% of the PSA Prepayment Model and redemption of the 2025 Series C Bonds in accordance with this Series Resolution. The 2025 Series C Bonds Outstanding Applicable Amounts may be adjusted as set forth in Section 3.02(a)(v) herein. The “2025 Series C Bonds Outstanding Applicable Amounts” are equal to the amounts in each of the semiannual periods ending on the dates set forth in the table of 2025 Series C Bonds Outstanding Applicable Amounts set forth in Exhibit B (subject to adjustment as set forth herein).]

[“*2025 Series C Premium PAC Bonds*” means the 2025 Series C Bonds maturing on [].]

[“*2025 Series C Premium PAC Bonds Outstanding Applicable Amounts*” means the amounts of the 2025 Series C Premium PAC Bonds which are calculated to be Outstanding based on the assumed receipt of Mortgage Prepayments received with respect to Mortgage Loans purchased in whole or in part, directly or indirectly, with moneys made available by the issuance of the 2025 Series C Bonds at []% of the PSA Prepayment Model. The 2025 Series C Premium PAC Bonds Outstanding Applicable Amounts may be adjusted as set forth in Section 3.02(a)(vi) herein. The “2025 Series C Premium PAC Bonds Outstanding Applicable Amounts” are equal to the amounts in each of the semiannual periods ending on the dates set forth in the table of 2025 Series C Premium PAC Bonds Outstanding Applicable Amounts set forth in Exhibit C (subject to adjustment as set forth herein).]

“*2025 Series C Restricted Recoveries of Principal*” means, as set forth in Section 3.03(a), Recoveries of Principal related to Eligible Collateral purchased in whole or in part, directly or

indirectly, with moneys made available by the issuance of the 2025 Series C Bonds received more than ten (10) years after the date of issuance of the 2025 Series C Bonds (or, to the extent the 2025 Series C Bonds are treated as refunding bonds under the Code, the respective dates of issuance of the original bonds which were refunded).

“*Underwriters*” means, in connection with the issuance and sale of the Bonds, Raymond James & Associates, Inc., Stephens Inc., Carty, Harding & Hearn, Inc. and Crews & Associates, Inc.

(c) The rules of construction set forth in Section 1.02 of the General Resolution shall apply to this Series Resolution, unless the context otherwise requires.

Section 1.02. Ratification and Approval of Prior Actions. All actions heretofore taken by any member of the Board of Directors of the Authority, by any officer of the Authority, Bond Counsel, or counsel to the Authority on behalf of the Authority, to further the acquisition of a rating to be received from S&P or any other Rating Agency publishing a rating on the Bonds if S&P shall cease to publish a rating on the Bonds, to allow for the issuance of the Bonds are hereby ratified and approved.

Section 1.03. Origination Agreement and Servicing Agreement.

(a) The Origination Agreement and the Servicing Agreement, each as defined herein and in substantially the respective forms presented to the Authority, are hereby approved.

(b) Each Authorized Officer is hereby authorized to execute and deliver one or more Origination Agreements and the Servicing Agreement, each substantially in the form submitted to the Authority, with such changes, variations, omissions and insertions as such Authorized Officer shall approve. The execution thereof by any such Authorized Officer shall constitute conclusive evidence of such approval.

ARTICLE II

THE BONDS

Section 2.01. Authorization of Issuance of Bonds.

(a) There is hereby authorized the issuance of 2025 Series C Bonds of the Authority in an amount not to exceed \$65,000,000 in order to provide sufficient moneys for the Authority to conduct the Program in accordance with and subject to the terms, conditions and limitations established in the General Resolution and this Series Resolution.

(b) The 2025 Series C Bonds are special, limited obligations of the Authority secured by the pledge provided herein and in the General Resolution. The 2025 Series C Bonds shall be issued subject to the terms, conditions and limitations established in this Series Resolution and secured by the pledge provided in Section 1.03 of the General Resolution.

Section 2.02. Purposes. The proceeds made available by the issuance of the 2025 Series C Bonds shall be used for the purposes of (i) implementing the Program by purchasing

Eligible Collateral and (ii) providing funds for deposit in the Bond Proceeds Account, the Acquisition Account and such other Funds and Accounts as may be specified in a supplement to this Series Resolution. Notwithstanding anything herein to the contrary, amounts on deposit in the Acquisition Account, from moneys made available therefor under this Series Resolution, shall be applied solely to the purchase of Eligible Collateral.

Section 2.03. Maturities and Interest Rates. The 2025 Series C Bonds will bear interest from the date of delivery, at the rates set forth below, and will mature on the dates and in the principal amounts set forth below. Interest on the 2025 Series C Bonds will be payable semiannually on January 1 and July 1 in each year, commencing [] and shall be calculated based upon a 360-day year of twelve 30-day months for the actual number of days elapsed.

\$_[] Serial Bonds

<u>Due</u>	<u>Principal Amount</u> \$	<u>Interest Rate</u> %	<u>Due</u>	<u>Principal Amount</u> \$	<u>Interest Rate</u> %
	\$_[]	[]%	Term Bonds due	[]	
	\$_[]	[]%	Term Bonds due	[]	
	\$_[]	[]%	Term Bonds due	[]	
	\$_[]	[]%	Term Bonds due	[]	
	\$_[] []% Premium PAC Term Bonds due		[]		

Section 2.04. Denominations; Dated Dates; Form of Bond.

(a) The 2025 Series C Bonds will be issuable only as fully registered bonds and will be dated the date of delivery. The 2025 Series C Bonds will be issuable only in denominations of \$5,000 and integral multiples thereof.

(b) The 2025 Series C Bonds shall be identified by a legend consisting of the letters “RB” and the number of the Bond. All 2025 Series C Bonds shall be numbered consecutively from 1 upwards within each of the designations described above. The 2025 Series C Bonds need not be authenticated or delivered in consecutive order.

(c) The form of the 2025 Series C Bonds shall be substantially the form attached hereto as Exhibit A. The 2025 Series C Bonds shall contain on the face thereof the following statement: “THE BONDS ARE SPECIAL OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM, AND SECURED BY A PLEDGE OF, THE ELIGIBLE COLLATERAL AND THE OTHER REVENUES AND FUNDS DESCRIBED HEREIN. THIS BOND HAS BEEN ISSUED UNDER THE PROVISIONS OF ARKANSAS CODE ANNOTATED §§ 15-5-101 ET SEQ., AS AMENDED, AND IS THE OBLIGATION ONLY OF THE AUTHORITY, AND IN NO EVENT SHALL THIS BOND CONSTITUTE AN INDEBTEDNESS OF THE STATE OF ARKANSAS OR AN INDEBTEDNESS FOR WHICH THE FAITH AND CREDIT OF THE STATE OR ANY OF ITS REVENUES ARE PLEDGED OR AN INDEBTEDNESS SECURED BY A LIEN ON OR A SECURITY INTEREST IN ANY PROPERTY OF THE

STATE OF ARKANSAS. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR ANY AGENCY THEREOF, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.”

Section 2.05. Sale of Bonds.

(a) The 2025 Series C Bonds shall be sold and delivered in the manner, at the purchase price and on the terms and conditions set forth in the Bond Purchase Contract.

(b) Amounts attributable to the 2025 Series C Bonds may, upon Authority direction, be invested in participation interests representing or wholly backed by, or funds invested solely in, United States Treasury obligations.

Section 2.06. Payment of Bonds.

(a) The Principal Installments and Redemption Price of the 2025 Series C Bonds shall be payable at the principal office of the Trustee. Interest on the 2025 Series C Bonds shall be payable solely by check or draft drawn upon the Trustee and mailed to the address of the registered owner thereof as it appears on the registry books of the Authority, determined as of the close of business on the applicable Record Date. Owners of 2025 Series C Bonds in an aggregate principal amount of not less than \$1,000,000 may arrange for payment of interest or Redemption Price by wire transfer. The Principal Installments or Redemption Price of and interest on the 2025 Series C Bonds shall also be payable at any other place which may be provided for such payment by the appointment of any other Paying Agent or Paying Agents as permitted by this Series Resolution.

(b) Notwithstanding anything above to the contrary, the 2025 Series C Bonds shall each initially be issued in book-entry form only, with one fully registered bond for each maturity date and interest rate in aggregate principal amounts equal to the amount of principal maturing on each such date of the 2025 Series C Bonds, and registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), or such other name as may be requested by an authorized representative of DTC. On original issue, the 2025 Series C Bonds shall be deposited with DTC for the purpose of maintaining a book-entry system for recording the ownership interest of its participants and the transfer of those interests among its participants. In the event that DTC determines not to continue to act as securities depository for the 2025 Series C Bonds or the Authority determines not to continue the book-entry system for recording ownership interest in the 2025 Series C Bonds with DTC, the Authority will discontinue the book-entry system with DTC. If the Authority does not select another qualified securities depository to replace DTC (or a successor depository) in order to continue a book-entry system, the Trustee will register and deliver replacement bonds in the form of fully registered certificates, in authorized denominations or integral multiples thereof with respect to the 2025 Series C Bonds, in accordance with instructions from Cede & Co., as nominee for DTC. In the event that the Authority identifies a qualified securities depository to replace DTC, the Trustee, in accordance with instructions given to the Trustee by Cede & Co., as nominee for DTC, or any other nominee then being used by DTC, shall register and deliver replacement Bonds, fully registered in the name of such depository, or its nominee, in the denominations as set forth above, as reduced from time to time prior to maturity in connection with redemptions or

retirements by purchase, call or payment, and in such event, such depository is to then maintain the book-entry system for recording ownership interest in the 2025 Series C Bonds. Notwithstanding anything to the contrary set forth in this Series Resolution, while the 2025 Series C Bonds are in book-entry form only, (i) payment of principal of and Redemption Price of or interest on the 2025 Series C Bonds shall be in accordance with the procedures of the securities depository, and (ii) in the event that less than all of the 2025 Series C Bonds of a like maturity and interest rate are to be redeemed, the particular Bonds of such maturity and interest rate, or portion thereof, to be redeemed shall be selected by the securities depository by lot, or in such other manner as such securities depository shall determine.

(c) There is hereby created, in the manner and to the extent provided herein, a continuing pledge and lien to secure the full and final payment of the principal and Redemption Price of and interest on all the 2025 Series C Bonds. The 2025 Series C Bonds shall be special limited obligations of the Authority secured by an equal charge and lien on revenues and moneys of the Authority pledged in Section 1.03 of the General Resolution.

ARTICLE III

REDEMPTION OF BONDS

Section 3.01. Optional Redemption.

(a) [Except as otherwise set forth in Section 3.01(b) hereof with respect to the 2025 Series C Premium PAC Bonds], the 2025 Series C Bonds are subject to redemption at the option of the Authority on and after [_____], in whole or in part at any time, from any moneys available to the Authority, at a Redemption Price equal to the principal amount of such Bonds or portions thereof to be so redeemed plus accrued interest to the date fixed for redemption.

(b) [The 2025 Series C Premium PAC Bonds are subject to optional redemption in whole or in part, from any moneys available to the Authority, on the redemption dates specified below at the redemption prices specified below:

<u>2025 Series C Premium PAC Bonds</u>	
<u>Redemption Date</u>	<u>Redemption Price</u>
_____ - _____	
_____ - _____	
_____ - _____	
_____ - _____]

(c) Amounts deposited in a subaccount within the Optional Redemption Account shall be applied to purchase or redeem such Bonds of the related series following the deposit therein.

(d) In the event of a partial redemption of the 2025 Series C Bonds pursuant to the optional redemption described in Section 3.01(a) hereof, the Authority may direct the maturity or maturities and interest rate or interest rates of the Bonds, as the case may be, and the amounts thereof so to be redeemed, provided that the Authority provides a Certificate of Projected

Revenues showing that there will be moneys sufficient to make scheduled Debt Service Payments. If the Authority makes no direction with respect to the redemption of the Bonds of a particular maturity or maturities and interest rate or interest rates, if applicable, then the Bonds shall be redeemed proportionately among all of the Outstanding maturities and interest rates of the Bonds. The Trustee shall select by lot the Bonds within a maturity to be redeemed in such manner as the Trustee deems fair.

Section 3.02. Special Redemption from Moneys in the Special Redemption Account. The 2025 Series C Bonds are subject to special redemption as described in subsections (a), (b), (c) and (d) below, at a Redemption Price [(except as otherwise specified under subsection (a) below with respect to the 2025 Series C Premium PAC Bonds)] equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption, from amounts deposited in the applicable subaccount within the Special Redemption Account.

(a) *Redemption of 2025 Series C Bonds from Unexpended Proceeds.*

(i) The 2025 Series C Bonds are subject to special redemption, as a whole or in part, on any date, from moneys with respect to such Bonds held in the 2025 Series C Acquisition Subaccount that are not used to acquire Eligible Collateral and transferred from the 2025 Series C Acquisition Subaccount to the Special Redemption Account, except that the 2025 Series C Premium PAC Bonds will be redeemed at the original purchase price thereof. Moneys on deposit in the 2025 Series C Acquisition Subaccount may be transferred to the Special Redemption Account at any time during the Delivery Period upon the direction of the Authority to be used to redeem the 2025 Series C Bonds.

(ii) The Authority shall redeem the 2025 Series C Bonds within 42 months from the date of issuance with any unexpended proceeds of the 2025 Series C Bonds as required by Section 143 of the Code (provided that amounts with respect to the 2025 Series C Bonds less than \$250,000 shall not be required to be so applied on such date to redeem 2025 Series C Bonds), unless the Authority receives an opinion from Bond Counsel to the effect that failure to redeem will not adversely affect the exclusion of interest on the 2025 Series C Bonds from gross income for federal income tax purposes.

(iii) In the event the 2025 Series C Bonds are subject to special redemption from unexpended proceeds pursuant to this Section 3.02(a), the applicable 2025 Series C Bonds to be redeemed shall be selected by the Trustee from among all the Outstanding maturities of the 2025 Series C Bonds, on a reasonably proportionate basis, in such manner as the Trustee shall deem fair; *provided, however*, that the selection of applicable 2025 Series C Bonds to be redeemed may be otherwise determined by the Authority, as provided in a written direction to the Trustee, accompanied by a Certificate of Projected Revenues giving effect to such redemption in accordance with the terms of this Series Resolution.

(iv) If, in accordance with Section 4.04 hereof, the aggregate outstanding principal amount of the Eligible Collateral from Bond proceeds is less than \$1,000,000, the Authority may direct the Trustee to sell the Eligible Collateral and utilize the proceeds from such sale for the redemption of all Outstanding 2025 Series C Bonds.

(v) [In the event of any special redemption of 2025 Series C Bonds pursuant to this Section 3.02(a), the 2025 Series C Bonds Outstanding Applicable Amount for the current and each future semiannual period shall each be reduced by an amount equal to the product of such 2025 Series C Bonds Outstanding Applicable Amount and a fraction (a) the numerator of which equals the sum of the amount of the moneys disbursed from the 2025 Series C Acquisition Subaccount to redeem the 2025 Series C Bonds and (b) the denominator of which equals the sum of the amount of moneys initially deposited by the Trustee in the 2025 Series C Acquisition Subaccount.]

(vi) [In the event of any special redemption of 2025 Series C Premium PAC Bonds pursuant to this Section 3.02(a), the 2025 Series C Premium PAC Bonds Outstanding Applicable Amount for the current and each future semiannual period shall each be reduced by an amount equal to the product of such 2025 Series C Premium PAC Bonds Outstanding Applicable Amount and a fraction (a) the numerator of which equals the sum of the amount of the moneys disbursed from the 2025 Series C Acquisition Subaccount to redeem the 2025 Series C Premium PAC Bonds and (b) the denominator of which equals the sum of the amount of moneys initially deposited by the Trustee in the 2025 Series C Acquisition Subaccount.]

(vii) [Following any mandatory redemption of 2025 Series C Bonds from unexpended proceeds, the Authority will provide or cause to be provided to the Trustee revised tables of 2025 Series C Bonds Outstanding Applicable Amounts and 2025 Series C Premium PAC Bonds Outstanding Applicable Amounts, which revised tables will commence with the first day of the month next following the date of mandatory redemption from unexpended proceeds, if any.]

(viii) In the event that on the first day of any given calendar month more than \$25,000 is on deposit in the 2025 Series C Special Redemption Subaccount within the Special Redemption Account, such moneys may be used for the redemption of Outstanding 2025 Series C Bonds.

(b) *Redemption of 2025 Series C Bonds from Mortgage Prepayments.*

(i) Subject to clause (ii) below, the 2025 Series C Bonds shall be subject to special redemption at the option of the Authority, in whole or in part on any date, from 2025 Series C Cumulative Prepayments received and held in the 2025 Series C Prepayment Subaccount. The Authority shall select, at its option, the 2025 Series C Bonds subject to redemption pursuant to this provision from among any maturity or interest rate of 2025 Series C Bonds. In redeeming the 2025 Series C Bonds from Mortgage Prepayments, the Bonds shall be selected for redemption as follows: amounts remaining following the redemptions specified in clause (ii) below shall be applied, unless otherwise directed by the Authority (accompanied by a Certificate of Projected Revenues giving effect to such redemption), to the redemption of those maturities of the 2025 Series C Bonds [(excluding the 2025 Series C Premium PAC Bonds)] which would produce, as nearly as practicable, a pro rata redemption of the 2025 Series C Bonds [(excluding the 2025 Series C Premium PAC Bonds)] to the extent that the 2025 Series C Cumulative Prepayments as of such date to be applied to the redemption of the 2025

Series C Bonds pursuant to the provisions of (b)(ii) below and this paragraph (b)(i)(A) shall not cause the outstanding principal amount of the 2025 Series C Bonds to be less than the 2025 Series C Bonds Outstanding Applicable Amount at []% of the PSA Prepayment Model (as shown in Exhibit B) as of such date, which is calculated based on the assumed receipt of Mortgage Prepayments received with respect to the Mortgage Loans purchased in whole or in part, directly or indirectly, with moneys made available by the issuance of the 2025 Series C Bonds at []% of the PSA Prepayment Model.

(ii) [The 2025 Series C Premium PAC Bonds shall be subject to mandatory redemption, in whole or in part on each Bond Payment Date, from and to the extent of Mortgage Prepayments received with respect to Mortgage Loans purchased in whole or in part, directly or indirectly, from moneys made available by the issuance of the 2025 Series C Bonds, but only if the outstanding principal amount of such 2025 Series C Premium PAC Bonds following such redemption is not less than the 2025 Series C Premium PAC Bonds Outstanding Applicable Amount as of such date, which is calculated based on the assumed receipt of Mortgage Prepayments received with respect to the Mortgage Loans purchased in whole or in part, directly or indirectly, with moneys made available by the issuance of the 2025 Series C Bonds at []% of the PSA Prepayment Model.]

(iii) Notwithstanding any other provision of this Section 3.02(b), but subject to Section 3.03(a), redemptions of the 2025 Series C Bonds from Mortgage Prepayments shall not occur if the Authority, in order to comply with certain tax covenants relating to yield on the Mortgage Loans, is required to use Mortgage Prepayments relating to Mortgage Loans purchased directly or indirectly in whole or in part with moneys made available by the issuance of the 2025 Series C Bonds to finance new Mortgage Loans or if such redemption would have a material adverse effect on the Authority's ability to pay when due the principal of and interest on the Resolution Bonds Outstanding under the Resolution after such redemption.

(c) *Special Redemption of Bonds from Excess Revenues.*

(i) The 2025 Series C Bonds are subject to special redemption at the option of the Authority, in whole or in part, on any date, from Revenues transferred to the 2025 Series C Special Redemption Subaccount from the 2025 Series C Revenue Subaccount after the transfers therefrom for the payment of Program Expenses and fees to the Authority, after the deposit of funds in certain other Accounts pursuant to the Resolution, after the Debt Service Payments have been made with respect to the 2025 Series C Bonds, and after effecting all redemptions required with respect to the 2025 Series C Bonds. In redeeming the 2025 Series C Bonds from excess Revenues under this Section 3.02(c)(i), the Bonds shall be selected for redemption by the Authority at its option from among maturities and interest rates; [*provided, however, that, with respect to the 2025 Series C Premium PAC Bonds, in accordance with Section 3.03(a), the amount of the 2025 Series C Premium PAC Bonds selected for redemption shall not cause the Outstanding amount of the 2025 Series C Premium PAC Bonds to be less than the applicable 2025 Series C Premium PAC Bonds Outstanding Applicable Amount*].

(ii) The 2025 Series C Bonds are subject to special redemption at the option of the Authority, in whole or in part, on any date, from amounts transferred to the 2025 Series C Special Redemption Subaccount from any excess Revenues attributable to any Resolution Bonds (subject to applicable federal tax laws) after all transfers required under any applicable Series Resolution for the payment of Program Expenses and fees to the Authority, after the deposit of funds in certain other Accounts pursuant to the applicable Series Resolution, after the Debt Service Payments have been made with respect to such Resolution Bonds, and after effecting all redemptions required with respect to such Resolution Bonds. In redeeming the 2025 Series C Bonds from excess Revenues under this Section 3.02(c)(ii), the Bonds shall be selected for redemption by the Authority at its option from among any maturities and interest rates; [*provided, however, that, with respect to the 2025 Series C Premium PAC Bonds, in accordance with Section 3.03(a), the amount of the 2025 Series C Premium PAC Bonds selected for redemption shall not cause the Outstanding amount of the 2025 Series C Premium PAC Bonds to be less than the applicable 2025 Series C Premium PAC Bonds Outstanding Applicable Amount*].

(d) *Special Cleanup Redemption of Bonds.* The 2025 Series C Bonds are subject to special redemption, as a whole, on any date, at the direction of the Authority, if the sum of the moneys and the market value of Investment Obligations allocated to the 2025 Series C Bonds and held in the 2025 Series C Revenue Subaccount, the 2025 Series C Prepayment Subaccount, and the 2025 Series C Special Redemption Subaccount is sufficient to pay the principal amount of all such 2025 Series C Bonds Outstanding plus accrued interest thereon to the date fixed for redemption and all necessary expenses.

Section 3.03. Application of Recoveries of Principal.

(a) With respect to the 2025 Series C Bonds, the amount resulting from multiplying the amount of Recoveries of Principal by the applicable Cumulative 2025 Series C Restricted Percentages shall be 2025 Series C Restricted Recoveries of Principal, and shall, in accordance with the Code, be used to redeem 2025 Series C Bonds pursuant to Section 3.01, 3.02(b), 3.02(c)(i) or 3.02(d) above. To the extent 2025 Series C Restricted Recoveries of Principal are received (at least sixty (60) days prior to the applicable redemption date), such redemptions may occur at such times and with such frequency as the Authority elects, but at least once in each semiannual period, commencing with the semiannual period ending [_____]; provided, however, that no such redemptions are required [(except such redemptions as are required pursuant to Section 3.02(b)(ii) with respect to the 2025 Series C Premium PAC Bonds)] if the amount of 2025 Series C Restricted Recoveries of Principal in such semiannual period does not equal or exceed \$250,000.

(b) Any Recoveries of Principal allocable to the 2025 Series C Bonds received on a cumulative basis in excess of the amounts to be applied to the redemption of the 2025 Series C Bonds, as described in clause (a) above under this Section 3.03, may, in the Authority's discretion, subject to the requirements of the Resolution, be applied to the redemption of Outstanding Resolution Bonds on any date and to such maturities as the Authority may elect at its option, at a Redemption Price equal to the principal amount thereof, plus accrued interest, if any, to the redemption date or such Recoveries of Principal may be recycled to purchase Eligible Collateral.

(c) Notwithstanding the provisions of Section 3.03(a) hereof to the contrary, the Authority shall not be required to apply 2025 Series C Restricted Recoveries of Principal to the redemption of 2025 Series C Bonds [(except such redemptions as are required pursuant to Section 3.02(b)(ii) with respect to the 2025 Series C Premium PAC Bonds)] in the event that the Authority shall receive the written opinion of Bond Counsel to the effect that, as a result of the repeal of Section 143(a)(2)(A)(iv) of the Code or otherwise, the provisions of federal tax law no longer require such a redemption.

(d) To the extent redemption is not required pursuant to Section 3.03(a), redemption of the 2025 Series C Bonds from Recoveries of Principal shall not occur (i) if the Authority, in order to comply with certain tax covenants relating to yield on the Mortgage Loans, is required to use Recoveries of Principal relating to Mortgage Loans purchased in whole or in part, directly or indirectly, with moneys made available by the issuance of the 2025 Series C Bonds to finance new Mortgage Loans or (ii) if such redemption would have a material adverse effect on the Authority's ability to pay when due the principal of and interest on the Resolution Bonds Outstanding coming due under the Resolution after such redemption.

Section 3.04. Sinking Fund Redemption.

(a) The Term Bonds are subject to mandatory redemption prior to maturity, in part, at a Redemption Price of 100% of the principal amount to be redeemed plus accrued interest to the date fixed for redemption, from Sinking Fund Installments which are required to be made in amounts sufficient to redeem on January 1 or July 1 of each year specified below the respective principal amounts of such Term Bonds specified for each such year, as follows:

\$[] [%] 2025 Series C Term Bonds due []

<u>January 1</u>	<u>Principal Amount</u>	<u>July 1</u>	<u>Principal Amount</u>
	\$		\$
			*

* Maturity

\$[] [%] 2025 Series C Term Bonds due []

<u>January 1</u>	<u>Principal Amount</u>	<u>July 1</u>	<u>Principal Amount</u>
	\$		\$
			*

* Maturity

\$[] [%] 2025 Series C Term Bonds due []

<u>January 1</u>	<u>Principal Amount</u>	<u>July 1</u>	<u>Principal Amount</u>
	\$		\$
			*

* Maturity

\$[] [%] 2025 Series C Term Bonds due []

<u>January 1</u>	<u>Principal Amount</u>	<u>July 1</u>	<u>Principal Amount</u>
	\$		\$
			*

* Maturity

\$[] []% 2025 Series C Premium PAC Term Bonds due []

<u>January 1</u>	<u>Principal Amount</u>	<u>July 1</u>	<u>Principal Amount</u>
	\$		\$

*

* Maturity

(b) The Sinking Fund Installments set forth above may be reduced as described under Section 3.08 of the General Resolution.

Section 3.05. Notice of Redemption. The Trustee shall give notice of redemption as provided in Section 3.02 of the General Resolution. Notwithstanding anything to the contrary set forth above, while any Bonds are in book-entry form, the notice required by this Section 3.05 shall be given in accordance with the procedures of DTC or any successor or replacement securities depository.

ARTICLE IV

ESTABLISHMENT OF ACCOUNTS AND APPLICATION OF BOND PROCEEDS

Section 4.01. Establishment of Accounts. The following Funds and Accounts are created and established pursuant to Article V of the General Resolution and this Series Resolution and shall be held by the Trustee and used for the purposes authorized by the General Resolution and specified in this Series Resolution:

- (a) In the Program Fund:
 - (i) the 2025 Series C Acquisition Subaccount within the Acquisition Account;
 - (ii) the Costs of Issuance Account; and
 - (iii) the 2025 Series C Bond Proceeds Subaccount within the Bond Proceeds Account.
- (b) In the Revenue Fund:
 - (i) the 2025 Series C Revenue Subaccount within the Revenue Account;
 - (ii) the 2025 Series C Prepayment Subaccount within the Prepayment Account;

- (iii) the 2025 Series C Rebate Subaccount within the Rebate Account; and
 - (iv) the 2025 Series C Capitalized Interest Account.
- (c) In the Redemption Fund:
- (i) the 2025 Series C Special Redemption Subaccount within the Special Redemption Account; and
 - (ii) the 2025 Series C Optional Redemption Subaccount within the Optional Redemption Account.

The Trustee may also establish separate Funds or Accounts and subaccounts to be held by the Trustee, as and when needed, in connection with the Authority's establishment of requirements for the Mortgage Loan portion of the Program.

Section 4.02. Application of Bond Proceeds and Other Contributed Moneys and Assets.

All of the proceeds of the 2025 Series C Bonds, together with any funds contributed by the Authority, shall be deposited as set forth in the closing memo executed by an Authorized Officer and delivered to the Trustee.

Section 4.03. Application of Capitalized Interest Account.

(a) Moneys on deposit in the 2025 Series C Capitalized Interest Account shall be applied as follows:

- (i) To pay interest on the 2025 Series C Bonds from and including the first Bond Payment Date until the end of the Delivery Period, to the extent sufficient moneys are not available in the Revenue Account to enable the Trustee to make the transfers from the Revenue Account as provided in Section 5.05(d) of the General Resolution; and
- (ii) Upon the Trustee's purchase of a Mortgage-Backed Security from the Servicer, as applicable, to purchase accrued interest on such Mortgage-Backed Security, as provided in Section 4.04 herein with respect to the 2025 Series C Bonds.

(b) Any amounts remaining in the Capitalized Interest Account at the point in time when all monies originally deposited to the Acquisition Account have been expended shall, if so directed by the Authority, first, in amounts to be determined by cash flows approved by the Rating Agency, if not required for any further Debt Service Payments or payments required herein, be applied to reimburse the Authority for moneys contributed by it to the 2025 Series C Capitalized Interest Account, and the balance remaining, if any, shall be transferred to the Revenue Account and into such subaccount(s) as the Authority may direct upon consultation with Bond Counsel.

Section 4.04. Application of Program Fund.

(a) (i) Moneys in the Acquisition Account shall be used and withdrawn, as provided in this Section 4.04, solely for:

(A) the purchase of Eligible Collateral from the Authority or the Servicer, as applicable; *provided, however*, with respect to the purchase of Eligible Collateral which consists of Mortgage Loans, that (a) the Authority shall deliver a Certificate of Projected Revenues reflecting, after such purchase of Eligible Collateral and in each succeeding Bond Year thereafter, that the amount of Revenues and any other revenues, investment income or funds reasonably estimated by the Authority to be available for the payment of the Debt Service Payments and Program Expenses are in each such Bond Year at least equal to such Debt Service Payments and Program Expenses for each such Bond Year, and (b) the Trustee shall have received a Rating Confirmation;

(B) transfer to the Special Redemption Account for the purchase or redemption of the 2025 Series C Bonds, all as hereinafter provided;

(C) as provided in the General Resolution.

(ii) The Trustee shall disburse moneys from the Acquisition Account for the acquisition of Mortgage-Backed Securities from the Authority or the Servicer, as applicable, pursuant to the Servicing Agreement, and shall pay the Authority or Servicer, as applicable, therefor an amount equal to [(i) ____%] of the principal amount thereof (or such other percentage specified by the Authority), plus accrued interest, if any with respect to GNMA Securities and (ii) [____]% of the principal amount thereof (or such other percentage specified by the Authority), plus accrued interest, if any with respect to FHLMC Securities and FNMA Securities.] The purchase price of each Mortgage-Backed Security, as provided above, shall be paid from the Acquisition Account; *provided, however*, that the then accrued and unpaid interest on such Mortgage-Backed Security shall be paid from the Revenue Account, or, if sufficient funds are not available therefor in the Revenue Account, from the Capitalized Interest Account to the extent of any such deficiencies. Upon payment of the next Debt Service Payment and the subsequent interest payment on the Mortgage-Backed Security, an amount equal to the accrued interest on the purchase of such Mortgage-Backed Security shall be deposited to the account from which the funds were withdrawn. The outstanding principal amount of any Mortgage-Backed Security shall be not more than the outstanding aggregate principal amount of Mortgage Loans underlying such Mortgage-Backed Security.

(iii) If at the end of the Delivery Period, less than \$1,000,000 of such aggregate amount initially deposited in the Acquisition Account from the proceeds, or the equivalent thereof, of 2025 Series C Bonds has been used to purchase Eligible Collateral, then such Eligible Collateral may be sold and the proceeds thereof shall be considered unexpended proceeds of the 2025 Series C Bonds. Such unexpended proceeds shall be transferred to the 2025 Series C Special Redemption Subaccount within the Special Redemption Account. If it is then determined that the sum of the amounts of money and the market value of Investment Obligations held in the Revenue Account, the Acquisition Account, the Capitalized Interest Account, and the Special Redemption Account, and

therein the subaccounts applicable to the 2025 Series C Bonds, together with the market value of all Eligible Collateral applicable to the 2025 Series C Bonds, then such moneys may be used for the redemption of all Outstanding 2025 Series C Bonds from unexpended proceeds of the 2025 Series C Bonds.

(iv) The Authority covenants to monitor amounts in the Acquisition Account to ensure that money is made available to finance Mortgage Loans in Targeted Areas for at least twelve (12) months after [_____], with respect to the proceeds of the 2025 Series C Bonds, in an amount necessary to comply with the Code.

(b) The Origination Period and the Delivery Period with respect to the 2025 Series C Bonds may be extended from time to time to a date certain, but the end of the Origination Period shall be not later than [_____] and the end of the Delivery Period shall be not later than [_____], upon receipt by the Trustee, no later than fifteen (15) days prior to the currently established end of the existing Origination Period, of a certificate of the Authority accompanied by the following:

(i) An opinion of Bond Counsel to the Authority addressed to the Authority and the Trustee to the effect that such an extension and the continued use of moneys in the Acquisition Account to acquire Eligible Collateral will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on the 2025 Series C Bonds;

(ii) A Certificate of Projected Revenues provided by an investment banking firm or financial consulting firm, selected by the Authority, or Bond Counsel to the Authority showing that extending the Origination Period and Delivery Period will not adversely affect the availability of Revenues sufficient to make timely payment of principal of and interest on the 2025 Series C Bonds, the Authority Fee and the Fiduciary Expenses; and

(iii) Written confirmation from S&P, or any other Rating Agency publishing, at the request of the Authority, a rating on the 2025 Series C Bonds if S&P shall cease to publish a rating on such Bonds, that the extension of the Origination Period and the Delivery Period will not adversely affect the current rating on such Bonds.

ARTICLE V

REVENUES

Section 5.01. Pledge and Assignment; Revenue Fund.

(a) Subject only to the provisions of this Series Resolution and the General Resolution permitting the application thereof for or to the purposes and on the terms and conditions set forth herein and therein, there are hereby pledged to secure the payment of the principal of and interest on the 2025 Series C Bonds in accordance with their terms and the provisions of the General Resolution and this Series Resolution all of the Revenues, all of the proceeds of the 2025 Series C Bonds and any other amounts held in any fund or account

established pursuant to this Series Resolution and the General Resolution (except amounts in the Rebate Account) and all of the right, title and interest of the Authority in the Eligible Collateral, the Servicing Agreement and the Origination Agreement (including all agreements entered into under such agreement). Said pledge shall constitute a lien on and security interest in such assets and shall attach, be perfected and be valid and binding from and after delivery by the Trustee of the 2025 Series C Bonds, without any physical delivery thereof or further act.

(b) The Authority transfers in trust, grants a security interest in and assigns to the Trustee, for the benefit of the Holders from time to time of the 2025 Series C Bonds, all of the Revenues and other moneys pledged in subsection (a) of this Section and all of the right, title and interest of the Authority in the Eligible Collateral, the Servicing Agreement and the Origination Agreement. The Trustee shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected and received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. The Trustee also shall be entitled to and shall take all steps, actions and proceedings reasonably necessary in its judgment to enforce the terms, covenants and conditions of the Eligible Collateral, the Servicing Agreement and the Origination Agreement to the extent provided therein and to preserve and protect the priority of its interest in and under the Eligible Collateral, the Servicing Agreement and the Origination Agreement.

(c) All Revenues with respect to the 2025 Series C Bonds, other than those required to be deposited in the Rebate Account as set forth in an Authority Request, shall be promptly deposited by the Trustee upon receipt thereof in the appropriate subaccount within the Revenue Account, or, if a Mortgage Prepayment, in the appropriate subaccount within the Prepayment Account. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in the General Resolution and this Series Resolution. The Trustee shall make transfers from the Revenue Account and Prepayment Account in accordance with Section 5.05 of the General Resolution; *provided, however*, that the fees paid to the Trustee pursuant to Section 5.05(c) of the General Resolution shall not exceed [.02]% annually (subject to a \$[1,000] minimum annual fee), commencing [_____], of the total Outstanding principal amount of the 2025 Series C Bonds, so long as Simmons Bank is the Trustee. If any Successor Trustee is appointed pursuant to Article VIII of the General Resolution and it becomes necessary to pay more than [.02]% annually (subject to a \$[1,000] minimum annual fee) as stated in the preceding sentence, the Authority covenants to reduce the Authority Fee by an amount equaling the difference between the fee stated above and the fee of the Successor Trustee.

(d) The GNMA Securities acquired by the Trustee on behalf of the Authority shall be held at all times by the Trustee in certificated form or through the Federal Reserve Bank of New York or such other GNMA depository (to the extent such corporation is effecting a book-entry transfer of such GNMA Securities) in trust for the benefit of the Bondholders. If the Trustee does not receive a payment on a GNMA I Security when due on the fifteenth day of each month, the Trustee shall immediately notify the Servicer and the Federal Reserve Bank of New York, or its successors, to the extent such corporation is effecting book-entry transfers of such GNMA Securities, and if such payment is not received by the seventeenth day of the month, shall demand payment from GNMA, in accordance with the GNMA Guaranty. If the Trustee does not receive a payment on a GNMA II Security by the twenty-second day of any month, the Trustee

shall immediately notify the CPTA, as defined in the Servicing Agreement, and demand wire transfer in immediately available funds of the required payment from the CPTA, and, if not so paid, demand payment from GNMA in accordance with the GNMA Guaranty. If the GNMA I or GNMA II Securities are not held by the Federal Reserve Bank of New York or such other GNMA depository, but are in the physical possession of the Trustee, the demand to GNMA shall be made on the fifteenth day in the case of a GNMA I Security and the twentieth day in the case of a GNMA II Security.

(e) The FNMA Securities acquired by the Trustee on behalf of the Authority shall be held at all times by the Trustee in trust for the benefit of the Bondholders and shall be held in book-entry form as described in this subsection. A FNMA Security will be issued in book-entry form through the book-entry system of the Federal Reserve System, pursuant to which the FNMA Security shall have been registered on the books of the Federal Reserve Bank in the name of the Trustee (acting as a “depository” within the meaning of 24 C.F.R. Section 81.44(b)), and the Trustee shall have received confirmation in writing that the depository is holding such FNMA Security on behalf of, and has identified such FNMA Security on its records as belonging to, the Trustee. If the Trustee does not receive payment or advice from the depository of payment, with respect to a FNMA Security when due by the close of business on the twenty-fifth day of any month (or the next business day if the twenty-fifth is not a business day), the Trustee shall demand payment from FNMA in connection with the guaranty of timely payments of principal and interest by FNMA.

(f) The FHLMC Securities acquired by the Trustee on behalf of the Authority shall be held at all times by the Trustee in trust for the benefit of the Bondholders and shall be held in book-entry form as described in this subsection. A FHLMC Security will be issued in book-entry form through the book-entry system of the Federal Reserve System, pursuant to which the FHLMC Security shall have been registered on the books of the Federal Reserve Bank in the name of the Trustee (acting as a “depository” within the meaning of 24 C.F.R. Section 81.44(b)), and the Trustee shall have received confirmation in writing that the depository is holding such FHLMC Security on behalf of, and has identified such FHLMC Security on its records as belonging to, the Trustee. If the Trustee does not receive payment or advice from the depository of payment, with respect to a FHLMC Security when due by the close of business on the twenty-fifth day of any month (or the next business day if the twenty-fifth is not a business day), the Trustee shall demand payment from FHLMC in connection with the guaranty of timely payments of principal and interest by FHLMC.

(g) Except as may be provided in Section 3.02(b)(iii) hereof, neither the Authority nor the Trustee shall sell or otherwise dispose of the Eligible Collateral after their acquisition for an amount less than an amount sufficient, together with other amounts then held under the General Resolution and this Series Resolution and available for the payment of principal of and interest on the 2025 Series C Bonds, to provide for the payment of all Outstanding 2025 Series C Bonds in accordance with Section 7.02 or Article XI of the General Resolution, or Section 3.01 hereof, or Section 3.02(b), (c) and (d) hereof, and the payment of all amounts due the Trustee with respect to the 2025 Series C Bonds, provided that notwithstanding anything herein or in the General Resolution to the contrary any sale or other disposition of FNMA Securities or FHLMC Securities shall be subject to the restrictions of such sale set forth in the FNMA Pool Purchase Contract or the FHLMC Pool Purchase Contract, as applicable, and in Section 5.01 hereof. This

Section 5.01(g) can be modified, amended or supplemented only in accordance with the provisions of Article X of the General Resolution, which requires the consent of 100% of the Holders of the applicable Series of Bonds Outstanding.

Section 5.02. Mortgage Prepayments, Mortgage Repayments and Revenues.

(a) All Revenues received by the Authority shall be paid to the Trustee immediately upon their receipt by the Authority. All Revenues, other than those required to be deposited in the Rebate Account as set forth in an Authority Request, and except as provided otherwise in this Series Resolution, other series resolutions of the Authority or the General Resolution, shall be deposited by the Trustee in the applicable subaccount of the Revenue Account or Prepayment Account, as applicable. There may also be deposited in the Revenue Fund, at the option of the Authority, any other moneys of the Authority, unless required to be otherwise applied as provided by this Series Resolution or other series resolution supplemental hereto.

(b) After making all transfers from the 2025 Series C Revenue Subaccount in accordance with Section 5.05(b), (c) and (e) of the General Resolution, the Trustee shall transfer any amounts in excess of \$25,000 remaining in the 2025 Series C Revenue Subaccount to the Special Redemption Account to be applied to the redemption of Resolution Bonds pursuant to Section 3.02 hereof.

(c) [RESERVED]

(d) On the Business Day next preceding each Bond Payment Date, all amounts in the 2025 Series C Prepayment Subaccount shall be transferred to the Revenue Account and applied pursuant to Section 5.02(a) and 5.02(b) hereof with respect to the 2025 Series C Bonds. If at any time amounts held in the 2025 Series C Prepayment Subaccount exceed \$5,000 or such other amount specified by the Authority to the Trustee, and, unless otherwise directed by the Authority, if two Business Days prior to the Bond Payment Date there are any amounts on deposit in the 2025 Series C Prepayment Subaccount to be used for special redemption pursuant to Section 3.02, the amounts in the 2025 Series C Prepayment Subaccount shall be immediately transferred to the 2025 Series C Special Redemption Account and used to redeem the 2025 Series C Bonds, as described in Article III hereof. Except as required pursuant to the Code, the Authority shall not be required to redeem any Bonds from Mortgage Prepayments and excess revenues if such redemption would have a material adverse effect on its ability to pay when due the principal of and interest on the Bonds Outstanding under the Resolution after such redemption.

(e) With respect to the Bonds, the Trustee shall pay or transfer from the 2025 Series C Revenue Subaccount Revenues in the applicable order of priority set forth in Section 5.05 of the General Resolution, subject to the provisions set forth in this Series Resolution.

(f) The Trustee shall make the transfers to and withdrawals from the Rebate Account in accordance with Section 5.05 of the General Resolution.

(g) Immediately after being deposited in the 2025 Series C Prepayment Subaccount in accordance with Section 5.08 of the General Resolution, Mortgage Prepayments of Eligible

Collateral purchased in whole or in part, directly or indirectly, with moneys made available by the issuance of the 2025 Series C Bonds shall be transferred to the 2025 Series C Prepayment Subaccount. [If, on any date, the amount of Mortgage Prepayments on deposit in the 2025 Series C Prepayment Subaccount exceeds the amount of 2025 Series C Cumulative Prepayments required to redeem 2025 Series C Premium PAC Bonds in accordance with Section 3.02(b)(ii) on the next succeeding Bond Payment Date, an amount of Mortgage Prepayments equal to such excess shall be transferred to the 2025 Series C Prepayment Subaccount.]

Section 5.03. Transfer of Moneys to Special Redemption Account. If amounts held in the Subaccounts within the Revenue Account, the Capitalized Interest Account, the Prepayment Account and the Special Redemption Account with respect to any of the 2025 Series C Bonds, valuing all Investment Obligations not including the Eligible Collateral (except pursuant to a sale of Eligible Collateral on the terms and conditions set forth in the General Resolution) held in such funds at “market value,” are sufficient to pay all Fiduciary Expenses and to redeem all Outstanding 2025 Series C Bonds pursuant to Section 3.02(d) hereof on the next date for which notice of redemption may be given pursuant to Section 3.02 of the General Resolution, then all such amounts, net of Fiduciary Expenses, shall be transferred to the Special Redemption Account and all such Investment Obligations shall be liquidated to the extent necessary to provide moneys sufficient for such redemption. For purposes of this Section 5.03, “market value” shall mean the lesser of (a) the average of the bid and ask prices most recently published prior to the date of determination for those Investment Obligations the bid and ask prices of which are published on a regular basis in The Wall Street Journal or, if not there, in The New York Times, or the average bid price as of the date of determination by any two nationally recognized government securities dealers selected by the Trustee for those Investment Obligations the bid and ask prices of which are not published on a regular basis as set forth above; or (b) par value (plus, prior to the first payment of interest following purchase, the amount of any accrued interest paid as a part of the purchase price) for Investment Obligations which are certificates of deposit and bankers’ acceptances, or, for all other Investment Obligations, the lesser of cost (exclusive of accrued interest after the first payment of interest following purchase) or par value (plus, prior to the first payment of interest following purchase the amount of any accrued interest paid as part of the purchase price); provided, however, that any repurchase agreements or investment agreements shall be valued, respectively, at the unpaid repurchase price or principal balance collectible pursuant thereto.

ARTICLE VI

PARTICULAR COVENANTS

Section 6.01. Program Covenants.

All covenants in this Section 6.01 relate solely to that portion of the Program related to Mortgage-Backed Securities. When the Authority establishes that portion of the Program related to Mortgage Loans, covenants related to the Mortgage Loan portion of the Program will be created.

(a) The Authority and the Trustee shall from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act, the Program, the

General Resolution, this Series Resolution, all other applicable laws and regulations and with sound banking practices and principles, use and apply the amounts held in the Acquisition Account (except as otherwise provided in Section 4.04) to purchase Mortgage-Backed Securities and shall do all such acts and things necessary to produce Revenues sufficient to pay when due the principal of and interest on the 2025 Series C Bonds and shall take all steps, actions and proceedings reasonably necessary in the judgment of the Authority to enforce the terms, covenants and conditions of the Mortgage-Backed Securities, the Servicing Agreement and the Origination Agreement.

The Authority shall supervise, or cause to be supervised, each Mortgage Lender's compliance with the Origination Agreement. In the event the Servicing Agreement or the Origination Agreement shall be cancelled or terminated for any reason, the Authority shall proceed with due diligence to procure appropriate successor parties, subject to the provisions of the Origination Agreement and the Servicing Agreement and the requirements of GNMA under the GNMA Guide, FNMA under the FNMA Guides and FHLMC under the FHLMC Guides. During the period necessary to obtain such successors, the Trustee shall, subject to the approval of GNMA, FNMA and FHLMC, cause to be performed the duties and responsibilities of the Servicer or the Mortgage Lender, as the case may be, under the agreement cancelled or terminated and shall be compensated therefor, in addition to the compensation payable to it under the General Resolution or any other instrument, in the same manner and amounts as provided under the Origination Agreement or the Servicing Agreement cancelled or terminated.

(b) Subject to Section 4.04, amounts in the Acquisition Account to be used to purchase Mortgage-Backed Securities shall be used to purchase only Mortgage-Backed Securities which (i) are backed by Mortgage Loans which are in compliance with the Act, the Code and the Program, (ii) comply with the requirements set forth in the Servicing Agreement and (iii) in the aggregate have scheduled payments of principal and interest at least sufficient, together with other expected Revenues, to pay when due the principal of and interest on the 2025 Series C Bonds and Program Expenses.

(c) The Authority shall enforce or cause to be enforced the provisions of the Origination Agreement which provide that each Mortgage Lender shall cause mortgage insurance issued by the FHA under Section 203(b), 203(b)(2), 203(h), 203(k), 221(d)(2) or 234(c) of the National Housing Act, private mortgage insurance, or an FmHA or VA Guaranty, to be in effect for each Mortgage.

(d) The Authority shall enforce or cause to be enforced the provisions of the Origination Agreement which require that no Mortgage shall be sold, assigned or otherwise disposed of by the Servicer, except (i) pursuant to a covenant to repurchase contained in the Origination Agreement, (ii) to correct any failure of the Mortgage, the related residence or the related mortgagor to meet the requirements of Section 143 of the Code, (iii) in connection with any action or proceedings taken in the event of default on any Mortgage or as may be necessary for the purpose of realizing the benefits of the mortgagee's title insurance with respect to such Mortgage or (iv) for assignment to GNMA, FNMA, or FHLMC, as applicable, upon issuance by the Servicer, FNMA, or FHLMC, as applicable, of each Mortgage-Backed Security. No Mortgage-Backed Security shall be sold, assigned or otherwise disposed of; *provided, however*, all Mortgage-Backed Securities may be sold, at the sole discretion of the Authority pursuant to

Section 4.04 hereof and in connection with the occurrence of an Event of Default and a declaration of the 2025 Series C Bonds to be due and payable in accordance with the provisions of Section 7.02 of the General Resolution. Subject to the provisions of this subsection and the approval of GNMA, FNMA, or FHLMC, as applicable, any Mortgage may be sold, assigned or otherwise disposed of, and the Authority and the Trustee, through the Servicer, shall direct the Mortgage Lender to take all necessary action and execute and deliver all necessary instruments to confirm any such sale, assignment or disposition and to vest title to the Mortgage in the purchaser, assignee or other recipient thereof.

(e) The Authority shall not, without the written consent of the Trustee, alter, modify or cancel or agree to consent to alter, modify or cancel any agreement which relates to or affects the security for the 2025 Series C Bonds. In giving its consent, the Trustee may rely upon a Certificate of the Authority or an opinion of counsel. The Trustee shall not consent to any change in the maturity of any Mortgage-Backed Security.

(e) The Authority shall not consent to the modification of, or modify, the rate or rates of interest, or the amount or time of payment of any installment of interest or principal, or the security for or any of the terms or provisions of any Mortgage or any insurance on or with respect thereto in any manner which would result in the failure of such Mortgage to satisfy the conditions set forth in subsection (b) of this Section 6.01 or which would materially impair the security of the 2025 Series C Bonds.

(f) The Authority shall not amend, modify or supplement the Origination Agreement or the Servicing Agreement or consent to any such amendment, modification or supplementation, without the written consent of the Trustee. The Trustee shall give such written consent only if, based on the opinion of Bond Counsel (i) such changes will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security hereby given for the payment of the 2025 Series C Bonds, (ii) the Trustee first obtains the written consent of the Holders of a majority in Bond Obligation to such amendment, modification or termination or (iii) such amendment is necessary to preserve the exclusion of interest on the 2025 Series C Bonds from gross income of the owners thereof for federal income tax purposes.

(g) The Authority and the Trustee hereby acknowledge that no FNMA Prospectus Supplement will be prepared or available as to the FNMA Securities. The Authority and the Trustee agree that the FNMA Securities may not be transferred except as provided in the FNMA Pool Purchase Contract and that this provision may be amended only with the written consent of FNMA.

(h) The Authority and the Trustee hereby acknowledge that no FHLMC Prospectus Supplement will be prepared or available as to the FHLMC Securities. The Authority and the Trustee agree that the FHLMC Securities may not be transferred except as provided in the FHLMC Pool Purchase Contract and that this provision may be amended only with the written consent of FHLMC.

Section 6.02. Covenants of Trustee Regarding Purchase of Mortgage-Backed Securities.

(a) In connection with the purchase of each Mortgage-Backed Security, the Trustee covenants that it will verify that:

(i) The purchase price of the Mortgage-Backed Security is [(i) with respect to GNMA Securities, [_____] % of the current outstanding principal amount of such Mortgage-Backed Security plus interest accrued to the date of acquisition and that the initial pass through rate on the Mortgage-Backed Security will be not less than the rate per annum shown on the most recent Certificate of Projected Revenues and (ii) with respect to FHLMC Securities and FNMA Securities, [_____] %] of the current outstanding principal amount of such Mortgage-Backed Security plus interest accrued to the date of acquisition and that the initial pass through rate on the Mortgage-Backed Security will be not less than the rate per annum shown on the most recent Certificate of Projected Revenues; *provided, however*, the Authority exercises its right to modify the fixed interest rate established on a Mortgage-Backed Security, either above or below these limits, with the approval of Bond Counsel, and provided further that such pass-through rate shall at all times reflect the fixed interest rate applicable to the Mortgage Loans securing the Mortgage-Backed Security less the then-current guaranty fee of GNMA, FHLMC or FNMA, as applicable.

(ii) After giving effect to the purchase of the Mortgage-Backed Security, the aggregate value of all Mortgage-Backed Securities purchased, valued at their outstanding principal balance plus accrued interest thereon, plus unexpended proceeds in the Acquisition Account and other moneys held under the General Resolution (including accrued interest thereon) (other than amounts in the Rebate Account) exceeds the principal amount of Outstanding 2025 Series C Bonds plus accrued interest thereon.

(iii) The form of the Mortgage-Backed Security conforms to the requirements of the GNMA Guide, the FNMA Guide or the FHLMC Guide, as applicable.

(iv) It has been delivered to the Federal Reserve Bank of New York an irrevocable instruction to the effect that all fees arising in connection with the limited purpose account are to be charged to another account maintained by the Federal Reserve Bank of New York for the Trustee.

(v) The Federal Reserve Bank of New York has delivered a certificate to the Trustee to the effect that based on the instruction regarding payments of its fees, the Federal Reserve Bank of New York will not charge the specified limited purpose account for so long as the instruction remains in effect. The certificate may make exceptions (as provided in the amended Federal Reserve Bank of New York rules) (A) to charge the cash balance for the limited purpose account for the recovery of securities or cash credited to the specified limited purpose account by mistake and (B) to secure and repay any advance of principal and interest made by the Federal Reserve Bank of New York.

(vi) Counsel has opined to S&P that the Trustee has a first priority perfected security interest in the GNMA collateral, which opinion may be qualified with respect to any lien, claim or charge of the Federal Reserve Bank of New York against the cash balance of the specified limited purpose account (but not the GNMA securities

themselves). The opinion should, however, refer to the certificate, mentioned in paragraph (v) above.

(b) The Trustee shall evaluate each Mortgage-Backed Security immediately after its creation. The Trustee shall purchase the Mortgage-Backed Security only after the verification described in this Section 6.02(a) has been completed. Upon purchase, the Trustee shall be furnished with (A) a Mortgage-Backed Security in certificated form, registered in the name of the Trustee, as Trustee under the General Resolution; (B) a Mortgage-Backed Security credited to the account of the Trustee at a clearing corporation as defined under and pursuant to the Uniform Commercial Code applicable to the clearing corporation and the clearing corporation is registered as a clearing agency under the Securities Exchange Act of 1934; (C) for FNMA Securities, the confirmation described in Section 5.01(e) hereof; (D) for FHLMC Securities, the confirmation described in Section 5.01(f) hereof; or (E) for GNMA Securities that are in the form of book entries maintained in limited purpose accounts and not in agency accounts on the records of the Participants Trust Corporation or such other depository institution qualified as such under the Monetary Control Act of 1980 (“Book-Entry Securities”), written evidence that (1) the Federal Reserve Bank of New York has made an appropriate entry in its records of the transfer of such Book-Entry Securities to the account of the Depository (defined below) and (2) the Depository has sent the Trustee confirmation of the purchase of such Book-Entry Securities by the Trustee and also by book entry or otherwise identifies such Book-Entry Securities as belonging to the Trustee, so that the Trustee at all times has a perfected first priority security interest in such GNMA Security. The “Depository” shall be a clearing corporation which is a participant in the Federal Reserve Bank of New York and which has a custody agreement with the Trustee with respect to the GNMA Securities. If so qualified, the Trustee may be the Depository and shall not require the confirmation set forth in (2) above.

(c) For so long as the 2025 Series C Bonds are Outstanding, the Trustee shall purchase the Mortgage-Backed Securities from proceeds attributable to the 2025 Series C Bonds as the Authority directs.

(d) The Trustee shall furnish information concerning the 2025 Series C Bonds and the Program to S&P upon reasonable request thereof and shall inform S&P upon the first purchase of a Mortgage-Backed Security from the Servicer.

CERTIFICATE OF PRESIDENT AND SECRETARY

The undersigned, President of the Arkansas Development Finance Authority, does hereby certify that the foregoing Series Resolution was duly adopted by the members of said Authority on October 16, 2025.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Authority this []_th day of [_____], 2025.

ARKANSAS DEVELOPMENT FINANCE
AUTHORITY

By: _____
Ro Arrington, Interim President

(SEAL)

TRUSTEE'S ACCEPTANCE

Simmons Bank hereby accepts and agrees to perform the duties and obligations imposed on it as Trustee under the Series Resolution Authorizing the Issuance and Sale of Not to Exceed \$65,000,000 Single Family Mortgage Revenue Bonds, 2025 Series C (Mortgage-Backed Securities/Mortgage Loans Program), adopted by the Arkansas Development Finance Authority on October 16, 2025.

IN WITNESS WHEREOF, the Trustee has caused this Acceptance to be executed by its duly authorized officer, on this []th day of [], 2025.

SIMMONS BANK, as Trustee

By: _____
Senior Vice President and
Corporate Trust Manager

EXHIBIT A

FORM OF 2025 SERIES C BOND

THE BONDS ARE SPECIAL OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM, AND SECURED BY A PLEDGE OF, THE ELIGIBLE COLLATERAL AND THE OTHER REVENUES AND FUNDS DESCRIBED HEREIN. THIS BOND HAS BEEN ISSUED UNDER THE PROVISIONS OF ARKANSAS CODE ANNOTATED §§ 15-5-501 *et seq.*, AS AMENDED, AND IS THE OBLIGATION ONLY OF THE AUTHORITY, AND IN NO EVENT SHALL THIS BOND CONSTITUTE AN INDEBTEDNESS OF THE STATE OF ARKANSAS OR AN INDEBTEDNESS FOR WHICH THE FAITH AND CREDIT OF THE STATE OF ARKANSAS OR ANY OF ITS REVENUES ARE PLEDGED OR AN INDEBTEDNESS SECURED BY A LIEN ON OR A SECURITY INTEREST IN ANY PROPERTY OF THE STATE OF ARKANSAS. THE AUTHORITY HAS NO TAXING POWER. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR ANY AGENCY THEREOF OR THE GOVERNMENT NATIONAL MORTGAGE ASSOCIATION OR THE FEDERAL NATIONAL MORTGAGE ASSOCIATION AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

No. RC-_____ \$ _____

UNITED STATES OF AMERICA

STATE OF ARKANSAS

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
SINGLE FAMILY MORTGAGE REVENUE BOND,
2025 SERIES C

(MORTGAGE-BACKED SECURITIES/MORTGAGE LOANS PROGRAM)

Maturity Date	Bond Date	CUSIP
[January 1] [July 1], 20__	_____ 2025	041083 _____

Interest Rate: _____ % Per Annum

Registered Holder: Cede & Co.

Principal Sum: _____ Dollars

THE ARKANSAS DEVELOPMENT FINANCE AUTHORITY, a public agency and instrumentality of the State of Arkansas (herein called the "Authority"), for value received, hereby promises to pay (but only out of the Revenues and other assets pledged therefor as hereinafter mentioned) to the registered holder identified above, or registered assigns, the principal sum specified above on the maturity date specified above, unless redeemed prior thereto as hereinafter provided, upon presentation and surrender of this Bond at the corporate

trust office of Simmons Bank (the “Trustee” or the “Paying Agent”), and to pay interest to the registered holder hereof on such principal sum from the dated date hereof, or, if later, from the date to which interest has been duly paid, at the rate of per annum interest specified above until such principal sum is paid, payable semiannually on each January 1 and July 1, commencing [] (each, a “Bond Payment Date”). The principal or redemption price of and interest on the Bond is payable in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts. The principal or redemption price of this Bond is payable at the principal office of the Trustee.

Interest on this Bond shall be payable by check or draft mailed to the registered owner at its address appearing on the registration books of the Authority kept for that purpose at the principal office of the Trustee, determined as of the close of business on the applicable Record Date or at such other place as may be provided for such payment by the appointment of any other Paying Agent as permitted by the Resolution. Owners of the Bonds in an aggregate principal amount of not less than \$1,000,000 may arrange for payment of interest by wire transfer. The Record Date for payment of interest is the fifteenth day of the month next preceding the date on which the interest is to be paid, whether or not a Business Day.

This Bond is issued under and by virtue of Arkansas Code Annotated Sections 15-5-101 *et seq.*, as amended and supplemented (the “Act”), and under and pursuant to the resolution of the Authority adopted July 20, 1995, as amended and restated on May 16, 2013, and as further amended and supplemented from time to time entitled “Single Family Mortgage Revenue Bond General Resolution (Mortgage-Backed Securities/Mortgage Loans Program)” (the “General Resolution”), as supplemented by the Series Resolution Authorizing the Issuance and Sale of Not to Exceed \$65,000,000 Single Family Mortgage Revenue Bonds, 2025 Series C (Mortgage-Backed Securities/Mortgage Loans Program), adopted October 16, 2025 (the “Series Resolution”), (such General Resolution and Series Resolution and any and all such further resolutions being herein collectively called the “Resolution”).

This Bond is one of the duly authorized “Single Family Mortgage Revenue Bonds, 2025 Series C (Mortgage-Backed Securities/Mortgage Loans Program)” (the “Bonds” or “2025 Series C Bonds”) limited to the aggregate principal amount of \$65,000,000 and duly issued under and by virtue of the Act and under and pursuant to the Resolution. Copies of the Resolution are on file at the office of the Authority, and at the corporate trust office of the Trustee, and reference to the Resolution and to the Act is made for a description of the pledge and covenants securing the Bonds, the nature, manner and extent of enforcement of such pledge and covenants, the rights and remedies of the registered holders of the Bonds with respect to such pledge and covenants, the terms and conditions upon which the Bonds are issued thereunder and a statement of the rights, duties, immunities and obligations of the Authority and of the Trustee. Such pledge and other obligations of the Authority under the Resolution may be discharged on or prior to the maturity or redemption of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Resolution. All terms not otherwise defined herein shall have the meaning set forth in the Resolution.

The Bonds are issued for the purpose of providing funds for the Authority to provide money for the acquisition of Eligible Collateral and to pay the cost of issuance.

To the extent and in the manner permitted by the terms thereof, the Resolution and any resolution amendatory thereof or supplemental thereto may be modified or amended; provided, however, that no such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or redemption price thereof or in the rate of interest thereon without the consent of the holders of all such Bonds, or shall reduce the percentage or otherwise affect the classes of Bonds the consent of the holders of which is required to effect any such modification or amendment without the consent of the holders of all Bonds then outstanding.

This Bond is transferable by the registered holder hereof in person or by his duly authorized attorney, as provided in the Resolution, only upon the books of the Authority kept for the purpose at the corporate trust office of the Trustee (i) upon presentation and surrender of this Bond at the corporate trust office of the Trustee, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered holder or his duly authorized attorney and (ii) upon payment of the charges prescribed in the Resolution. Thereupon a new fully registered Bond of the same aggregate principal amount and maturity shall be issued to the transferee in exchange therefor as provided in the Resolution. The Authority, the Trustee and any Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever, and neither the Authority, the Trustee nor any Paying Agent shall be affected by a notice to the contrary.

The 2025 Series C Bonds are issuable only in fully registered form, in denominations of \$5,000 or any integral multiple thereof, and comprise Serial Bonds maturing on [] and on each [] and Term Bonds maturing on [].

The 2025 Series C Bonds are subject to optional, special, and mandatory redemption as described in the Series Resolution.

In the event that any Bond is to be called for redemption, notice of such redemption, setting forth such information as is required pursuant to the Resolution, shall be given upon mailing a copy of the redemption notice by first-class mail (or, in the case of holders of more than \$1,000,000 in principal amount of the Bonds, by certified mail, return receipt requested) not less than thirty (30) or more than forty-five (45) days prior to the date fixed for redemption to the registered holder of each Bond to be redeemed at the address shown on the registration books and to one or more national services which record bond redemption data. Failure by the Trustee to mail notice of redemption pursuant to the Resolution to any one or more of the holders of any Bond designated for redemption or to any of such national information services shall not affect the sufficiency of the proceeding for redemption with respect to the holders to whom such notice was mailed.

On the specified redemption date, all Bonds so called for redemption shall cease to bear interest and shall no longer be secured by the Resolution, provided moneys for their redemption are on deposit at the place of payment at that time.

The holder of this Bond shall have no right to enforce the provisions of the Resolution, or to institute any action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Resolution, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as otherwise expressly provided in the Resolution. In addition, the right of the holder of this Bond to institute or prosecute a suit for the enforcement of payment hereof or to enter a judgment in any such suit is limited to the extent that such action would result in the surrender, impairment, waiver or loss of the security provided under the Resolution for the equal and ratable benefit of all holders of Bonds.

In case an Event of Default shall occur, the principal of this Bond may be declared due and payable in the manner and with the effect provided in the Resolution.

It is hereby certified and recited by the Authority that all acts, conditions and things necessary to be done precedent to and in the issuance of the Bonds in order to make the Bonds the legal, valid and binding special limited obligations of the Authority in accordance with their terms have been done, have happened and have been performed in regular and due form as required by law, and that the issuance of the Bonds did not at the time of issuance exceed or violate any constitutional, statutory or other limitation upon the amount of indebtedness prescribed by law or the Resolution.

Unless the Trustee's Certificate of Authentication hereon has been duly executed on behalf of the Trustee, this Bond shall not be entitled to any benefit under the Resolution or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Authority has caused this Bond to be executed in its name and on its behalf by the facsimile signature of its Chair and its seal to be hereunto imprinted and attested to by the facsimile signature of its President.

ARKANSAS DEVELOPMENT FINANCE
AUTHORITY

By: _____
Chair

Attest:

President

(SEAL)

TRUSTEE’S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Resolution adopted by the Arkansas Development Finance Authority and is one of the Single Family Mortgage Revenue Bonds, 2025 Series C (Mortgage-Backed Securities/Mortgage Loans Program).

Authentication Date: _____, 2025

SIMMONS BANK, as Trustee

By: _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

(please print or typewrite name and address of transferee) the within Bond and all rights and title thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____
Signature Guaranteed: _____

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the within Bond in every particular, without alteration or enlargement or any change whatever.

PLEASE INSERT SOCIAL SECURITY
NUMBER OR OTHER IDENTIFYING
NUMBER OF ASSIGNEE

The following abbreviations, when used in this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common UTMA _____ Custodian _____
TEN ENT - as tenants by the entireties (Cust) (Minor)
JT TEN - as joint tenants with right under Uniform Transfer to Minors Act
of survivorship and not as _____
tenants in common (State)

Additional abbreviations may also be used though not in the list above.

[EXHIBIT B]

2025 SERIES C BONDS OUTSTANDING APPLICABLE AMOUNTS

(BASED ON [__]% PSA)

Semiannual Period	2025 Series C Bonds Outstanding
<u>Ending</u>	<u>Applicable Amount</u>[†]

[†] As set forth in Appendix G of the Final Official Statement.

[EXHIBIT C]

2025 SERIES C PREMIUM PAC BONDS OUTSTANDING APPLICABLE AMOUNTS

(BASED ON []% PSA)

Semiannual Period <u>Ending</u>	2025 Series C Premium PAC Bonds Outstanding Applicable <u>Amount</u>[†]
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[†] As set forth in Appendix H of the Final Official Statement.

TAB 5

**SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF
REVOLVING LOAN FUND REVENUE BONDS, SERIES 2026
IN A PRINCIPAL AMOUNT NOT TO EXCEED \$150,000,000**

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**SERIES RESOLUTION AUTHORIZING THE ISSUANCE
OF REVOLVING LOAN FUND REVENUE BONDS, SERIES
2026 IN A PRINCIPAL AMOUNT NOT TO EXCEED
\$150,000,000**

BE IT RESOLVED by the Board of Directors of the Arkansas Development Finance Authority ("ADFA") on October 16, 2025, that, pursuant to the Revolving Loan Fund Revenue Bond Program General Bond Resolution adopted on July 20, 2023 (the "General Resolution"), this resolution is adopted as follows:

ARTICLE I

DEFINITIONS AND AUTHORITY

Section 101. **Short Title.** This resolution, as supplemented by the Confirming Resolution identified in **Section 102**, may hereafter be cited by ADFA and is herein sometimes referred to as the "Series 2026 Resolution."

Section 102. **Definitions and Interpretation.**

(a) All defined terms contained in the Series 2026 Resolution shall have the same meanings as such terms are given in *Exhibit A of the General Resolution*.

(b) In addition, as used in the Series 2026 Resolution, the following terms shall have the following meanings, unless a different meaning clearly appears from the context:

"Bond Purchase Agreement" means the Bond Purchase Agreement providing for the sale and purchase of the Series 2026 Bonds between ADFA and the Purchaser.

"Confirming Resolution" means a resolution of ADFA adopted prior to the issuance of the Series 2026 Bonds confirming the aggregate principal amount, maturity and interest rate schedules, and redemption features of the Series 2026 Bonds.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement, dated as of the date of the original issuance and delivery of the Series 2026 Bonds, by and between ADFA and ANRC.

"Paying Agent" means Regions Bank, and its successors, and any other bank, trust company or corporation that may at any time be substituted in its place in accordance with the General Resolution.

"Preliminary Official Statement" means the Preliminary Official Statement to be distributed to prospective purchasers of the Series 2026 Bonds.

"Purchaser" means, collectively, Stephens Inc., Crews & Associates, Inc. and Raymond James & Associates, Inc.

"Series 2026 Bonds" means the Arkansas Development Finance Authority Revolving Loan Fund Revenue Bonds, Series 2026, dated the date of their original issuance and delivery, authorized by the Series 2026 Resolution.

"Series 2026 Resolution" means this resolution adopted by ADFA on October 16, 2025, as supplemented by the Confirming Resolution, authorizing the issuance of the Series 2026 Bonds.

Section 103. **Rules of Construction.** Unless the context clearly indicates to the contrary, the following rules apply to the construction of the Series 2026 Resolution:

(a) Words importing the singular number include the plural number and words importing the plural number include the singular number.

(b) Words of the masculine gender include correlative words of the feminine and neuter genders.

(c) The table of contents and the headings or captions used in this resolution are for convenience of reference and do not constitute a part of this resolution, nor affect its meaning, construction, or effect.

(d) Words importing persons include any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, or government or agency or political subdivision thereof.

(e) Any reference to a particular percentage or proportion of the Holders of Series 2026 Bonds shall mean the Holders at the particular time of the specified percentage or proportion in aggregate principal amount of all such Series 2026 Bonds then Outstanding under the Series 2026 Resolution.

(f) Any reference in the Series 2026 Resolution to a particular "Article," "Section," or other subdivision shall be to such Article, Section, or subdivision of the Series 2026 Resolution unless the context shall otherwise require.

Section 104. **Authority For This Resolution.** The Series 2026 Resolution is adopted pursuant to the provisions of the Act and the General Resolution.

ARTICLE II

AUTHORIZATION AND DETAILS OF THE SERIES 2026 BONDS

Section 201. **Series 2026 Bonds Authorized.** In order to provide sufficient funds for the Clean Water Program and the Drinking Water Program, in accordance with and subject to the terms, conditions, and limitations established in the General Resolution and the Series 2026 Resolution, a series of Revolving Loan Fund Revenue Bonds is hereby authorized to be issued in the aggregate principal amount of not to exceed \$150,000,000, which shall be designated "Arkansas Development Finance Authority Revolving Loan Fund Revenue Bonds, Series 2026." The Series 2026 Bonds will be issued under and secured by the General Resolution and the Series 2026 Resolution.

Section 202. **Purpose.** The Series 2026 Bonds are being issued for the purpose of funding loans under the Clean Water Program described in A.C.A. §§ 15-5-901 to -910 and the Drinking Water Program described in A.C.A. §§ 15-22-1101 to -1112.

Section 203. **Paying Agent.** Regions Bank is hereby appointed as the paying agent for the Series 2026 Bonds.

Section 204. **Details of Series 2026 Bonds; Form of Series 2026 Bonds and Certificate of Authentication.** The Series 2026 Bonds shall be issuable as fully registered bonds without coupons. The Series 2026 Bonds shall be dated as of their date of issuance, shall bear interest at the rate or rates of interest per annum (calculated on the basis of a year consisting of twelve 30-day months) payable on June 1 and December 1 of each year commencing June 1, 2026, and shall

mature on the dates and in the amounts as set forth in the Bond Purchase Agreement and confirmed by the Confirming Resolution.

The Series 2026 Bonds shall be subject to redemption prior to maturity and shall otherwise have the terms, tenor, details, and specifications as set forth in the form of Series 2026 Bonds attached hereto as *Appendix A* and in the Confirming Resolution. Each Series 2026 Bond shall be in the denomination of \$5,000 or an integral multiple thereof not exceeding the aggregate principal amount of Series 2026 Bonds maturing in the year in which such Series 2026 Bonds matures.

The Series 2026 Bonds shall be executed on behalf of ADFA by the manual signatures of the Chair and the Director of Home Ownership and Public Finance and Interim President/Secretary and shall be substantially in the form set forth in **Appendix A** attached hereto with such insertions, omissions, and variations as may be deemed necessary or appropriate by the persons executing the same and as shall be permitted by the Act. The covenants and conditions set forth in such form are incorporated into the Series 2026 Resolution by reference and shall be binding upon ADFA as though set forth in full herein. The Series 2026 Bonds may contain, or have endorsed thereon, any notations, legends, or endorsements not inconsistent with the provisions of the Series 2026 Resolution as may be necessary or desirable and as may be determined by an Authorized Officer of ADFA. The execution and delivery of the Series 2026 Bonds by ADFA in accordance with the Series 2026 Resolution shall be conclusive evidence of the approval of the form of the Series 2026 Bonds by ADFA, including any insertions, omissions, variations, notations, legends, or endorsements authorized by the Series 2026 Resolution.

The Series 2026 Bonds shall be lettered and numbered in the manner determined by the Trustee. Before authenticating and delivering any Series 2026 Bond, the Trustee, as Registrar, shall complete the form of such Bond to show the registered owner, principal amount, interest rate, maturity date, number, and authentication date of such Series 2026 Bond.

The printing of CUSIP numbers on the Series 2026 Bonds shall have no legal effect and shall not affect the enforceability of any Series 2026 Bond.

Section 205. Sale of Series 2026 Bonds. The Series 2026 Bonds shall be sold pursuant to the terms and conditions of the Bond Purchase Agreement for the purchase price and upon the terms and conditions set forth therein. The Bond Purchase Agreement is hereby approved in substantially the form presented to this meeting, with such changes as shall be approved by the person executing the document, his execution to constitute conclusive evidence of such approval. The Director of Home Ownership and Public Finance and Interim President/Secretary is hereby authorized to execute and deliver the Bond Purchase Agreement on behalf of ADFA, an executed copy of which shall be filed in the permanent records of ADFA, so long as the following conditions are met:

- (a) The principal amount of the Series 2026 Bonds shall not exceed \$150,000,000;
- (b) The Series 2026 Bonds shall have an aggregate true interest cost (after taking into account original issue discount and premium and underwriters' discount but excluding costs of issuing the Series 2026 Bonds) not greater than 5.50%;
- (c) The purchase price of the Series 2026 Bonds shall not be less than 98% of par (without regard to original issue discount or premium, if any); and
- (d) The Series 2026 Bonds shall mature not later than June 1, 2056.

Section 206. **Conditions Precedent to Delivery of Series 2026 Bonds.** The Series 2026 Bonds shall be executed by ADFA and delivered to the Trustee, whereupon the Trustee shall authenticate the Series 2026 Bonds as provided in the General Resolution and, upon payment of the purchase price of the Series 2026 Bonds, shall deliver the Series 2026 Bonds upon the order of ADFA, but only upon satisfaction of the conditions contained in ***Section 3.06(f) of the General Resolution***.

Section 207. **Book Entry of Series 2026 Bonds.** The Series 2026 Bonds shall initially be issued in book-entry only form with one bond of each maturity, in the aggregate principal amount of such maturity, registered in the name of Cede & Co., as nominee of DTC. So long as all of the Series 2026 Bonds shall be maintained in book-entry form with DTC, the Series 2026 Bonds shall be subject to the provisions of ***Section 6.06 of the General Resolution***.

Section 208. **Continuing Disclosure Agreement.** The Continuing Disclosure Agreement is hereby approved in substantially the form presented to this meeting, with such changes as shall be approved by the person executing the document, his execution to constitute conclusive evidence of such approval. The Director of Home Ownership and Public Finance and Interim President/Secretary is hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement on behalf of ADFA, an executed copy of which shall be filed in the permanent records of ADFA.

Section 209. **Sinking Fund Installments for Series 2026 Bonds.** At its option, to be exercised on or before the 45th day next preceding any sinking fund redemption date, ADFA may (i) deliver to the Trustee for cancellation Series 2026 Bonds subject to sinking fund maturity or portions thereof (\$5,000 or any integral multiple thereof) in any aggregate principal amount desired or (ii) receive a credit in respect of its sinking fund redemption obligation for any corresponding Series 2026 Bonds subject to sinking fund maturity, or portions thereof (\$5,000 or any integral multiple thereof) which prior to said date have been purchased or redeemed (otherwise than through sinking fund redemption pursuant to this Section) and canceled by the Trustee and not therefore applied as a credit against any sinking fund redemption obligation. Each such Series 2026 Bond subject to sinking fund maturity or portion thereof so delivered or previously purchased or redeemed and canceled by the Trustee shall be credited by the Trustee at 100 percent of the principal amount thereof on the obligation of ADFA toward any one or more of such sinking fund redemption payments, as directed by ADFA in a certificate of its Authorized Officer, or, failing such direction by April 10 and October 10 of each year, toward such sinking fund redemption payments in inverse order of their due dates, and the principal amount of such Series 2026 Bonds subject to sinking fund maturity so to be redeemed shall be accordingly reduced.

ADFA will on or before the 45th day next preceding each sinking fund redemption date furnish the Trustee with its certificate indicating to what extent the provisions of ***clauses (i) and (ii) of the preceding paragraph*** are to be availed of with respect to such sinking fund redemption payment.

ARTICLE III

CREATION OF SUBACCOUNTS; DISPOSITION OF PROCEEDS AND OTHER AMOUNTS

Section 301. **Series 2026 Subaccounts.**

(a) ADFA shall establish Series 2026 Subaccounts within the Interest Account and Principal Account of the Debt Service Fund. ADFA shall also establish Series 2026 Subaccounts within the Clean Water Loan Account and the Drinking Water Loan Account.

(b) The creation of the Series 2026 Subaccounts shall be solely for the ease of administration and shall in no event affect the equal and ratable security of the Bonds of each Series.

Section 302. **Disposition of Proceeds of the Series 2026 Bonds.** Simultaneously with the delivery of the Series 2026 Bonds, the Trustee shall deposit the proceeds thereof as follows:

(a) the sum specified in a certificate of an Authorized Officer of ADFA as the costs of issuance of the Series 2026 Bonds to be paid from proceeds of the Series 2026 Bonds shall be applied to such purpose; and

(b) the balance of the proceeds shall be deposited in the Series 2026 Subaccounts of the Clean Water Loan Account and the Drinking Water Loan Account, as shall be specified by an Authorized Officer of ADFA.

ARTICLE IV

MISCELLANEOUS

Section 401. **No Recourse on Bonds.** No recourse shall be had for the payment of the principal of and interest on the Series 2026 Bonds or for any claims based thereon or on the Series 2026 Resolution against any member, officer, director, or employee of ADFA or any person executing the Series 2026 Bonds, and none of such persons shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof, all such liability, if any, being expressly waived and released by every Holder of Series 2026 Bonds by the acceptance of such Series 2026 Bonds.

Section 402. **Designation of Professionals.** Stephens Inc., Crews & Associates, Inc. and Raymond James & Associates, Inc. are hereby selected to serve as Underwriter, Friday, Eldredge & Clark, LLP, is hereby selected to serve as Bond Counsel, and Regions Bank is hereby selected to serve as Trustee and Paying Agent for the Series 2026 Bonds.

Section 403. **Delegation of Authority.** The Director of Home Ownership and Public Finance and Interim President/Secretary is hereby delegated the authority to enter into agreements on behalf of ADFA with respect to the issuance and sale of the Series 2026 Bonds, including the Bond Purchase Agreement, a Tax Regulatory Agreement, the Continuing Disclosure Agreement, and other agreements and certificates with respect to the issuance, sale, and securing of the Series 2026 Bonds.

Section 404. **Preliminary Official Statement.** The Preliminary Official Statement is hereby approved in substantially the form presented to this meeting and the distribution of the Preliminary Official Statement to prospective purchasers of the Series 2026 Bonds is hereby approved. The Director of Home Ownership and Public Finance and Interim President/Secretary is hereby authorized and directed to cause the Preliminary Official Statement to be delivered for and in the name of ADFA and is further authorized to execute and deliver to the Purchaser a certificate to the effect that the Preliminary Official Statement is deemed final for the purposes of Securities and Exchange Commission Rule 15c2-12.

Section 405. **Official Statement.** There is hereby authorized the preparation and distribution of a final Official Statement to purchasers of the Series 2026 Bonds. The Director of Home Ownership and Public Finance and Interim President/Secretary, for and on behalf of ADFA, is authorized to execute such Official Statement, a copy of which shall be filed in the permanent records of ADFA.

Section 406. **Effective Date.** This resolution shall take effect immediately.

ADOPTED AND APPROVED this October 16, 2025.

ATTEST:

Carey Smith, Chair

Robert "Ro" Arrington, Director of Home Ownership
and Public Finance and Interim President/Secretary

APPROVAL BY ANRC

The Arkansas Natural Resources Commission hereby approves the foregoing Series Resolution.

DATED: October 16, 2025.

**ARKANSAS NATURAL RESOURCES
COMMISSION**

Authorized Representative

ACCEPTANCE BY TRUSTEE

Regions Bank hereby accepts the duties of Trustee and appointment as Registrar and Paying Agent pursuant to the provisions of the foregoing Series Resolution.

DATED: October 16, 2025

REGIONS BANK

Authorized Representative

APPENDIX A

FORM OF SERIES 2026 BOND

REGISTERED

REGISTERED

R-___

\$_____

UNITED STATES OF AMERICA
STATE OF ARKANSAS
ARKANSAS DEVELOPMENT FINANCE AUTHORITY
REVOLVING LOAN FUND REVENUE BOND,
SERIES 2026

Interest Rate:

Maturity Date:

Date of Issuance:

CUSIP:

_____%

June 1, 20__

January 6, 2026

Registered Owner: Cede & Co.

Principal Sum: _____ Dollars

ARKANSAS DEVELOPMENT FINANCE AUTHORITY, a public body politic and corporate organized and existing under and by virtue of the laws of the State of Arkansas ("ADFA"), for value received, hereby promises to pay, but only from the sources hereinafter provided, to the Registered Owner shown above or registered assigns or legal representative, upon the presentation and surrender of this bond as provided herein, the Principal Sum shown above on the Maturity Date shown above (unless redeemed prior thereto as hereinafter provided), with interest thereon based on a year of twelve 30-day months from the most recent date to which interest has been paid, or if the Date of Authentication shown below is prior to the first interest payment date, from the date of their original issuance and delivery, at the Interest Rate shown above until said Principal Sum is paid, payable on June 1, 2026 and semiannually thereafter on June 1 and December 1 of each year.

All interest due on this bond shall be payable to the person in whose name this bond is registered as of the close of business on the 15th day of May and November in each year or the preceding business day if such 15th day is not a business day (the "Record Date"), by check or draft to the address of such owner as it appears on the bond registration books of ADFA maintained by Regions Bank, as Trustee (the "Trustee") under the General Resolution mentioned herein. While this bond is registered in the name of Cede & Co. (or a successor entity), as nominee of The Depository Trust Company ("DTC"), the interest payments will be made in accordance with DTC procedures.

The principal of and interest on this bond are payable in any coin or currency of the United States of America which, at the date of payment, is legal tender for the payment of public and private debts, upon presentation and surrender hereof at the principal corporate trust office of Regions Bank, or its successor or successors, as Paying Agent; provided, however, that interest on this fully registered bond shall be paid by check or draft as set forth above.

Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is required by an authorized representative of DTC), ANY

TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

This bond has been issued under Subchapter 3 of the Arkansas Development Finance Authority Act, as amended, Arkansas Code Annotated §§ 15-5-101 to -318, inclusive (the "Act"). The Series 2026 Bonds (as hereinafter defined) are special limited revenue obligations only of ADFA and in no event shall the Series 2026 Bonds constitute an indebtedness of the State of Arkansas (the "State") or an indebtedness for which the faith and credit of the State or any of its revenues are pledged or an indebtedness secured by a lien on or a security interest in any property of the State.

The Series 2026 Bonds are special limited revenue obligations of ADFA payable from the Pledged Receipts (as defined in the General Resolution) and all moneys and securities on deposit in the funds and accounts created by the General Resolution (except the Rebate Fund) as provided in Act No. 718 of the General Assembly of the State for the year 1991, as amended from time to time, codified at Arkansas Code Annotated §§ 15-5-901 to -910, inclusive (the "Construction Assistance Revolving Loan Fund Act"), Act No. 772 of the General Assembly of the State for the year 1997, as amended from time to time, codified at Arkansas Code Annotated §§ 15-22-1101 to -1112, inclusive (the "Drinking Water Revolving Loan Fund Act"), and the General Resolution. The pledge of the Pledged Receipts and the funds and accounts created by the General Resolution in favor of the Series 2026 Bonds is on a parity with the pledge in favor of the Arkansas Development Finance Authority Revolving Loan Fund Revenue Bonds, Series 2023 and the Arkansas Development Finance Authority Revolving Loan Fund Revenue Bonds, Series 2025. This bond is not a general obligation of ADFA. ADFA has no taxing power. The issuance of the Series 2026 Bonds shall not directly, indirectly or contingently obligate, morally or otherwise, the State or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment.

It is hereby certified and recited that all acts, conditions, and things required by the Constitution and laws of the State and the rules and regulations of ADFA to happen, exist, and be performed precedent to and in the issuance of this bond have happened, exist, and have been performed as so required.

No recourse shall be had for the payment of the principal or redemption price of and interest on this bond or for any claims based hereon or thereon against any officer of ADFA or any person executing this bond, all such liability, if any, being expressly waived and released by the Registered Owner of this bond by the acceptance of this bond.

This bond shall not be valid or become obligatory for any purpose until it shall have been authenticated by the execution by the Trustee of the certificate of authentication endorsed hereon.

1. **Resolutions.** This bond is a special limited revenue obligation of ADFA and is one of the bonds of ADFA designated "Arkansas Development Finance Authority Revolving Loan Fund Revenue Bonds" (the "Bonds"), authorized to be issued in various series under and pursuant to the Act, a resolution adopted by ADFA on July 20, 2023, titled "Revolving Loan Fund Revenue Bond Program General Bond Resolution" (the "General Resolution"), a series resolution adopted by ADFA on October 16, 2025, titled "Series Resolution Authorizing the Issuance of Revolving Loan Fund Revenue Bonds, Series 2026 in a Principal Amount Not to Exceed \$150,000,000" (the "Series Resolution") and a confirming resolution adopted by ADFA on December 4, 2025, titled "Resolution Confirming the Aggregate Principal Amount, Maturity and Interest Rate Schedules, and Redemption Features of the Revolving Loan Fund Revenue Bonds, Series 2026" (the "Confirming Resolution" and collectively with the General Resolution and the Series Resolution, the "Resolutions"), and other proceedings duly had and taken in conformity therewith. As

provided in the General Resolution, and except as may be limited by law, the Bonds may be issued from time to time pursuant to series resolutions in one or more series, in various principal amounts, may bear interest at different rates, and, subject to the provisions thereof, may otherwise vary. The aggregate principal amount of Bonds which may be issued under the General Resolution is not limited except as provided therein or as may be limited by law, and all Bonds issued and to be issued thereunder are and will be equally and ratably secured by the pledges, assignments in trust, and covenants made therein, except as otherwise expressly provided or permitted in the General Resolution.

This bond is one of a series of Bonds designated "Series 2026" (the "Series 2026 Bonds") issued in the aggregate principal amount of \$_____ under the Resolutions. Copies of the Resolutions are on file at the principal corporate trust office of the Trustee and at the office of ADFA in Little Rock, Arkansas, and reference to the Resolutions and any and all supplements thereto and modifications and amendments thereof and to the Act, the Construction Assistance Revolving Loan Fund Act, and the Drinking Water Revolving Loan Fund Act is made for a description of the pledges, assignments in trust, and covenants securing the Series 2026 Bonds, the nature, extent, and manner of enforcement of such pledges, assignments in trust, and covenants, the rights and remedies of the Registered Owners of the Series 2026 Bonds with respect thereto, and the terms and conditions upon which the Bonds are issued and may be issued thereunder.

2. **The Series 2026 Bonds.** The Series 2026 Bonds mature in the years and the amounts and bear interest as set forth below:

<u>Year</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
--------------------------------	-----------------------------------	--------------------------------

The Series 2026 Bonds are issuable in the form of registered bonds without coupons in the denomination of \$5,000 each or an integral multiple thereof, not exceeding the aggregate principal amount of Series 2026 Bonds maturing in such year.

3. **Redemption.** The Series 2026 Bonds at the time outstanding may be redeemed prior to their respective maturities as follows:

(a) *Optional Redemption.* The Series 2026 Bonds maturing on or after June 1, 20__, are subject to redemption prior to maturity beginning on June 1, 20__, at the option of ADFA, as a whole or in part at any time, at a redemption price equal to the outstanding principal amount of the Series 2026 Bonds to be redeemed, plus accrued interest thereon to the date set for redemption.

If fewer than all of the Series 2026 Bonds shall be called for optional redemption, the particular maturities of such Series 2026 Bonds to be redeemed shall be selected by ADFA in its discretion. If fewer than all of the Series 2026 Bonds of any one maturity shall be called for redemption, the particular Series 2026 Bonds or portions of such Series 2026 Bonds to be redeemed from such maturity shall be selected by lot by the Trustee in such manner as the Trustee in its discretion may determine; provided, however, that so long as Cede & Co. (or a successor entity), as a nominee of DTC, is the sole Registered Owner of the Series 2026 Bonds, the particular Series 2026 Bonds, or portions thereof, to be redeemed within a maturity shall be selected by lot by DTC, in such manner as DTC shall determine.

(b) *Sinking Fund Redemption.* The Series 2026 Bonds maturing on June 1, 20__ are subject to redemption prior to maturity at a redemption price equal to the principal amount thereof plus accrued interest thereon to the date for redemption from sinking fund redemption payments on June 1 in the years and in the amounts as follows:

Series 2026 Bonds Due June 1, 20__

<u>Year</u> <u>(June 1)</u>	<u>Amount</u>
--------------------------------	---------------

The Series 2026 Bonds redeemed by sinking fund redemption payments shall be selected by lot by the Trustee, except that so long as DTC or its nominee is the sole Registered Owner of the Series 2026 Bonds, the Series 2026 Bonds or portions thereof redeemed by sinking fund redemption payments shall be selected by lot by DTC, in such manner as DTC shall determine.

At its option, to be exercised on or before the 45th day next preceding any sinking fund redemption date, ADFA may (i) deliver to the Trustee for cancellation Series 2026 Bonds subject to sinking fund maturity or portions thereof (\$5,000 or any integral multiple thereof) in any aggregate principal amount desired or (ii) receive a credit in respect of its sinking fund redemption obligation for any Series 2026 Bonds subject to sinking fund maturity or portions thereof (\$5,000 or any integral multiple thereof) which prior to said date have been purchased or redeemed (otherwise than through sinking fund redemption) and canceled by the Trustee and not theretofore applied as a credit against any sinking fund redemption obligation. Each such Series 2026 Bond subject to sinking fund maturity or portion thereof so delivered or previously purchased or redeemed and canceled by the Trustee shall be credited by the Trustee at 100 percent of the principal amount thereof on the obligation of ADFA on such sinking fund redemption date and any excess over such amount shall be credited on future sinking fund redemption obligations as directed by ADFA or failing such direction, credited on future sinking fund redemption obligations in inverse order of their due dates, and the principal amount of such Series 2026 Bonds subject to sinking fund maturity so to be redeemed shall be accordingly reduced.

ADFA will on or before the 45th day next preceding each sinking fund redemption date furnish the Trustee with its certificate indicating to what extent the provisions of clauses (i) and (ii) of the preceding paragraph are to be availed of with respect to such sinking fund redemption payment.

(c) *Extraordinary Mandatory Redemption.* The Series 2026 Bonds maturing on and after June 1, 20__ shall be subject to extraordinary mandatory redemption prior to their scheduled maturities, on _____, 2027 (the "One-Year Extraordinary Mandatory Redemption"), in an amount equal to the Computation Amount (as hereinafter defined) applicable to the One-Year Computation Period (as hereinafter defined), plus accrued interest to the date of such extraordinary mandatory redemption, at the redemption prices set forth below, expressed as percentages of the principal amount of each maturity of the Series 2026 Bonds so redeemed:

<u>Maturity</u> <u>(June 1)</u>	<u>Redemption</u> <u>Price (%)</u>	<u>Maturity</u> <u>(June 1)</u>	<u>Redemption</u> <u>Price (%)</u>
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The Series 2026 Bonds maturing on and after June 1, 20__ shall be subject to extraordinary mandatory redemption prior to their schedule maturities, on _____, 2029 (the "Three-Year Extraordinary Mandatory Redemption"), in an amount equal to the Computation Amount applicable to the Three-Year Computation Period (as hereinafter defined), plus accrued interest to the date of such extraordinary mandatory redemption, at the redemption prices set forth below, expressed as percentage of the principal amount of each maturity of the Series 2026 Bonds so redeemed:

<u>Maturity (June 1)</u>	<u>Redemption Price (%)</u>	<u>Maturity (June 1)</u>	<u>Redemption Price (%)</u>
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"Computation Amount" means surplus proceeds (rounded to the next higher \$5,000 denomination) equal to the remainder of (A) thirty percent (30%) of the Net Proceeds less proceeds of the Series 2026 Bonds directly or indirectly used to make loans or grants as of the last day of the One-Year Computation Period (but not less than zero) or (B) ninety-five percent (95%) of the Net Proceeds less the proceeds of the Series 2026 Bonds directly or indirectly used to make loans or grants as of the last day of the Three-Year Computation Period (but not less than zero). "Net Proceeds" means the amounts received from the sale of the Series 2026 Bonds less proceeds used to pay costs of issuance, including underwriters' discount, during all or any portion of the One-Year Computation Period, or the Three-Year Computation Period, as the case may be.

"One-Year Computation Period" means the period ending on the last day of the one-year period commencing on the date of issuance of the Series 2026 Bonds. "Three-Year Computation Period" means the period ending on the last day of the three-year period commencing on the date of issuance of the Series 2026 Bonds.

The foregoing notwithstanding, the Series 2026 Bonds shall not be subject to the Three-Year Extraordinary Mandatory Redemption if ADFA obtains an opinion of nationally recognized bond counsel to the effect that, if ADFA does not cause the extraordinary mandatory redemption to occur, it will not adversely affect the excludability of interest on the Series 2026 Bonds from gross income for federal income tax purposes.

For purposes of the One-Year Extraordinary Mandatory Redemption and the Three-Year Extraordinary Mandatory Redemption, the Series 2026 Bonds subject to such redemption shall be selected on a "Pro-Rata Basis"; *provided*, that if any amount required to be redeemed remains after such selection, such remaining amount shall be applied to the redemption of \$5,000 in principal amount of each maturity of Series 2026 Bonds in inverse order of maturity. The term "Pro-Rata Basis" means that the principal amount of Series 2026 Bonds of a particular maturity to be redeemed shall be determined by multiplying the Computation Amount by the ratio which the principal amount of Series 2026 Bonds of such maturity then outstanding bears to the aggregate principal amount of Series 2026 Bonds then outstanding and subject to redemption.

As long as the Series 2026 Bonds are registered in the name of Cede & Co. (or a successor entity) in book-entry system, the Trustee shall give notice of the call for any redemption by certified mail or other standard means, including electronic or facsimile communication, at least 30 days before the redemption date to Cede & Co. (or a successor entity) as the Registered Owner of each Series 2026 Bond or portion of such Series 2026 Bond to be redeemed at the address appearing on the registration books maintained by the Trustee as Registrar. At such time as the Series 2026 Bonds are no longer held by Cede & Co. (or a successor entity), the Trustee shall give

notice of the call for any redemption by sending a copy of such notice not less than 30 nor more than 60 days prior to the redemption date, by first class mail, postage prepaid, or other acceptable means of delivery, including electronic or facsimile communication, to the Registered Owner of such Series 2026 Bond. The Series 2026 Bonds so called for redemption will cease to bear interest on the specified redemption date and shall no longer be secured by the Resolutions, provided that funds for such redemption are on deposit at the time with the Trustee.

On the date designated for redemption, notice having been given as provided herein, the Series 2026 Bonds or portions of such Series 2026 Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2026 Bonds or such portions thereof on such date and, if moneys for the payment of the redemption price and accrued interest are held by the Trustee as provided in the Resolutions, interest on such Series 2026 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2026 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Resolutions, and the Registered Owners thereof shall have no rights in respect of such Series 2026 Bonds or such portions thereof so called for redemption except to receive payment of the redemption price thereof and the accrued interest thereon so held by the Trustee. If a portion of this bond shall be called for redemption, a new Series 2026 Bond in the aggregate principal amount equal to the unredeemed portion of this bond, of the same series and maturity and bearing interest at the same rate, shall be issued to the Registered Owner upon the surrender of this bond.

4. **Defeasance.** The General Resolution prescribes the manner in which the Resolutions may be discharged and provides that Bonds shall be deemed to be paid if (a) cash fully insured by the Federal Deposit Insurance Corporation and/or fully collateralized with United States Government Obligations (as defined in the General Resolution) and/or (b) United States Government Obligations, the principal of and interest on which, when due, will be sufficient to pay the principal or redemption price of and interest on such Bonds to the date of maturity or redemption thereof, shall have been deposited with the Trustee.

5. **Persons Deemed Owners; Restrictions upon Actions by Individual Holders.** ADFA and the Trustee may deem and treat the person in whose name this bond is registered as the absolute owner hereof (whether or not this bond shall be overdue and notwithstanding any notation of ownership or other writing hereon made by anyone other than ADFA or the Trustee) for the purpose of receiving payment of or on account of the principal or redemption price of this bond, and for all other purposes except as otherwise provided herein with respect to the payment of interest on this bond, and neither ADFA nor the Trustee shall be affected by any notice to the contrary. All such payments so made to any such Registered Owner, or upon order of the Registered Owner, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable under this bond.

The Registered Owner of this bond shall have no right to enforce the provisions of the Resolutions, or to institute any action to enforce the covenants therein, or to take any action with respect to any event of default (as set forth in Section 9.01 of the General Resolution), or to institute, appear in, or defend any suit or other proceeding with respect hereto, except as provided in the General Resolution.

6. **Transfer and Exchange.** This bond is transferable or exchangeable, only upon the books of ADFA kept for that purpose at the principal corporate trust office of the Trustee, by the Registered Owner of this bond in person or by an attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Trustee duly executed by the Registered Owner or an attorney duly authorized in writing, and thereupon a new registered bond or bonds, in the same aggregate principal amount and of the same

maturity, shall be issued to the transferee or the Registered Owner in exchange therefor as provided in the General Resolution and upon the payment of any tax, fee, or other governmental charge required to be paid with respect to such transfer or exchange, if any, therein prescribed. Neither ADFA nor the Trustee shall be required to register the transfer of this bond or make any such exchange of this bond after this bond or any portion of this bond has been selected for redemption.

7. **Negotiability.** As declared by the Act, this bond shall be and be deemed to be for all purposes a negotiable instrument subject *only* to the provisions for registration and registration of transfer stated herein.

8. **Governing Law.** The provisions of this bond and the rights of all parties mentioned herein shall be governed by and construed in accordance with the laws of the State. The appropriate courts of the State shall have jurisdiction in any proceeding instituted to enforce this bond.

IN WITNESS WHEREOF, the Arkansas Development Finance Authority has caused this bond to be executed in its name by the manual or facsimile signature of the Chair of its Board of Directors and its corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved, or otherwise reproduced and attested by the manual or facsimile signature of its Director of Home Ownership and Public Finance and Interim President/Secretary, all as of the Date of Issuance shown above.

**ARKANSAS DEVELOPMENT
FINANCE AUTHORITY**

By: _____
Chair

ATTEST:

Director of Home Ownership and Public
Finance and Interim President/Secretary

(SEAL)

CERTIFICATE OF AUTHENTICATION

This bond is one of the Revolving Loan Fund Revenue Bonds, Series 2026, designated herein and issued under the provisions of the within-mentioned Resolutions, bearing an original issue date of January 6, 2026.

Date of Authentication: _____, 2026

REGIONS BANK, as Trustee

By: _____
Authorized Official

[Form of Assignment to be added]

TAB 6

PRESIDENT



Memorandum

To: ADFA Board of Directors
From: Ro Arrington 
Date: October 7, 2025
Subject: President's Report

-
- ADFA is addressing staffing gaps in key areas, including accounting, compliance, and single-family outreach, as enabled by Act 944. Strategic hiring initiatives are underway to bolster our team's capabilities and support organizational growth.
 - In light of the federal government shutdown, we're assessing ADFA programs that depend on federal support. Our goal is to minimize disruptions and maintain uninterrupted services for our stakeholders. We do not foresee any issues in the short term but will continue to monitor.
 - ADFA staff attended the National Council of State Housing Agencies' (NCHSA) annual conference in New Orleans, on October 5-7, 2025. This is always a great opportunity to network, foster new connections and learn about the latest housing initiatives. We are eager to adapt best practices to enhance our own initiatives here at ADFA.
 - The StartSmart First-Time Homebuyer program remains robust, prompting our request for approval on a sixth mortgage revenue bond issue since restarting the program in the spring of 2024. This demonstrates ADFA's commitment to supporting affordable homeownership in Arkansas amidst a challenging mortgage market.
 - The Federal Housing Programs team held a developer training at the Stonebreaker Hotel in Fayetteville on August 28. Despite inclement weather, the event drew a dedicated crowd of around 60 attendees, including ADFA board members Seth Mims and Rod Coleman. Pre-event engagement was strong with 80 registrations, and a meet-and-greet sponsored by Seth added a welcoming touch. Overall, the training proved successful.
 - ADFA is excited to host the 2025 Fall Board Planning Retreat at the Red Apple Inn in Heber Springs. We anticipate strong attendance from the Board and productive discussions as we build on the opportunities presented by Act 944. Our goal is to establish clear operational guidelines that will serve as a roadmap for ADFA's future success.

FISCAL



Memorandum

TO: ADFA Board of Directors
FROM: Kristy Cunningham, CFO 
DATE: October 7, 2025
RE: October 2025 Board Meeting CFO Report

We will present the June 2025 quarterly financial presentation at the Financial Reporting & Operations Committee meeting.

I have attached the unaudited financial statements for the month ended June 30, 2025. The June 2025 Statement of Revenues, Expenses, and Changes in Fund Balance (income statement) reflects twelve months of activity for FY25 (ending June 30, 2025). Actual combined revenues over expenses (includes venture capital programs, excludes inter-agency programs,) is a net income of \$24,656,166.

Note: The federal financial assistance “net” (revenues minus expenses) accounted for income of \$13,803,677, thus causing part of the overall net income of \$24,656,166. The federal financial assistance “net” is the difference between federal funds received and federal funds expended. It does not represent a true net operating income – it is a timing of funds received/expended. Also, federal funds received are used to fund repayable loans which are reported as loans receivable on the balance sheet and not expensed.

Over the last two months, accounting and loan servicing staff have been working with Frost auditors on the fiscal year end audit reports. The draft audit reports will be presented at the October board meeting by the Frost auditors, Brian Ettehad and Daniel Meador, for board approval pending the OPEB updates.

Staff continues to strive to get caught up as well as prepare for reporting deadlines this month and next, two new bond deals closing soon for Single Family and ANRC Revolving Loan programs, and various projects within the MITAS system.

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
BALANCE SHEET - UNAUDITED
JUNE 30, 2025

For Internal Purposes Only

	SINGLE FAMILY	FEDERAL AND MULTI FAMILY	ECONOMIC DEVELOPMENT	GENERAL FUND	TOBACCO SETTLEMENT	STUDENT LOAN PROGRAMS	Component Unit VENTURE CAPITAL INVESTMENT TRUST FUND	TOTAL
ASSETS:								
Cash and cash equivalents	130,515,151	41,737,657	90,891,443	67,309,165	5,407,882	41,531,602	1,317,570	378,710,470
Accounts receivable	-	3,732,893	24,061	1,089,950	-	26,517	-	4,873,421
Accrued interest receivable	1,112,307	182,762	674,881	598,928	17,776	522,330	-	3,108,984
Accrued rent receivable	-	-	333,183	41,138	-	-	-	374,321
Investments, at amortized cost	173,052,087	-	9,105,372	50,619,147	-	3,181,466	20,977,480	256,935,552
Loans receivable, at amortized cost, net	-	113,872,724	148,496,419	50,752,631	68,110,242	17,862,354	4,700,003	403,794,373
Long Term Receivable	-	-	-	-	-	-	-	-
Real Estate Owned	-	-	-	-	-	-	-	-
Deferred charges	-	-	-	1,067,217	-	-	-	1,067,217
Direct Financing Leases	-	-	119,675,787	2,106,666	-	-	-	121,782,453
GASB 87 Leases	-	-	-	-	-	-	-	-
Capitalized Assets	-	286,564	-	3,069,192	-	1,997,275	-	5,353,031
Other Assets	-	-	-	-	-	-	-	-
TOTAL ASSETS	304,679,545	159,812,600	369,201,146	176,654,034	73,535,900	65,121,544	26,995,053	1,175,999,822
LIABILITIES AND FUND BALANCES								
LIABILITIES:								
Bonds and notes payable, net of unamortized discounts and premiums	191,215,554	2,960,316	275,842,597	-	68,110,242	-	1,658,022	539,786,731
Lease Liability GASB 87	-	-	-	-	-	-	-	-
Accrued interest payable	3,252,134	17,724	1,228,918	-	-	-	9,098	4,507,874
Accounts payable	-	401,988	5,909,629	4,771,617	-	89,289	5,515	11,178,038
OPEB and pension liabilities	-	-	-	5,433,747	-	-	-	5,433,747
Deferred fees, advances, grants and credits	-	-	-	-	-	-	-	-
Total liabilities	194,467,688	3,380,028	329,915,137	11,604,591	73,535,900	89,289	1,672,635	614,665,268
FUND BALANCES								
Restricted by bond resolution and programs	110,211,857	156,432,572	39,286,009	-	-	63,034,980	25,322,418	394,287,836
Invested in capital assets	-	-	-	3,069,192	-	1,997,275	-	5,066,467
Unrestricted	-	-	-	161,980,251	-	-	-	161,980,251
TOTAL LIABILITIES AND FUND BALANCES	304,679,545	159,812,600	369,201,146	176,654,034	73,535,900	65,121,544	26,995,053	1,175,999,822

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE FOR
THE TWELVE MONTH PERIOD ENDED JUNE 30, 2025 - UNAUDITED

For Internal Purposes Only

	SINGLE FAMILY	FEDERAL AND MULTI FAMILY	ECONOMIC DEVELOPMENT	GENERAL FUND	TOBACCO SETTLEMENT	STUDENT LOAN PROGRAMS	Component Unit VENTURE CAPITAL INVESTMENT TRUST FUND	TOTAL
REVENUES:								
Interest income:								
Loans and direct leases	-	1,068,222	9,826,078	2,688,226	3,293,757	839,597	10,700	17,726,580
Investments	10,126,942	1,400,545	1,428,814	3,730,941	-	2,299,967	(1,392,522)	17,594,687
Amortization of discounts and premiums on loans and investments, net	-	-	-	-	-	-	-	-
	26,104	-	(3,095)	6,102	-	-	-	29,111
Financing fee income	-	-	341,833	7,150,530	-	-	21,775	7,514,138
Total Interest Income	10,153,046	2,468,767	11,593,630	13,575,799	3,293,757	3,139,564	(1,360,047)	42,864,516
Federal financial assistance	-	18,377,389	42,775	-	-	-	-	18,420,164
Rental Real Estate	-	-	-	-	-	265,142	-	265,142
Default Management Services	-	-	-	-	-	271,689	-	271,689
Special Allowance Income	-	-	-	-	-	-	-	-
Other income (loss)	-	-	-	55,891	-	18	-	55,909
TOTAL REVENUES	10,153,046	20,846,156	11,636,405	13,631,690	3,293,757	3,676,413	(1,360,047)	61,877,420
EXPENSES:								
Interest on bonds and notes:								
Current interest	5,267,948	32,617	9,788,696	3,466	-	-	32,077	15,124,804
Accreted interest	-	-	-	-	3,293,757	-	-	3,293,757
Total interest on bonds and notes	5,267,948	32,617	9,788,696	3,466	3,293,757	-	32,077	18,418,561
Amortized public discounts and premiums on bonds and notes	(85,473)	-	-	-	-	-	-	(85,473)
Provision for losses	-	1,775,295	(228,301)	476,030	-	651,705	-	2,674,729
Federal financial assistance programs	-	2,998,422	-	-	-	-	-	2,998,422
Loan Servicing and Other Contractual Services	-	-	-	-	-	183,871	-	183,871
Default Management Services	-	-	-	-	-	302,836	-	302,836
Special Allowance expense	-	-	-	-	-	-	-	-
Rental Real Estate	-	-	-	-	-	244,651	-	244,651
Administrative expenses:	-	-	-	-	-	-	-	-
Salaries and benefits	-	-	-	4,712,924	-	471,050	-	5,183,974
Operations and maintenance	-	1,478,686	92,735	610,481	-	172,434	-	2,354,336
Other	1,687,275	335,566	199,522	917,435	-	586,588	205,325	3,931,711
TOTAL EXPENSES	6,869,750	6,620,586	9,852,652	6,720,336	3,293,757	2,613,135	237,402	36,207,618
REVENUES OVER (UNDER) EXPENSES	3,283,296	14,225,570	1,783,753	6,911,354	-	1,063,278	(1,597,449)	25,669,802
Transfer (to) from other funds	5,656,599	(72,621)	(5,157,012)	(5,800,602)	-	-	4,360,000	(1,013,636)
REVENUES OVER (UNDER) EXPENSES	8,939,895	14,152,949	(3,373,259)	1,110,752	-	1,063,278	2,762,551	24,656,166
FUND BALANCES:								
Beginning of period	101,271,962	142,279,623	42,659,268	163,938,691	-	63,968,977	22,559,867	536,678,388
End of Period	110,211,857	156,432,572	39,286,009	165,049,443	-	65,032,255	25,322,418	561,334,554

DEVELOPMENT FINANCE

MEMORANDUM

Date: October 7, 2025

To: ADFA Board of Directors

From: Chuck Cathey *CC*

Subject: Development Finance Monthly Activity Report

Bond Guaranty and Lending Programs

Inquiries and application information requests continue about guaranteed bond financing, but economic uncertainty has many companies hesitant about financing and business expansion. James and James Furniture of Northwest Arkansas is completing the construction of a new manufacturing facility in Heber Springs and has engaged with ADFA and AEDC to provide permanent financing in the form of an \$11MM bond guarantee.

Development Finance is currently reviewing financial statements and rating all guaranteed credits for creditworthiness, adequacy of reserves, and verifying file documentation for maintenance of adequate insurance coverage, and payment of required property and business property taxes in preparation for the annual portfolio examination by the State Bank Department.

Asset Management

Reviewing requests for draws against reserves and uploading of current year financials to MITAS is ongoing for HOME, NHTF and TCAP loans assigned for Asset Management. Annual financial reviews of asset managed properties are wrapping up and follow up with property managers for missing documentation is in process.

Venture Capital Programs

Our partners in Fieldbook Studio, Alloy Partners (f/k/a High Alpha) and Cartwheel Startup Studio, are beginning formation of Fieldbook Studio II as expected and will request SSBCI funding for this venture; however, SSBCI funding may no longer be viable option due to late timing of pulling the deal together and uncertainty of funding availability. The same scenario applies to a long-anticipated fund being established by the Walton Family Foundation now coming together over two years after initial inquiries were made.

State Small Business Credit Initiative (SSBCI)

AEDC has informed ADFA that due to Act 116 of 2025, an Act to Prohibit Discrimination or Preferential Treatment by the State of Arkansas and Other Public Entities, they are in the process of shutting down the Minority and Women Owned Business Enterprises (MWOBE) program as a targeted preferential treatment program under the Act. The MWOBE was to be the cornerstone program approved by the U.S. Treasury for deployment of the required Socially and Economically Disadvantaged Individual (SEDI) Owned Businesses portion of the allocation agreement for SSBCI funds.

The MWOBE Loan Mobilization Fund was approved to receive \$15MM to provide loan guarantees to banks and financial lending institutions over the life of the program and was allocated \$4.4MM in Tranche 1 that is having to be absorbed by other programs with their own challenges in the current economic environment. This action has severely hamstrung the potential for receiving an available Tranche 2 under the allocation agreement due to lack of deployment volume to these SSBCI targeted individuals and overall deployment volume in general.

Capital Access Program

Since its inception in 1993, the Capital Access Program (CAP) has made loan loss reserve contributions to lenders totaling \$2.07MM in support of \$43.6MM in loans to small businesses. The average loan to small businesses enrolled in the program is \$37,675 and has resulted in 4,432 jobs being created or retained.

MEMORANDUM

DATE: **October 7, 2025**

TO: **ADFA Board of Directors**

FROM: **Chuck Cathey *cc***

RE: **Problem Loan Report - September 30, 2025**

The Authority's problem loans currently consist of 1 loan to 1 Borrower with outstanding balances totaling \$2,965,000 and delinquent amounts totaling \$1,770,630. The Authority's Bond Guaranty Reserve Fund has currently provided bondholder debt service payments totaling \$1,738,714 for the Borrower. The Authority agreed to an 18-month repayment agreement with 1 Guarantor for payment of \$358,611 in prior debt service payments made on the company's behalf prior to the bonds paying off; that balance has been paid down to \$141,788.

Based on current collateral and recovery values, if the Authority was forced to collect on the remaining loan, the loss exposure to the Bond Guaranty Reserve Fund is estimated to be as much as \$1,482,500.

HOMEOWNERSHIP & PUBLIC FINANCE

ADFA Dashboard as of 10/2/2025

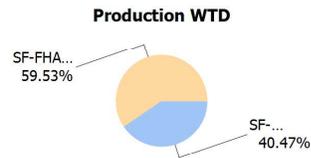
New Locks as of 10/2/2025

Product	wRate	Count	Orig Balance	Pct Balance
SF-CONVENTIONAL	6.3750	2	\$256,500	100.00%
		2	\$256,500	100.00%



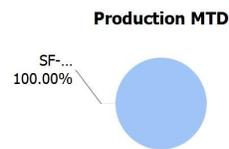
Production WTD

Product Type	wRate	Count	Orig Balance	Pct Balance
SF-FHA INSURED-EXISTING	6.0000	4	\$671,574	59.53%
SF-CONVENTIONAL	6.3202	3	\$456,500	40.47%
		7	\$1,128,074	100.00%



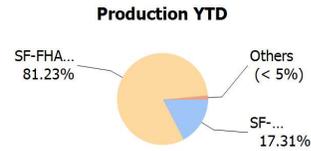
Production MTD

Product Type	wRate	Count	Orig Balance	Pct Balance
SF-CONVENTIONAL	6.3750	2	\$256,500	100.00%
		2	\$256,500	100.00%



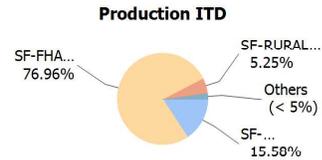
Production YTD

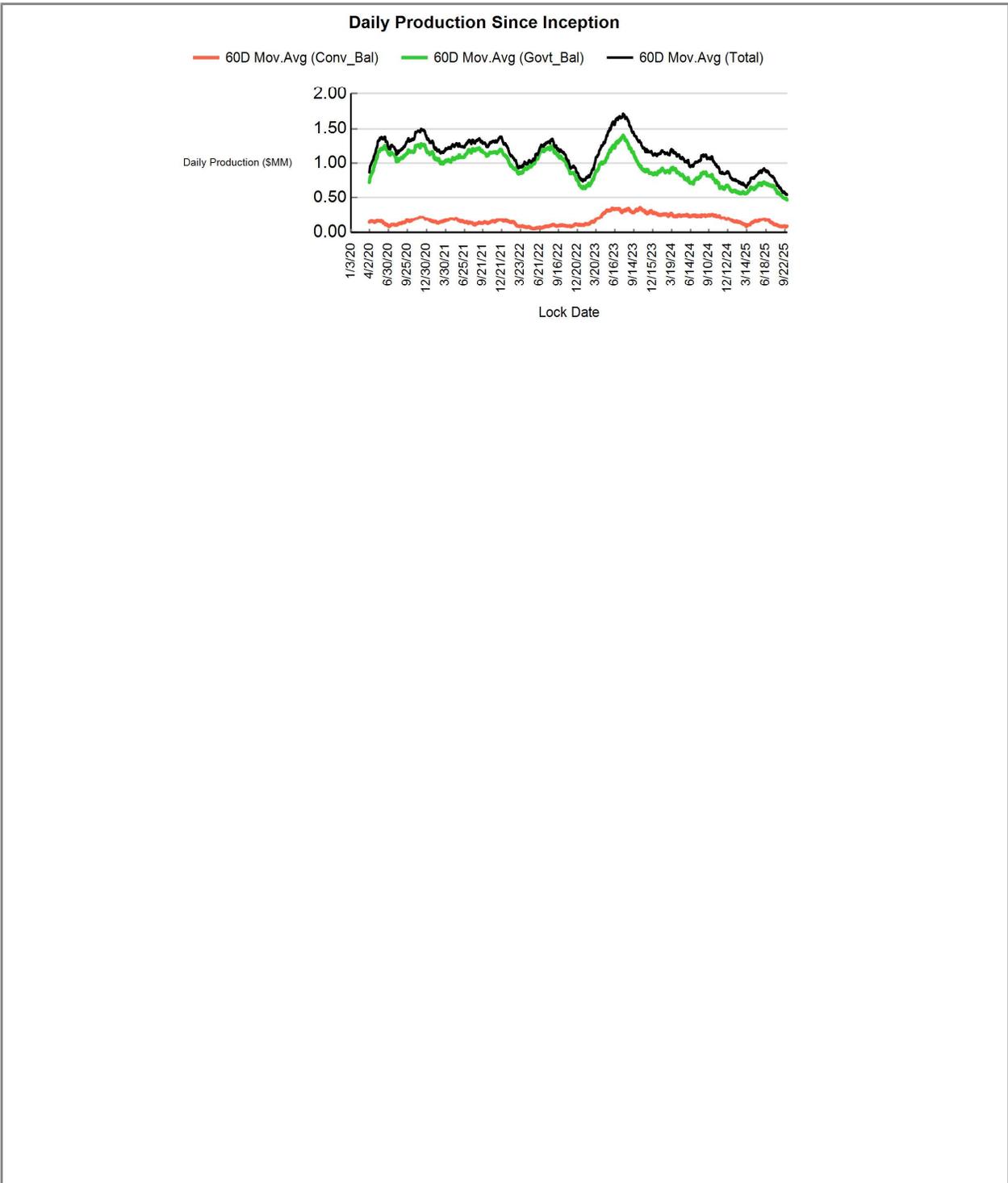
Product Type	wRate	Count	Orig Balance	Pct Balance
SF-FHA INSURED-EXISTING	6.5578	531	\$105,011,342	81.23%
SF-CONVENTIONAL	6.7943	111	\$22,380,185	17.31%
SF-RURAL DEVELOPMENT	6.6880	8	\$1,744,139	1.35%
*	6.8750	1	\$134,242	0.10%
		651	\$129,269,908	100.00%



Production ITD

Product Type	wRate	Count	Orig Balance	Pct Balance
SF-FHA INSURED-EXISTING	5.0009	7,156	\$1,201,085,725	76.96%
SF-CONVENTIONAL	5.6785	1,429	\$243,126,178	15.58%
SF-RURAL DEVELOPMENT	3.7039	583	\$81,977,154	5.25%
SF-VA GUARANTEED-EXISTING	4.8932	177	\$32,898,569	2.11%
*	4.8121	10	\$1,502,386	0.10%
		9,355	\$1,560,590,012	100.00%

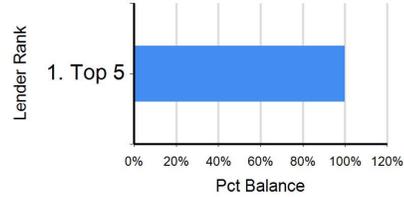




Top 5 Lenders 10/2/2025

Lender Name	Count	Pct Conv	Orig Balance	Pct Balance
CADENCE BANK	1	100.00%	\$218,500	85.19%
Centennial Bank	1	100.00%	\$38,000	14.81%
2			\$256,500	100.00%

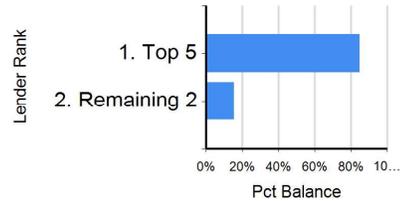
Lender Distributions



Top 5 Lenders WTD

Lender Name	Count	Pct Conv	Orig Balance	Pct Balance
CADENCE BANK	1	100.00%	\$218,500	19.37%
Community Mortgage	1	0.00%	\$215,033	19.06%
ENG Lending	1	100.00%	\$200,000	17.73%
FIRSTTRUST HOME LOANS	1	0.00%	\$163,975	14.54%
U.S. Bank National Association	1	0.00%	\$157,066	13.92%
5			\$954,574	84.62%

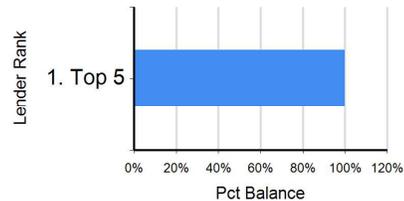
Lender Distributions WTD



Top 5 Lenders MTD

Lender Name	Count	Pct Conv	Orig Balance	Pct Balance
CADENCE BANK	1	100.00%	\$218,500	85.19%
Centennial Bank	1	100.00%	\$38,000	14.81%
2			\$256,500	100.00%

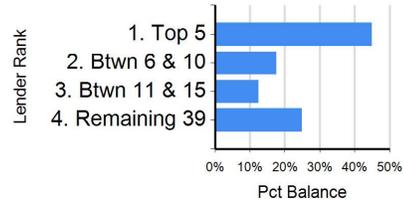
Lender Distributions MTD



Top 5 Lenders YTD

Lender Name	Count	Pct Conv	Orig Balance	Pct Balance
Fairway Independent Mortgage Corporation	106	9.91%	\$19,027,450	14.72%
Arvest Bank	57	29.89%	\$11,147,736	8.62%
FIRSTTRUST HOME LOANS	48	9.88%	\$10,132,814	7.84%
Flat Branch Home Loans	47	3.06%	\$9,689,263	7.50%
First Community Bank	48	14.53%	\$8,186,545	6.33%
306			\$58,183,808	45.01%

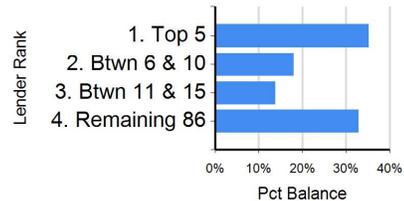
Lender Distributions YTD



Top 5 Lenders ITD

Lender Name	Count	Pct Conv	Orig Balance	Pct Balance
USA Mortgage	814	5.90%	\$123,445,667	7.91%
Centennial Bank	678	18.95%	\$115,167,953	7.38%
Arvest Bank	711	13.76%	\$113,338,613	7.26%
ENG Lending	697	23.19%	\$112,870,309	7.23%
Supreme Lending	565	11.26%	\$85,042,689	5.45%
3,465			\$549,865,231	35.23%

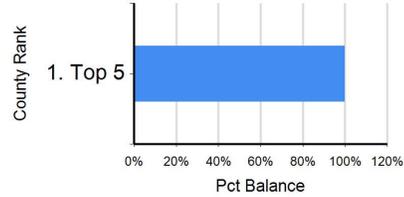
Lender Distributions ITD



Top 5 Counties 10/2/2025

County Name	Count	Pct Conv	Orig Balance	Pct Balance
CRAWFORD	1	100.00%	\$218,500	85.19%
CONWAY	1	100.00%	\$38,000	14.81%
2			\$256,500	100.00%

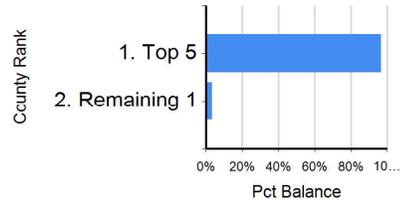
County Distributions



Top 5 Counties WTD

County Name	Count	Pct Conv	Orig Balance	Pct Balance
WHITE	2	0.00%	\$299,475	26.55%
CRAWFORD	1	100.00%	\$218,500	19.37%
GARLAND	1	0.00%	\$215,033	19.06%
JEFFERSON	1	100.00%	\$200,000	17.73%
PULASKI	1	0.00%	\$157,066	13.92%
6			\$1,090,074	96.63%

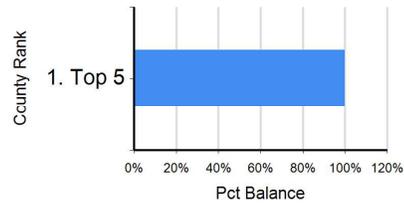
County Distributions WTD



Top 5 Counties MTD

County Name	Count	Pct Conv	Orig Balance	Pct Balance
CRAWFORD	1	100.00%	\$218,500	85.19%
CONWAY	1	100.00%	\$38,000	14.81%
2			\$256,500	100.00%

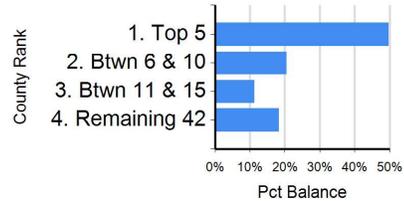
County Distributions MTD



Top 5 Counties YTD

County Name	Count	Pct Conv	Orig Balance	Pct Balance
PULASKI	109	26.86%	\$20,378,469	15.76%
BENTON	70	20.57%	\$19,318,450	14.94%
WASHINGTON	37	12.95%	\$9,381,133	7.26%
SALINE	42	20.41%	\$8,660,531	6.70%
SEBASTIAN	33	26.26%	\$6,621,879	5.12%
291			\$64,360,461	49.79%

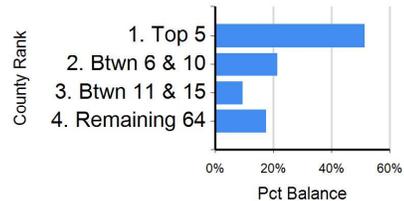
County Distributions YTD



Top 5 Counties ITD

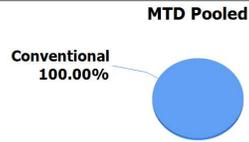
County Name	Count	Pct Conv	Orig Balance	Pct Balance
PULASKI	1,854	19.98%	\$300,403,497	19.25%
BENTON	788	19.78%	\$174,438,112	11.18%
WASHINGTON	552	19.59%	\$119,483,085	7.66%
FAULKNER	582	21.98%	\$105,695,952	6.77%
SALINE	561	14.95%	\$102,174,200	6.55%
4,337			\$802,194,846	51.40%

County Distributions ITD



MTD Pooled

Product	wRate	Count	Issue Balance	Pct Balance
Conventional	6.9746	7	\$1,309,585	100.00%
Total		7	\$1,309,585	100.00%



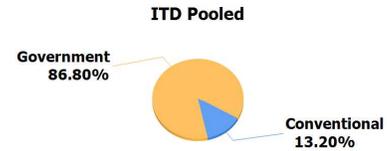
YTD Pooled

Product	wRate	Count	Issue Balance	Pct Balance
Government	6.5714	453	\$91,642,864	82.04%
Conventional	6.7470	100	\$20,064,846	17.96%
Total		553	\$111,707,709	100.00%



ITD Pooled

Product	wRate	Count	Issue Balance	Pct Balance
Government	4.8732	5,947	\$991,587,840	86.80%
Conventional	5.7811	875	\$150,772,021	13.20%
Total		6,822	\$1,142,359,861	100.00%



Cancellation as of 10/2/2025

Product	wRate	Count	Orig Balance	Pct Balance
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Cancellation WTD

Product	wRate	Count	Orig Balance	Pct Balance
SF-FHA INSURED-EXISTING	6.4886	2	\$431,895	78.64%
SF-CONVENTIONAL	6.8750	1	\$117,325	21.36%
		3	\$549,220	100.00%

Cancellation MTD

Product	wRate	Count	Orig Balance	Pct Balance
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Cancellation YTD

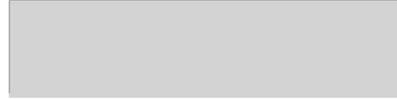
Product	wRate	Count	Orig Balance	Pct Balance
SF-FHA INSURED-EXISTING	6.5523	109	\$19,944,895	70.07%
SF-CONVENTIONAL	6.8188	38	\$7,449,665	26.17%
SF-RURAL DEVELOPMENT	6.6860	4	\$937,372	3.29%
*	6.8750	1	\$134,242	0.47%
		152	\$28,466,174	100.00%

Cancellation ITD

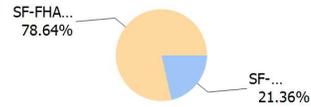
Product	wRate	Count	Orig Balance	Pct Balance
SF-FHA INSURED-EXISTING	5.0341	1,629	\$264,012,509	68.17%
SF-CONVENTIONAL	5.4745	536	\$88,502,193	22.85%
SF-RURAL DEVELOPMENT	3.9903	158	\$22,919,182	5.92%
SF-VA GUARANTEED-EXISTING	4.6994	50	\$10,360,743	2.68%
*	4.8121	10	\$1,502,386	0.39%
		2,383	\$387,297,012	100.00%

Cancellation

No Data Available

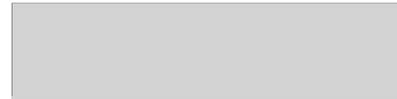


Cancellation WTD

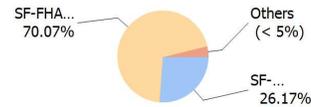


Cancellation MTD

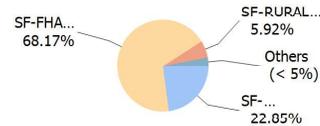
No Data Available



Cancellation YTD



Cancellation ITD



Arkansas Student
Loan Authority
(ASLA)



To: ADFA Board of Directors
From: Tony Williams, Director - Student Loan Authority Division
Re: Monthly Board Meeting Memorandum
Date: October 6, 2025

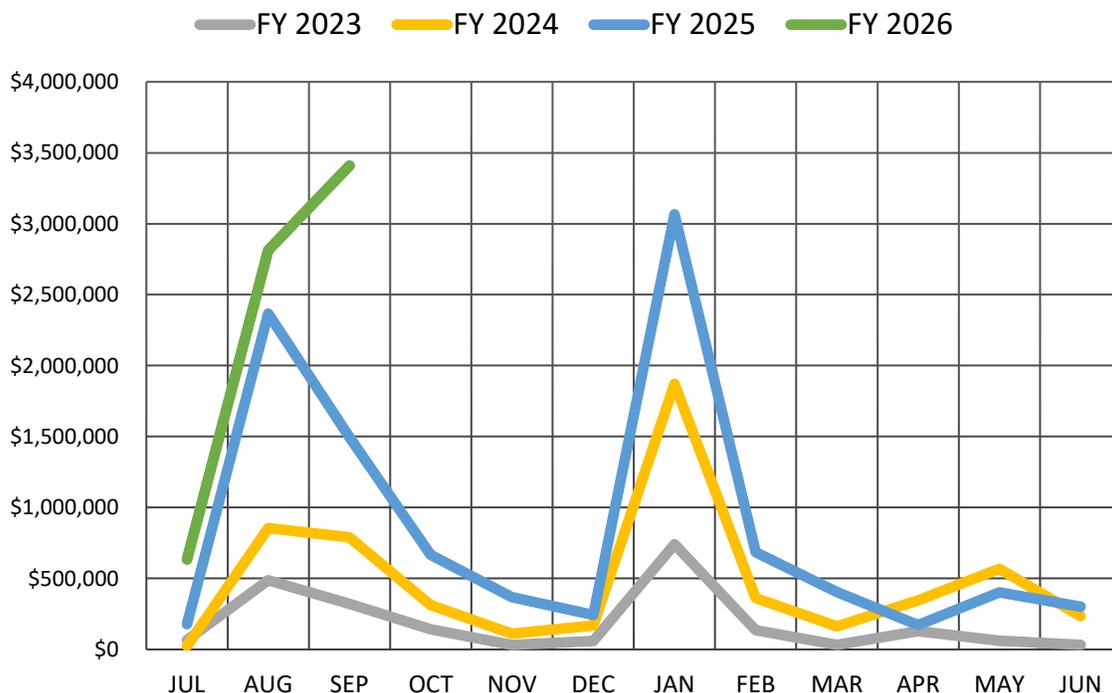
Message to Board:

Delinquency & Default information is not included in this month’s report due to delays in receiving the information. If there is information you are interested in seeing that is not regularly included in this memorandum, please let me know and I will provide it.

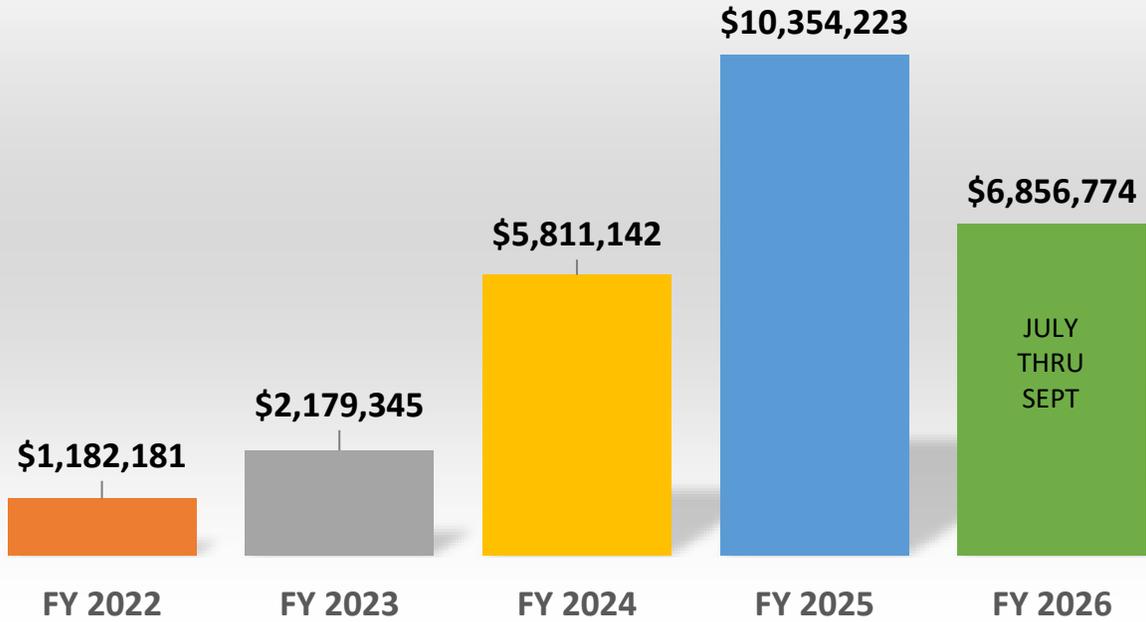
Private Student Loan Volume

Loan volume remains strong through the first quarter of FY 2026; loan disbursements were up **\$2,816,092** over the first quarter of FY 2025. Loan volume totaled **\$6,856,774** in the first quarter of FY 2026 vs. **\$4,040,682** in the first quarter of FY 2025 which equates to an increase of **69.7%**.

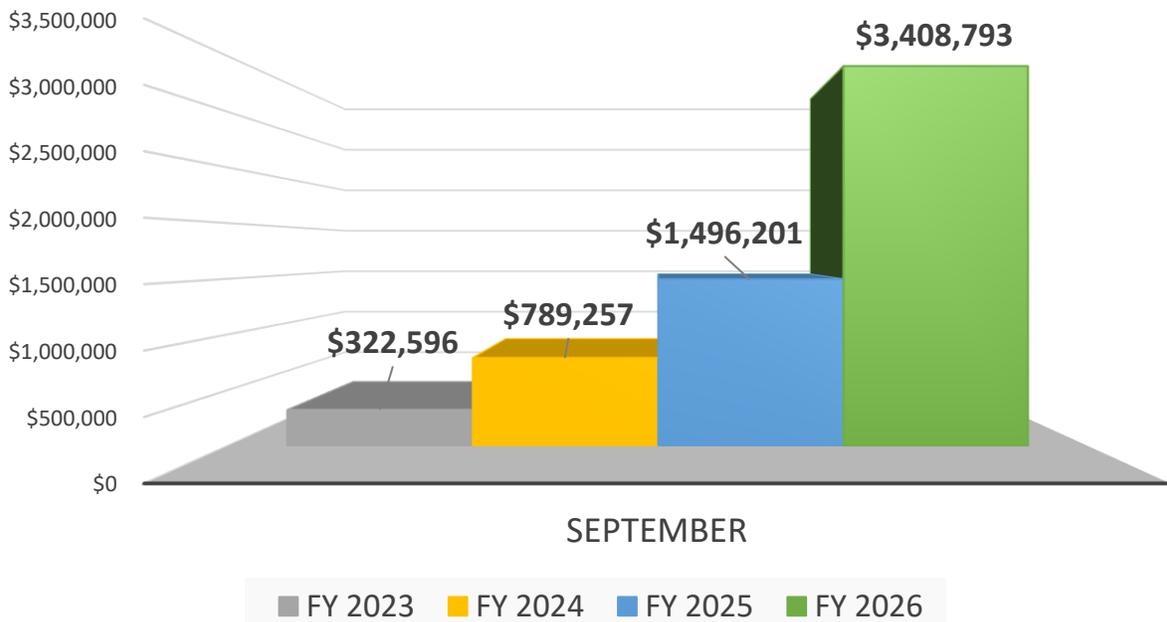
**Arkansas Education Loans
 Loan Volume Comparison
 September 30, 2025**



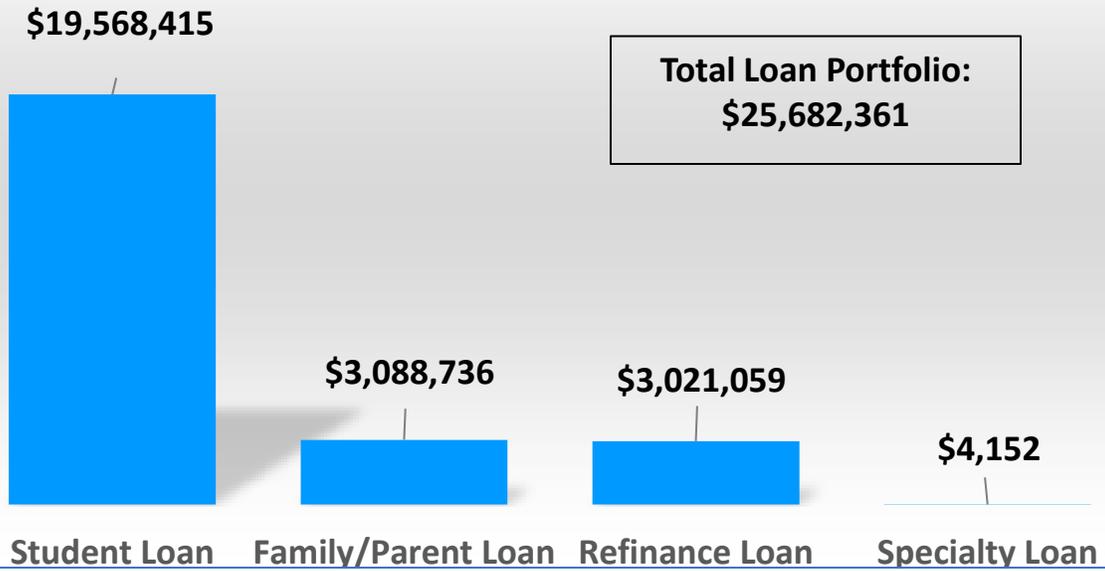
Arkansas Education Loans
Annual Loan Originations



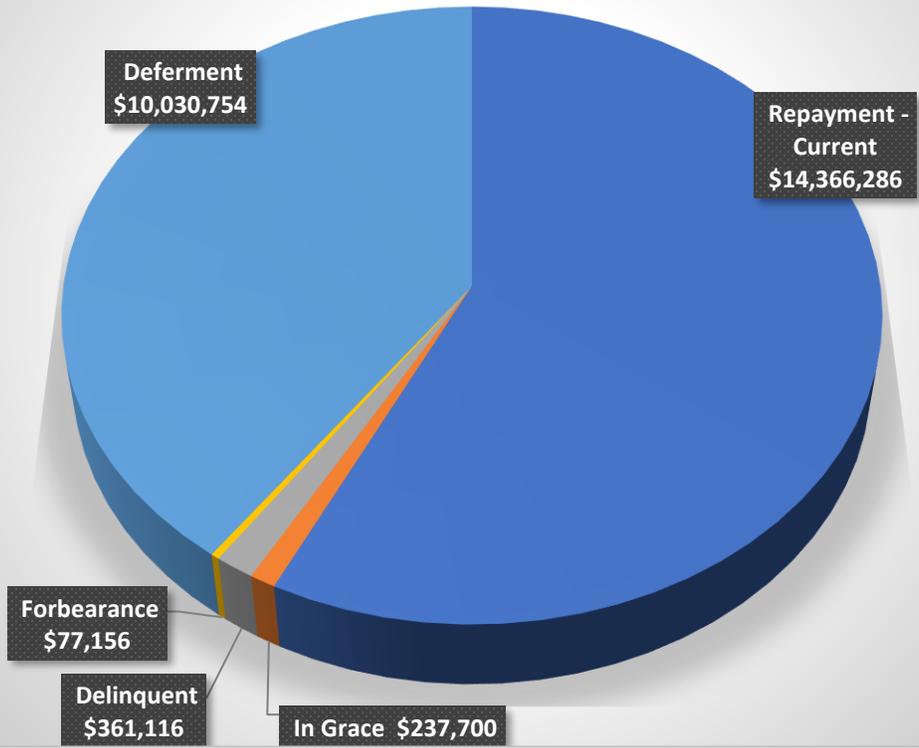
Arkansas Education Loans
Disbursement Comparison by Month
September 30, 2025



Arkansas Education Loans
Outstanding Balances by Loan Program
 As of September 30, 2025



Arkansas Education Loans
Portfolio Characteristics-September 2025



Education Finance Council (EFC) Conference

I attended the EFC Education Finance Conference September 24-26 in Alexandria, VA. The annual conference is attended by state-based non-profit student loan lenders and individuals involved in student loan finance from the legal, banking and securities industries along with Washington policymakers. I was able to meet with ASLA's loan servicer (Aspire Resources), financial advisor (SL Capital Strategies), S&P Global (provider of credit ratings for public financings), Bank of America Securities (student loan bond underwriter), Evidens Group (student loan compliance consultant), along with other potential business partners and private student loan industry participants.

Upcoming Meetings

Arkansas Community Colleges Annual Conference

October 12-14 - Hot Springs, AR
ASLA Representative: Reid Hall

Arkansas Association of Student Financial Aid Administrators Conference –

October 23-24 – Degray Lake State Park
ASLA Representatives: Amy Neathery, Lavonne Juhl, Reid Hall, Tony Williams

Aspire Resources Client Meeting (Student Loan Servicer)

November 5-6 - Des Moines, IA
ASLA Representative: Tony Williams

Southwest Association of Student Financial Aid Administrators Annual Conference

November 5–7, New Orleans, LA
ASLA Representative: Reid Hall

Not-For-Profit Student Loan Consortium

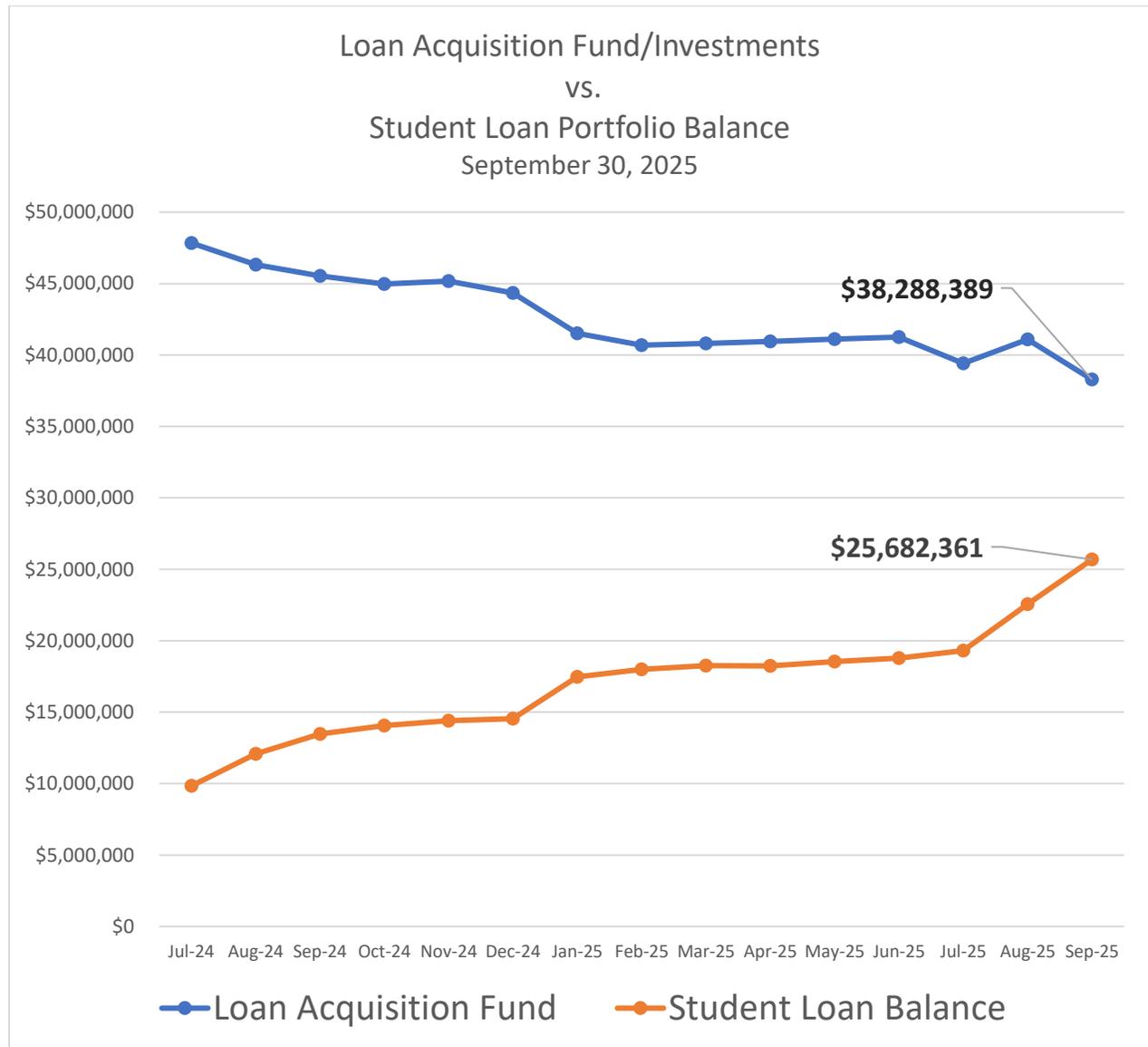
November 19 – Point Clear, AL
ASLA Representative: Tony Williams

Education Finance Council Strategic Planning Meeting

November 20-21 – Point Clear, AL
ASLA Representative: Tony Williams

Loan Acquisition Fund vs. Student Loan Portfolio Balance

As a reminder, the graph below is meant to provide insight in determining the optimal time to issue tax-exempt bonds in 2026. The size of the financing will be determined by the number of loans available to be securitized at the time of the transaction (expected to be at least \$15 million) plus the projected loan volume through early 2027 (expected to be around \$20 million). Early estimates anticipate the total financing to be in the range of \$35 million to \$40 million.



Effects of the One Big Beautiful Bill Act (OBBB)

Below is an article from the Arkansas Democrat Gazette published on September 28, 2025. The article describes the impact of the OBBB on the UA System and its students. One of the greatest impacts is related to the impending phase-out of the Federal Graduate PLUS Loan program; ASLA is involved in ongoing discussions with a number of Arkansas colleges to determine how we can lessen the impact by providing private student loans to graduate students who are no longer eligible to receive Graduate PLUS Loans.

Students in Arkansas borrowed approximately \$65 million in Federal Graduate PLUS loans in the 2024-25 academic year. Replacing the Federal Graduate PLUS Loan program with private loans is a complicated issue, primarily due to many students not being credit-worthy and due to their families being unable or unwilling to act as cosigners.

The phase-out of Federal Graduate PLUS Loans begins on 07/01/2026. ASLA is working with several industry professionals to identify the best financing options we can provide to Arkansas students. We will consult with the ADFA Board as we move toward implementing new programs to fill the funding void created by the Graduate PLUS loan phase-out.

Federal student aid changes ‘very concerning,’ UA official says

UA officials discuss likely impact on funds recipients

September 28, 2025 by [Ryan Anderson](#)

(The beginning paragraphs of this stseveral paragraphs have been

FAYETTEVILLE -- Changes to federal financial aid could be "very concerning" for University of Arkansas System schools and students, according to Suzanne McCray, the University of Arkansas, Fayetteville vice provost for enrollment and the dean of admissions.

The "negotiated rulemaking" process runs until early January 2026, so some elements could change, but graduate schools will likely see the most impact, followed by universities, with two-year colleges experiencing the fewest effects, McCray told the UA System board of trustees last week during their meeting in Fayetteville. "The longer you're in school, the more impact it will have."

While the effect "may be mitigated at some institutions, the huge impact will be on students," said Michael Moore, the UA System's vice president for academic affairs. If even one student can no longer go to college due to financial barriers, "that turns their world upside down."

Students who receive grants and scholarships from non-federal sources that cover all of their cost of attendance will no longer receive Pell funding -- Pell grants are federal awards to students from low-income households -- and the same goes for those with a Student Aid Index greater than or equal to twice the maximum Pell Grant award, McCray said. Though these Pell Grant changes were initially "worrying, it seems the impact will be minimal" for UA System students.

This year, more than 6,000 UA-Fayetteville students are receiving Pell grants, the most ever, said Chancellor Charles Robinson. This demonstrates "our desire" to provide educational access to students "in need so they can (pursue) the American Dream," he said.

More troubling than Pell grant alterations is elimination of the Graduate PLUS loan program, as that will impact all UA System campuses with graduate programs, McCray said. Its elimination will drive students to private loans, which may lead to them not getting all the money they need for graduate school.

According to the Association of American Medical Colleges, roughly half of medical students utilize Grad PLUS loans annually, which are based almost entirely on the cost of attendance, as Grad PLUS loans are often utilized by students pursuing careers in medicine, law and other training-intensive careers.

In addition, Parent PLUS loans will be limited to \$20,000 per year, with an aggregate limit of \$65,000 per student, while graduate student loans will be limited to \$20,500 per year with an aggregate limit of \$100,000, McCray said. The lifetime borrowing limit will be \$257,500 across all federal student loans.

Furthermore, professional student loans will be limited to \$50,000 per year with an aggregate limit of \$200,000, she said. That's actually a net positive for law students, as their aggregate limit increases by \$61,500, but the outlook is more muddled for medical students. Their annual limit will increase by \$9,500, but their aggregate limit will decrease by \$24,000. However, that aggregate limit now excludes undergraduate loans.

In 2024-25, UA-Fayetteville had nearly 1,200 undergraduates exceeding the Parent PLUS cap, "a worry (for) us," McCray said. It's "scary."

Between UA-Fayetteville, the University of Arkansas at Little Rock and the University of Arkansas for Medical Sciences, roughly 1,400 students utilized the Graduate Plus program, which is being phased out, she said. "That's a significant amount of dollars these students will now not have access to."

Those already with loans are also seeing costs increase. Nearly 8 million borrowers on the Saving on a Valuable Education (SAVE) plan from former President Joe Biden's administration started collecting interest Aug. 1 on their student loans for the first time since Biden placed the group in forbearance in July 2024, pausing both monthly payments and interest accrual.

For the typical borrower on the plan, the resumption of interest charges could cost them about \$300 per month, according to analysis performed this summer by the debt-focused advocacy group Student Borrower Protection Center. That amounts to more than \$3,500 in interest costs annually.

COMMUNICATIONS



HomeLoans.
Arkansas.gov

Memorandum

To: ADFA Board of Directors
From: Derrick Rose
Date: October 7, 2025
Subject: Outreach and Communications Report

- I joined ADFA colleagues Lori Brockway, John Blackwell, and Board Member Rod Coleman at the Cobblestone Farm Community ribbon-cutting event in Fayetteville on September 5, 2025. This affordable housing project, largely funded by ADFA, highlights our collaborative efforts to increase affordable housing options in Arkansas.
- Represented ADFA at the Mortgage Bankers Association of Arkansas' "SeptemberFest" fundraising event, which successfully raised money for Our House. ADFA supported this charitable effort as a sponsor, providing an opportunity to network with our mortgage industry peers.
- Conducted a public hearing via Zoom on October 1, 2025, for the CDBG-DR 2025 Action Plan. Arkansas received \$59 million in Community Development Block Grant-Disaster Recovery funds to support recovery from two specific disasters, with 70% of funds designated to benefit low to moderate income households or areas. The majority of funding (\$44 million) is allocated to housing programs, and ADFA is currently developing detailed program guidelines and application procedures.
- Attended the National Council of State Housing Agencies (NCSHA) 2025 Annual Conference in New Orleans, October 4-7. The conference provided valuable opportunities to learn about emerging trends in affordable housing finance and network with communications and housing professionals from state agencies nationwide.
- Working with ADFA colleagues Kay Mallett and Kimmy Helble to finalize preparations for the 2025 Board Planning Retreat at the Red Apple Inn in Heber Springs on October 15-16, 2025. We are completing room reservations and meal arrangements and look forward to a productive and enjoyable experience for all participants.
- News clippings follow this report

Joshua Bryant selected to chair Senate City, County and Local Affairs Committee

September 16, 2025 by [Michael R. Wickline](#)



State Sen. Joshua Bryant, R-Rogers, will chair the Senate City, County and Local Affairs Committee, Senate President Pro Tempore Bart Hester, R-Cave Springs, said Tuesday.

Hester said Bryant will serve as chair of the Senate committee until January 2027. The late Sen. Gary Stubblefield, R-Branch, who died Sept. 2, had served as the committee's chair since January this year.

In case of a permanent vacancy in the chairmanship of a Senate committee, the Senate president pro tempore appoints another committee chairman under Senate Rule 7.5.

Bryant said Tuesday that he wants the Senate City, County and Local Affairs Committee to "unpack any type of regulatory outreach" by governmental entities on housing. He said he wants cities and registered professionals such as engineers, architects and planners to explain their practices, and help lawmakers determine what needs to be done to make housing more affordable.

He said he would like the Senate committee to hear from groups such as the Arkansas Development Finance Authority and other government and private lenders about partnering with developers to increase the state's housing stock.

In addition, Bryant said he believes the committee also needs to address cemeteries that are without ownership or caretakers. He has served in the state Senate since 2023 and served in the state House of Representatives from 2021-2023.



Cobblestone Farm Community opens 89 affordable housing units in Fayetteville

By [Daniel Caruth](#)

Published September 11, 2025 at 11:55 AM CDT

Listen • 8:25



Daniel Caruth

/

kuaf

Last week, a group of community leaders and government officials gathered to mark the official opening of a new affordable housing community in west Fayetteville. Ozarks at Large's Daniel Caruth was at the ribbon-cutting and has more.

A volunteer holds open the door to a first-floor duplex with cursive letters spelling out the words "Love" and "Family" above a plush beige couch. The three-bedroom duplex is one of 89 units in the new Cobblestone Farm community. The housing development off

Wedington Drive in west Fayetteville includes single-family homes, triplexes and duplexes like this one, and is home to around 300 residents.

What sets this apart from the many housing developments popping up across the region is the price. Rent here starts as low as \$173 a month and caps at \$753. This community opened to renters earlier this year and is already at capacity.

“At one point, when we opened the waiting list before we had our first unit, there were over 500 people on the waitlist.”

Jim Petty, CEO of Strategic Realty and a Republican state senator from Van Buren, is the lead developer for the project. He welcomed a crowd seated in front of the units and said collaboration was paramount to get this development built after nearly seven years of planning.

“So for those of you that are counting, that’s three presidents, two governors and one pandemic ago. So it has been a process, and it’s our prayer that the lives of these 89 families that currently live here, and those that will live here in the future, will be positively impacted because of this project. And again, we’re proud to have had many partners. We’re proud to have led this process. But we couldn’t have done it alone.”

In 2020, the city of Fayetteville rezoned and annexed the nearly 30 acres where the development now sits and officially broke ground in 2022. Financing for the \$21 million project came from a mix of sources. The Arkansas Development Finance Authority provided 90 percent of resources through the federal Low-Income Housing Tax Credit Program and the National Housing Trust Fund, while Arvest Bank helped with construction costs through an \$850,000 Affordable Housing Program grant awarded by the Federal Home Loan Bank of Dallas.

Jim Hall, co-director leader for New Heights Church, another partner organization, said the church is leasing the land for the project at \$1 a year for 99 years.

“New Heights was gifted \$1.2 million from an anonymous donor to buy the property almost 17 years ago, and certainly no one at that time foresaw using the land for this purpose, to help create a community for folks in need of affordable housing. New Heights is currently beginning discussions — and I can’t say a lot about this right now, but I’m in hopes it will come to fruition rather quickly — with another nonprofit to help create even more housing to meet a niche need in our community. A bigger project is this, but we’re in hopes of doing even more than that project in the future on this property and other properties. I hope other churches and nonprofits will follow suit and do even more.”

Addressing affordable housing through projects like this has become an increasing issue in Northwest Arkansas, with median home prices in the region growing by 240 percent over the past six years, according to a 2024 report from the Center for Business and Economic Research at the University of Arkansas.

Brad Sikorski, president and CEO of the Accelerate Foundation, another partner in the Cobblestone Farm community, said the project shows the power of collaboration.

“You know, I think my predecessor had a saying that kind of encapsulates this: many hands create for light work. And this is definitely a project where any one of us couldn’t have pulled this off by ourselves. I think it’s a step. We need a lot more housing stock in Northwest Arkansas. And so we just, frankly, need 10 more projects like this across Northwest Arkansas. Probably more than that.”

Accelerate is working on other affordable housing projects, including one in Bentonville that will provide homes for the city’s school district employees.

“One of the ultimate goals we have is to be able to move people into their own homes. There are some other novel models we’re testing throughout the Northwest Arkansas community that will not only give folks affordable homes but give them the ability to build wealth and transition that into the dream of homeownership. Those are some of the programs I’d like to see more of.”

Karen Phillips, chief operations officer for Restore Hope, another partner on the project, said the biggest hurdle in creating affordable housing is finding out how to fund it.

“A lot of layers of funding sources, which is what it took to make this happen and to keep the rents as low as they are. You heard how low those rents are. Well, that doesn’t just happen. That requires a lot of different funding mechanisms to keep the rents low. And every funding mechanism you use comes with its own set of rules and regulations and red tape. And every single one of those require a lot of time and effort and setbacks. So yeah, that was part of the process for sure.”

Sen. Petty agreed that while projects like this help address part of the region’s housing crisis, there’s still more that needs to be done, at least from a policy standpoint.

“So I think the first thing that needs to happen is education. Not everybody understands, like Northwest Arkansas, that there is an affordability crisis and availability crisis, in spite of all of their successes and economic prosperity up here. That perpetuates exactly what we’re talking about here today. The rents here on these, I would guess, are \$1,500, \$2,000 if it weren’t for the programs that fund this.”

He said it will take a combination of tactics, like reforming zoning and building codes, to help course-correct the inflated housing market.

“Currently, I introduced a bill, SB456, that we put into interim study, and that’s doing just that. What can we do to speed up, accelerate the construction of housing, and what can we do to keep the cost as low as possible.”

Petty also identified issues like transportation and wastewater infrastructure as barriers to development.

“There’s just a lot of things that need to happen. And I think the more we talk about it, and the more we do it in a way that is collaborative, and we get our own personal preferences and our own egos out of the way, the sooner that we can get to solving the real problems.”

He said Cobblestone is planning to build 10 more units on the property later this year.

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Bentonville City Council votes 6-0 to approve 7% annual wastewater rate increases for 2026-30

September 10, 2025 by [Thomas Saccente](#)



Octavio Sanchez, Ward 4 Bentonville City Council member, speaks during the City Council's meeting Tuesday. (NWA Democrat-Gazette/Thomas Saccente)

BENTONVILLE -- City wastewater customers -- both residential and commercial -- can expect their bills to go up every year for the next five years to give the city more revenue to cover increased operating and capital costs for its sewer system.

The City Council voted 6-0 Tuesday to approve 7% annual wastewater rate increases between 2026 and 2030. The increases will take effect Jan. 1 each year.

Beckie Seba, Ward 1 City Council member, and Chris Sooter, Ward 2 City Council member, were absent.

Preston Newbill, city water utility deputy director, said the rate increases will impact average residential wastewater customers -- those that use about 4,000 gallons monthly -- by about \$3 per month in 2026 and about \$4 per month in 2027-30.

The City Council approved authorizing the city to contract with the Charlotte, N.C.-based Raftelis Financial Consultants Inc. to perform a water and wastewater rate study -- including a financial plan -- July 9 for a maximum of \$115,620.

Newbill has said the rate analysis is necessary to ensure the city has adequate rates to pay for its water and wastewater expenses and capital needs.

Raftelis recommended Feb. 10 the city double its water rates to fund the expenses it projected the city will incur the rest of the year as part of the study. The City Council voted March 11 to establish the new rates. The city started applying them to bills generated on or after April 12 for city residential, commercial and irrigation water customers inside and outside the city limits.

Collin Drat, vice president with Raftelis, told the City Council at its Committee of the Whole meeting [Aug. 25](#) the city needs wastewater rate increases to raise its wastewater utility revenues to cover future increases in operating expenses and capital costs. These increased expenses will start exceeding the city's existing revenues in 2026 and continue growing every year through 2030 more quickly than the rate at which Raftelis projects the revenues will grow.

Increases in operating costs Raftelis forecasted between 2025 and 2030 include new staff, salaries, benefits and general inflation. The firm also incorporated inflationary increases in wastewater treatment the city buys from the Northwest Arkansas Conservation Authority into its projections.

Bentonville's wastewater treatment plant, known as the Water Resource Recovery Facility, serves the city north of Arkansas 102, according to Chris Earl, the facility's manager. The Northwest Arkansas Conservation Authority treats wastewater from the rest of the city south of Arkansas 102.

In terms of capital costs, Drat said the city needs additional revenue to cover debt obligations stemming from loans to fund major projects. These include an about \$153 million planned expansion and upgrade to the city's wastewater treatment facility; the city's share for a Northwest Arkansas Conservation Authority treatment plant expansion project totaling about \$68 million; and repairs to a line between the city and the Conservation Authority totaling about \$30 million.

Other factors include \$4 million for vehicle and equipment replacement and a \$2 million estimated annual cost for work to reduce the amount of rainwater getting into the city sewer system -- or inflow and infiltration.

Drat said Raftelis recommended the city increase its wastewater rates by 5% in 2026, 6% in 2027, 7% in 2028 and 8% in 2029, culminating with a 9% raise in 2030.

However, Octavio Sanchez, Ward 4 City Council member, proposed keeping the rate increases at 7% per year from 2026 to 2030. He argued this could produce a better cash

flow by applying higher rates earlier while leading to the same cumulative increase as the increases Raftelis recommended.

The city implemented 5% wastewater rate increases in July 2023 and January 2024, according to Drat.

Michael McCranie, city spokesman, said via email the city is billing 20,980 total accounts for sewer service as of Tuesday. This includes 19,507 residential and 1,473 commercial accounts.

The City Council voted [June 24](#) to approve implementing increased rates for electrical service the Holland, Mich.-based Utility Financial Solutions LLC recommended for the city as part of a separate electric cost of service study. The new rates took effect with bills due on or after Aug. 1.

BOND ISSUE

The City Council also voted 6-0 Tuesday to authorize the city issuing and selling a \$55 million combined electric, water and sewer system revenue bond to the Arkansas Development Finance Authority to finance the cost of the improvements to the city wastewater treatment plant.

Patrick Johndrow, city finance director, said the sale will be carried out as part of the state Clean Water Revolving Loan Fund Program.

The council approved a resolution expressing the city's willingness to accept a \$55 million loan from the Arkansas Natural Resources Commission [Feb. 25](#). The funding is in addition to the original loan of more than \$97.7 million the city requested from the commission [last year](#).

Brett Peters of the engineering firm Hawkins-Weir Engineers Inc. wrote in a memo included in the Feb. 25 City Council meeting packet applying for an additional loan from the Arkansas Natural Resources Commission was necessary due to the costs of the project jumping from more than \$97.7 million -- as per Hawkins-Weir's estimate outlined in its preliminary engineering report in October 2022 -- to more than \$152.7 million.

Johndrow said Tuesday the city will receive the \$55 million loan in October with the City Council's approval of the revenue bond sale.

The city will pay a 3% interest rate on the loan -- plus a 1% servicing fee the state charges -- while the project is ongoing, according to Johndrow. The city will pay both principal and interest in installments over a 20-year period after the project is complete.

Earl has said [the improvement project](#) will increase the plant's capacity for wastewater treatment from 4 million to 8 million gallons a day. It currently handles about 3.4 million gallons a day on average and will be able to handle up to 30 million gallons a day on a short-term basis if necessary.

The project will also update some aging infrastructure at the 86-year-old plant, according to Earl. The facility is located at 1901 N.E. A St.

Current rates Bentonville's current wastewater rates went into effect with bills due on or after Jan. 1, 2024. They consist of the following:

Residential	Monthly facility charge	3/4" and 5/8" — \$14.78	1" — \$48.69	1.5" — \$180.87	2" — \$193.10	3" — \$283.67	4" — \$795.26	6" — \$1,713.16	8" — \$3,446.29	10" — \$5,169.42						
	Consumption charge	Inside city — \$8.48	per 1,000 gallons	Outside city — \$10.18	per 1,000 gallons	Commercial	Monthly facility charge	3/4" and 5/8" — \$15.80	1" — \$52.03	1.5" — \$193.28	2" — \$206.35	3" — \$303.13	4" — \$849.82	6" — \$1,830.70	8" — \$3,681.14	10" — \$5,521.70
	Consumption charge	Inside city — \$9.06	per 1,000 gallons	Outside city — \$10.87	per 1,000 gallons	The wastewater rates include a \$4.41 additional monthly charge per water meter for customers outside the city limits.										

Source: Bentonville

TAB 7

ADFA Board of Directors Meeting Schedule – 2026

- ◆ Thursday, December 4, 2025
- ◆ Thursday, January 15, 2026
- ◆ Thursday, February 19, 2026
- ◆ Thursday, April 16, 2026
- ◆ Thursday, May 21, 2026
- ◆ Thursday, July 16, 2026
- ◆ Thursday, August 20, 2026
- ◆ Thursday, October 15, 2026
- ◆ Thursday, December 3, 2026