

City of Fayetteville Staff Review Form

2018-0105

Legistar File ID

2/20/2018

City Council Meeting Date - Agenda Item Only

N/A for Non-Agenda Item

Devin Howland

2/2/2018

ECONOMIC DEVELOPMENT (050)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

A RESOLUTION AUTHORIZING MAYOR JORDAN TO APPLY FOR AN ACCEPT A 50/50 MATCHING GRANT FROM THE WALTON FAMILY FOUNDATION AND ENTER INTO A \$3,302,250 PURCHASE CONTRACT WITH CENTENNIAL BANK TO ACQUIRE 228 ACRES OF "CENTENNIAL OPEN SPACE" AS DESCRIBED HEREIN, AND TO APPROVE A BUDGET ADJUSTMENT.

Budget Impact:

1010.090.6600-5805.00		Land Acquisition	
Account Number		Fund	
18023		Mountain Ranch Land Acquisition	
Project Number		Project Title	
Budgeted Item?	<u>No</u>	Current Budget	\$ -
		Funds Obligated	\$ -
		Current Balance	\$ -
Does item have a cost?	<u>Yes</u>	Item Cost	\$ 3,312,340.00
Budget Adjustment Attached?	<u>Yes</u>	Budget Adjustment	
		Remaining Budget	\$ (3,312,340.00)

V20140710

Previous Ordinance or Resolution # _____

Original Contract Number: _____

Approval Date: _____

Comments:



MEETING OF FEBRUARY 20, 2018

TO: Mayor and City Council
THRU: Don Marr, Chief of Staff
FROM: Devin Howland, Director of Economic Vitality
DATE: February 2, 2018
SUBJECT: Centennial Open Space Acquisition

RECOMMENDATION:

The City Staff recommends that the City Council of the City of Fayetteville authorize Mayor Jordan to formally apply for and accept a 50/50 matching grant as well as a Program Related Investment Loan for the City's portion of the match from the Walton Family Foundation, subject to the terms herein; enter a contract agreement with Centennial Bank to purchase approximately 228 acres for \$3,302,250.

BACKGROUND:

The Centennial Open Space Property (Mountain Ranch) is one of the larger tracks of minimally disturbed forest within the City of Fayetteville's municipal limits that has yet to be preserved. The property, which is located within the Hillside-Hilltop Overlay District, is situated adjacent to I-49 and sits just a few miles north of the Kessler Mountain Regional Park and west of Markham Hill. Mountain Ranch can currently be accessed via W Old Farmington Road, west of I-49. The property is currently owned by Centennial Bank, and there are currently no active uses on the property.

The property's slopes provide a significant view shed for the City of Fayetteville, its heavily timbered topography makes it a perfect opportunity for citizens from the region and beyond to engage in recreational opportunities such as mountain biking and hiking. Mountain Ranch's centric location to Mount Kessler and Markham Hill makes it an ideal asset to be placed under the protection of the public domain.

The City of Fayetteville would like to work alongside the Walton Family Foundation to engage in the purchase of the 228-acre Centennial Open Space property from private ownership to permanently place this asset in the public domain. Our vision is to form partnerships with existing outdoor and recreational organizations to develop a new network of recreational opportunities such as mountain biking and hiking through the development of a series of single track and soft trails on the property. We plan to use these partnerships to develop the design, construction, and long-term maintenance of the Centennial Open Space Trail system for recreational use. The acquisition of the Centennial Open Space property not only expands

Fayetteville's bright track record of preservation of the environment for future generations, but also compliments our goal of stewardship and the promotion of an active and healthy lifestyle. Mountain biking has become a major tourism driver for Northwest Arkansas in recent years. From Mount Kessler to Slaughter Pen in Bentonville, its inarguable that this growing sport has impacted not only the quality of life in Northwest Arkansas residents, but also the regional economy through tourism. Mountain Ranch offers a wide array of slopes and contours, making it an ideal location for a new network of mountain biking trails that will complement and stand out from the regions existing offerings.

One the primary reasons the acquisition makes sense for the City is the proximity of the Centennial Open Space property to other mountain biking opportunities throughout the region. Expanding mountain biking and hiking opportunities to include an additional 228 acres of natural space creates a place unlike many others in the region and state. Expanding the City's programmed recreational space to include an additional 228 acres of single track and soft trails will create a mountain biking environment unrivaled in the rest of the region. Acquisition of the property will also allow several connections to our existing multi-use trail system, connecting citizens and tourists to the property through alternative modes of transportation.

ECONOMIC BENEFITS:

The acquisition of the Centennial Open Space property will have a positive economic impact on the City of Fayetteville beyond the economic impact of initial construction, which will become a one-time stimulus of economic activity. The ongoing use of the park will generate a far greater impact through mountain biking tourism as well as hosting mountain biking races. The property is highly visible and accessible from I-49 to residents and tourist alike. Currently, Fayetteville boast several mountain biking facilities throughout the City. The Centennial Open Space property's centric location to Mount Kessler and Markham Hill will enable a network of Mountain Biking Facilities connected through the City's trail system, to be accessed by both residents and tourist, all without the use of motor vehicles.

Beyond the City's commitment to building an enduring green network and a robust trail system, for which Fayetteville and Northwest Arkansas are becoming nationally recognized, the opportunity to utilize this critical piece of property for soft-surface trail development is the primary reason why this is a key economic development investment for the City of Fayetteville. The Walton Family Foundation has funded a master plan for future trail development on the property, and an initial draft of the master plan envisions a looped trail system that can be used for National Interscholastic Cycling Association events, or other similar events. In the realm of Mountain Bike racing, it's often difficult to develop a track which enables staging of volunteers, spectators, and racers, all the while giving them a view of the races. The cleared top of the property make it an ideal location for a track of this type. The trails developed would be able to be utilized by the public and tourists, as well as programmed racing events, drawing hundreds of people to Fayetteville to experience this unique trail typology. Furthermore, this type of Mountain Biking facility will set Fayetteville apart from the types of bicycling facilities that have been built in Northwest Arkansas.

The ability to host Mountain Biking events, coupled with the uniqueness of the looped track system in the center of the City, is where the primary economic benefits of this project come from. The outdoor recreation sector is often an overlooked economic giant in the United States, with expenditures exceeding \$646 billion annually, and per the International Mountain Biking Association (IMBA), mountain biking serves as a strong component of this segment of the economy. The economic benefits of bicycling tourism have been well noted in several publications, *The Economic Impact of Bicycling in Wisconsin* reports that the annual economic impact cyclist have on the local economy is nine-times the amount of the one-time expenditure of public funds to acquire and develop the facilities. The report also notes bicycle tourist stay in an area 3 to 4 days longer than a traditional tourist. The growing trend of mountain biking goes well beyond Northwest Arkansas, with an estimated 27 million travelers taking bicycle related vacations in the past five years. A strategic investment of this type which will attract more tourist to Fayetteville and will have a positive impact on our local hotels, restaurants, and retailers. The report cited 40% of businesses located near bicycle facilities reported increased business because of the facilities. Lastly, a development of this caliber will also have a positive impact on property values, with the same study reporting that properties located near trails or bicycling facilities selling for an average of 9% more than their counterparts not located near bicycling facilities.

The Walton Family Foundation commissioned a research project to quantify the economic and health benefits of bicycling in Northwest Arkansas. Fayetteville's bicycling participation rate well exceeded the United States benchmark of 29%, and is higher than the participation rate of the NWA region. Their findings also indicated that the availability of paved and natural surface trails have become a key factor that is considered when residents and skilled workers in NWA are deciding where to live. The study also found that 43% of NWA residents are willing to pay more each year to live close to bicycle facilities and the 55% of skilled workers in NWA indicated a willingness to pay more for proximity to bicycle facilities. Regionally, half of the businesses surveyed indicated that bicycle facilities had a positive impact on their business and that they received economic benefit due to cycling tourism.

PROPOSAL:

This property is a priority acquisition given it's environmental, economic, and social benefits for the City of Fayetteville coupled with the opportunity to leverage grant funding from the Walton Family Foundation to assist with the purchase. The environmental benefits are numerous, the preservation of 200 acres of trees enhances our enduring green network and secures carbon sequestration of 25,000 metric tons of carbon dioxide (MTCO₂), which is the equivalent of 61 million miles driven in an average passenger vehicle. Preservation of this parcel would help the City of Fayetteville make measurable steps in reaching the Greenhouse reduction goals adopted in the Energy Action Plan. Tree preservation of this scale will also assist with the reduction of urban heat islands and the production of oxygen. Furthermore, preservation of the property can help mitigate regional storm water issues while maintaining water quality, the property in question is in the Illinois River watershed and falls within the Hillside-Hilltop Overlay District.

The property has a myriad of social benefits for Fayetteville residents as well. In addition to the fore mentioned environmental and economic benefits, the Centennial Open Space property will provide an additional venue for mountain biking, hiking, and other recreational wellness activities. The Walton Family Foundation funded Trails Master Plan for the property is also exploring ways to connect the property to other green spaces throughout the City. The acquisition is part of a larger envisioned trail network that connects Kessler Mountain, the University of Arkansas and other open spaces through a network of neighborhood greenways, soft surface trails, parks, and protected green corridors. The proximity of the property to the Boys and Girls Club and Owl Creek School provides the opportunity to expand the 'Bikes in Schools' program and host National Interscholastic Cycling Association events.

The City of Fayetteville has obtained approval from the Walton Family Foundation to formally apply for and accept a grant of \$1,661,214.60 and formally apply for and accept a program related investment loan of \$1,651,125 with no interest, to be paid back over a five-year period. Formal application for the grant and loan requires City Council approval in the form of a Resolution, which is part of Staff's current request. Walton Family Foundation Grants are based upon Output and Outcome Performance Measures, which the City must accept to access grant and program related investment funding. The Outputs and Outcomes can be more fully reviewed in the attachments to this memo, general terms can be reviewed below:

Outputs:

- The City will execute a purchase agreement for the acquisition of the subject 228 acres known as tracts 4, 5, 6, & 7 of Mountain Ranch owned by Centennial Bank.
- With the grant agreement, the City will support and allow for at least 8-10 miles of natural surface trails for use by hikers, bikers, and runners to be constructed on the acquired property in the future in accordance with a WFF prepared trail master plan, submitted for review and approval under separate cover.
- The City will fully acquire and take ownership of the property.
- The City will permanently place the 228 acres in the public domain and preserve the land as greenspace/open space in perpetuity, sufficiently allowing for natural surface and greenway trail development and other open space amenities typical for a park or open space.

Outcomes:

- The City will agree to contribute funding for the property acquisition through a program related investment loan from the Walton Family Foundation in the amount of \$1,651,125 to be paid back over a maximum five-year period in equal installments of \$275,187.50.
- The City will commit to maintain the property and to maintain and operate all future greenway and natural surface trails on the property to the same standard as outlined in the Razorback Regional Greenway operations and management plan as well as the guidelines listed in the IMBA "Guide to Sweet Single-track" and "Managing Mountain Biking" handbooks.
- The City will amend its master trails plan to incorporate a future greenway trail linkage to the property.

The City is very interested in acquiring this property to expand mountain biking opportunities, preserve a significant view shed, and protect the Centennial Open Space property for future generations, and support from the Walton Family Foundation is a pivotal element in doing so. More importantly, we believe that the use of the property enhances the quality of life for residents of Northwest Arkansas by providing an additional venue for mountain biking, hiking, and other recreational and wellness activities. Together, we believe these elements fit the goals of City Plan 2030 and the Fayetteville First Economic Development Plan, specifically assembling an enduring green network and continuing to improve on the outstanding lifestyle quality in Fayetteville.

BUDGET/STAFF IMPACT:

The overall budget for this acquisition is \$3,312,339.60. The City's match of \$1,651,125.00 will be paid back over a five-year period beginning in April of 2018 at a rate of \$275,187.50 annually with no interest. A payment of \$275,187.50 will also be due at the closing of the property. A matching grant from the Walton Family Foundation in the amount of \$1,661,214.60 will fund the remainder of the acquisition. One of the terms of the grant, noted in the outputs section of this memo, is the construction of the trails in the forthcoming Master Plan for the site, as budget and capital permits.

Attachments:

- Attachment A: Letter of Intent to Walton Family Foundation
- Attachment B: Walton Family Foundation Grant Application
- Attachment C: Walton Family Foundation Grant Award Letter
- Attachment D: Walton Family Foundation PRI Loan Letter
- Attachment E: Walton Family Foundation PRI Loan Agreement
- Attachment F: Map of Centennial Open Space Property
- Attachment G: Map of Centennial Open Space Property with existing and planned trails
- Attachment H: Mountain Biking Trails Master Plan Concept for Centennial Open Space Property
- Attachment I: Offer Letters
- Attachment J: Land Sale Contract with Centennial Bank

Centennial Open Space Land Purchase: Letter of Intent

Intent

This letter is being sent to the Walton Family Foundation, care of Program Officer Jeremy Pate, to gauge the interest and alignment of principals between the City of Fayetteville and Walton Family Foundation in the mutual goal of acquiring and preserving approximately 228 acres of greenspace located in southeast Fayetteville, hereafter referred to as "Mountain Ranch."

The Mountain Ranch Property is one of the largest tracks of minimally disturbed forest within the City of Fayetteville's municipal limits that has yet to be preserved. The property is situated adjacent to I-49 and sits just a few miles north of the Kessler Mountain Regional Park and west of Markham hill. Mountain Ranch can currently be accessed via W Old Farmington Road, west of I-49. The property is currently owned by Centennial Bank, and there are currently no active uses on the property.

Mountain Ranch has long been viewed as an asset to our community. Its slopes provide a significant view shed for the City of Fayetteville, its heavily timbered topography makes it a perfect opportunity for citizens from the region and beyond to engage in recreational opportunities such as mountain biking and hiking. Mountain Ranch's centric location to Mount Kessler and Markham Hill makes it an ideal asset to be placed under the protection of the public domain.

Concept Vision

The City of Fayetteville would like to work alongside the Walton Family Foundation to engage in the purchase of the 228-acre Mountain Ranch property from private ownership to permanently place this asset in the public domain. Our vision is to form partnerships with existing outdoor and recreational organizations to develop a new network of recreational opportunities such as mountain biking and hiking through the development of a series of single track and soft trails on the property. We plan to use these partnerships to develop the design, construction, and long-term maintenance of the Mountain Ranch Trail system for recreational use. The acquisition of Mountain Ranch not only expands Fayetteville's bright track record of preservation of the environment for future generations, but also compliments our goal of stewardship and the promotion of an active and healthy lifestyle.

Mountain biking has become a major tourism driver for Northwest Arkansas in recent years. From Mount Kessler to Slaughter Pen in Bentonville, its inarguable that this growing sport has impacted not only the quality of life in Northwest Arkansas residents, but also the regional economy. Mountain Ranch offers a wide array of slopes and contours, making it an ideal location for a new network of mountain biking trails that will complement the regions existing offerings.

One the primary reasons the acquisition makes sense for the City is the proximity of Mountain Ranch to other mountain biking opportunities throughout the region. Expanding mountain biking and hiking opportunities to include an additional 228 acres of natural space creates a place unlike many others in the region and state.

Concept Proposal

As mentioned, this letter is to solicit comment and gauge the interest of a land preservation partnership with the City of Fayetteville and Walton Family Foundation taking the primary leadership roles. The City of Fayetteville would be willing to own and permanently maintain the property as public park property.

We would look to secure approval from the Fayetteville City Council in regards to the financial proposal outlined below.

If the Walton Family Foundation is interested in considering a grant opportunity to acquire the Mountain Ranch property, the City of Fayetteville would propose to finance its portion of the purchase of the property over a ten-year-period through a program-related investment in the form of a loan. The City of Fayetteville has successfully acquired several tracts of land for similar purposes using this model of public-private partnerships, as well as land purchases with a 5-10 year financing period. We would ask the Walton Family Foundation staff to assist in finalizing negotiations for the purchase, to work with the City and Centennial Bank for potential tax benefits to the seller, given the future use of the land for public purposes as permanently preserved parkland.

The City of Fayetteville would like to propose the following funding option for the Walton Family Foundation's consideration. A grant from the Walton Family Foundation in the amount of \$1,661,214.60 which represents 50% of the purchase price. With the City's matching portion being \$1,651,125 through a program-related investment loan, with no interest, to be paid back over a 5-year period in five equal payments of \$275,187.50 with an additional payment of \$275,187.50 being due at the close of the property. Furthermore, as previously stated, the City of Fayetteville would agree to design, construct, and maintain a series of mountain biking trails throughout the 228-acre parcel in the future as budgets, capital, and spending permits.

Concept Benefits

The City is very interested in acquiring this property to expand mountain biking and hiking opportunities, preserve a significant view shed, and protect Mountain Ranch for future generations, and believes that a partnership with the Walton Family Foundation is a pivotal element in gaining support for doing so. More importantly, we believe that the use of the property enhances the quality of life for residents of Northwest Arkansas by providing an additional venue for mountain biking, hiking, and other recreational and wellness activities. Together, we believe these elements fit the mission of the Walton Family Foundation's Strategic Plan.

Contact

The City of Fayetteville's contact persons for this proposal are Don Marr, Chief of Staff, and Devin Howland, Economic Vitality Director. Both individuals will serve as the primary points of contact for any discussions or questions you may have regarding this concept proposal. Should the Foundation be interested in engaging in discussion or have questions over the next few months, the timing of these discussions and any future decisions can be jointly decided to the mutual benefits of all partners.

Don Marr

Chief of Staff for Mayor Lioneld Jordan

479.575.8330

dmarr@fayetteville-ar.gov

Devin Howland

Director of Economic Vitality

479.601.7860

dhowland@fayetteville-ar.gov

WALTON FAMILY FOUNDATION



Walton Family Foundation Grant Application

Name of Organization: City of Fayetteville

Name of Project/Proposal: Centennial Open Space Acquisition

By submitting this request for funding, the requesting organization acknowledges that The Walton Family Foundation has not previously made any promise to provide the funding requested herein and that the requesting organization has not relied to its detriment upon any statement by The Walton Family Foundation or its representatives to obtain the funding requested herein. The requesting organization further acknowledges that any approval of its grant proposal will be communicated only by, and is contingent upon execution of, a written grant agreement between the requesting organization and the Foundation signed by the Foundation's Executive Director.

Organization Name:	City of Fayetteville		
Organization Address:	113 W. Mountain Street Fayetteville, AR 72701		
Organization Telephone:	479-444-3471		
Tax ID Number:	Government Entity		
Head of Org/Authorized Signatory:	Lioneld Jordan		
Signatory Address (if different than above):			
Head of Org Email:	Mayor@fayetteville-ar.gov		
Key Contact:	Devin Howland		
Key Contact email:	dhowland@fayetteville-ar.gov		
Key Contact phone:	479.575.8221		
Project Name:	Centennial Open Space Acquisition	Proposal Date:	12/21/2017
Total Requested:	\$3,312,340.00		
Grant Period:	From 2/1/2018 To 6/1/2027		

WFF Program Officer:	Jeremy Pate

1. Request/Purpose of Grant

Briefly summarize the purpose and need for the project/program, the requested amount, and any requested terms (such as multiple years or matching). The budget template attached is the location for detailed financial information. This space is really just an abstract of the proposal.

The purpose of the grant is to support the City of Fayetteville in the acquisition of approximately 228 acres located in southeast Fayetteville known as Mountain Ranch. The purchase of this property from private ownership will permanently place this asset in the protected public domain. This grant is more fully described in Grantee’s letter of intent, which is enclosed with this grant application. Grantee agrees to use all grant funds exclusively for the grant’s purposes. Any changes in these purposes must be authorized in advance by the Foundation in writing.

2. Background

Include a basic description and history of the organization (2-3 paragraphs). Please also note the other organizations with which you are collaborating.

The Mountain Ranch Property is one of the largest tracks of minimally disturbed forest within the City of Fayetteville’s municipal limits that has yet to be preserved. The property is situated adjacent to I-49 and sits just a few miles north of the Kessler Mountain Regional Park and west of Markham hill. Mountain Ranch can currently be accessed via W Old Farmington Road, west of I-49. The property is currently owned by Centennial Bank, and there are currently no active uses on the property.

Mountain Ranch has long been viewed as an asset to our community. Its slopes provide a significant view shed for the City of Fayetteville, its heavily timbered topography makes it a perfect opportunity for citizens from the region and beyond to engage in recreational opportunities such as mountain biking and hiking. Mountain Ranch’s centric location to Mount Kessler and Markham Hill makes it an ideal asset to be placed under the protection of the public domain.

The City of Fayetteville would like to work alongside the Walton Family Foundation to engage in the purchase of the 228-acre Mountain Ranch property from private ownership to permanently place this asset in the public domain. Our vision is to form partnerships with existing outdoor and recreational organizations to develop a new network of recreational opportunities such as mountain biking and hiking through the development of a series of single track and soft trails on the property. We plan to use these partnerships to develop the design, construction, and long-term maintenance of the Mountain Ranch Trail system for recreational use. The acquisition of Mountain Ranch not only expands Fayetteville’s bright track record of preservation of the environment for future generations, but also compliments our goal of stewardship and the promotion of an active and healthy lifestyle.

Mountain biking has become a major tourism driver for Northwest Arkansas in recent years. From Mount Kessler to Slaughter Pen in Bentonville, its inarguable that this growing sport has

impacted not only the quality of life in Northwest Arkansas residents, but also the regional economy. Mountain Ranch offers a wide array of slopes and contours, making it an ideal location for a new network of mountain biking trails that will complement the regions existing offerings.

One the primary reasons the acquisition makes sense for the City is the proximity of Mountain Ranch to other mountain biking opportunities throughout the region. Expanding mountain biking and hiking opportunities to include an additional 228 acres of natural space creates a place unlike many others in the region and state.

3. Output and Outcome Performance Measures

Outputs And Outcomes		
Who will do what and how much?	By when?	Measured or evaluated by?
Goal: Centennial Open Space Acquisition		
Outputs		
The City will execute a purchase agreement for the acquisition of the subject 228 acres known as tracts 4, 5, 6, & 7 of Mountain Ranch owned by Centennial Bank.	3/1/2018	Copy of the executed purchase agreement
With the grant agreement, the City will support and allow for at least 8-10 miles of natural surface trails for use by hikers, bikers and runners to be constructed on the acquired property in the future in accordance with a WFF-prepared trail master plan, submitted for review and approval under separate cover.	3/31/2018	Letter from Mayor
The City will fully acquire and take ownership of the property.	4/15/2018	Copy of recorded deed
The City will permanently place the 228 acres in the public domain and preserve the land as greenspace/open space in perpetuity, sufficiently allowing for natural surface and greenway trail development and other open space amenities typical for a park or open space.	6/1/2018	Letter from the mayor and/or resolution
Outcomes		
The City will agree to contribute funding for the property acquisition through a program related investment loan from the Walton Family Foundation in the amount \$1,651,125 to be paid back over a maximum five-year period in equal installments of \$275,187.50.	3/31/2018	Signed loan agreement
The City will commit to maintain the property, and to maintain and operate all future greenway and natural surface trails on the property to the same standards as outlined in the Razorback Regional Greenway operations and management plan as well as the guidelines listed in the	4/15/2018	Letter from Mayor

IMBA "Guide to Sweet Single-track" and "Managing Mountain Biking" handbooks.		
The City will amend its master trails plan to incorporate a future greenway trail linkage to the property.	6/1/2018	Program records

4. Evaluation of Proposed Project

Please describe how you will evaluate the project moving forward. You do not need to restate what is in section 3. Here you only say how the information will be collected.

Grantee will provide the Foundation with a final financial and narrative report by March 31, 2018. This report shall include an account of expenditures of grant funds, and a brief narrative of what was accomplished (including a description of progress made in fulfilling the purposes of the grant and a confirmation of Grantee's compliance with the terms of the grant). Success will be measured against the outputs and outcomes described above.

If an external third party evaluation will be completed, describe their evaluation plan.

5. Financial Information/Sustainability

Also, please briefly describe the plan to make the project or organization sustainable after the grant period (if applicable).

The City of Fayetteville's Parks and Recreation Department shall maintain the completed mountain biking trail network along with the entire 228 acres of parkland following the completion of the project.

6. Board Members

Please provide us with a list of your organization's board members.

7. Management/Key People Involved

Project and Organization Management – List the 1-3 people involved in managing the project and give 2-4 sentence bios

- Don Marr, Chief of Staff: Mr. Marr served on the Fayetteville Planning Commission from 1996-2001 and as Council Member on the Fayetteville City Council from 2001-2006, before taking his current position as the Chief of Staff for Mayor Jordan in 2009. As Chief of Staff, he oversees the executive management of day to day operations of city functions, staff, and citizen services.

Request from WFF	\$3,312,339	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,312,339
Other Foundations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public Agencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Corporations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Individuals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Earned Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
INCOME TOTAL	\$3,312,339	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,312,339

Budget Narrative:

Project Budget Narrative Guidance for WFF Proposals

For each budget category, include a brief description for the requested funds.

Expense Categories & Narrative Requirements

I. Personnel

- **Salaries:**
- **Benefits:**
- **Other:**

II. Direct Expenses

- **Travel:**
- **Meetings/Events:**
- **Other:** Other:
Land Acquisition: 3,302,250.00
Closing Cost, Taxes up to:10,089.60

III. Partner Expenses

- Consultants:
- Sub Grants:

IV. Overhead

-

V. Income Categories (for this grant only)

- Other Foundations:
- Public Agencies:
- Corporations:
- Other:

10. Other information

Comparable organizations and programs – Please list any other organizations that provide similar programs or services to your direct beneficiaries and describe how your program or service is different.

11. Other attachments

- i) Any organizational plan related to the Grant Request
- ii) IRS Determination Letter
- iii) Latest available IRS Form 990 for your organization
- iv) Latest available FYE statement or audit as well as current Income Statement and Balance Sheet
- v) Other optional narrative as necessary to explain project or organization
- vi) The organizational budget and board list
- vii) Other optional supporting illustrations or exhibits (e.g. maps, project/organization logic models)

WALTON FAMILY
FOUNDATION



January 29, 2018

Lioneld Jordan
Mayor
City of Fayetteville
113 W. Mountain Street
Fayetteville, AR 72701

RE: Grant #2017-2159

Dear Mayor Jordan,

It is my pleasure to inform you that the Walton Family Foundation, Inc. ("Foundation") has approved a grant in the amount of \$1,661,215.00 to the City of Fayetteville ("Grantee" or "City"). The project term will be February 1, 2018 to June 1, 2018. This grant is subject to the following terms and conditions:

- Purpose:** The purpose of the grant is to acquire ~228 acres of property for greenspace preservation and future natural surface trail development. This grant is more fully described in Grantee's proposal dated December 21, 2017. Grantee agrees to use all grant funds exclusively for the grant's purposes. Any changes in these purposes must be authorized in advance by the Foundation in writing.
- Amount: One Million, Six Hundred Sixty-One Thousand, Two Hundred Fifteen Dollars (\$1,661,215.00).**

Grant payments will be made as follows:

Installment	Amount	Date
#1	\$1,661,215.00	Upon completion of a signed grant agreement

- Payable:** This grant payment shall be initiated upon receipt of this completed letter from Grantee acknowledging the terms and conditions set forth herein. Grantee should receive grant funds electronically within 14 days of completion of this document.
- Accounting:** (a) The Foundation encourages, whenever feasible, the deposit of grant funds in an interest-bearing account. For purposes of this letter, the term "grant funds" includes the grant and any income earned thereon.

(b) Grantee will maintain records of receipts and expenditures made in connection with the grant funds and will keep these records during the period covered by the Grantee's reporting obligations specified in paragraph 5 and for at least four years thereafter ("Maintenance Period"). Grantee will make its books and records in connection with the grant



funds available for inspection by the Foundation during normal business hours as the Foundation may request at any time during the Maintenance Period.

5. **Reporting and Evaluation:** Grantee will provide the Foundation with a financial and narrative report by the due date listed in the report schedule below. This report shall include an account of expenditures of grant funds, and a brief narrative of what was accomplished (including a description of progress made in fulfilling the purposes of the grant and a confirmation of Grantee's compliance with the terms of the grant).

Report Date	Report Type
6/1/2018	Interim Financial and Narrative

Success will be measured against the outputs and outcomes described in Appendix A.

All reports will be sent electronically to HomeRegion@wffmail.com. Please reference Grant #2017-2159 on all reports submitted.

Grantee payments are always contingent upon the Foundation's approval of Grantee's operations based on the above reports and the Foundation's satisfaction with such information as it chooses to obtain from other sources.

6. **Representations:** Grantee represents and warrants to the Foundation that:

(a) Grantee is an organization in good standing, is either an organization described in section 501(c) (3) of the Internal Revenue Code ("Code") or a governmental unit, and is not a "private foundation" described in section 509(a) of the Code. Grantee will promptly notify the Foundation of any change in Grantee's tax status under the Code.

(b) In no event will Grantee use any grant funds:

(i) to carry on propaganda, or otherwise to attempt, to influence legislation;

(ii) to influence the outcome of any specific public election or to carry on, directly or indirectly, any voter registration drive; or

(iii) to undertake any activity other than for a charitable, educational or other exempt purpose specified in section 170(c)(2)(B) of the Code.

(c) Grantee will comply with all applicable laws and regulations.

7. **Repayment:** Grantee agrees to repay to the Foundation any portion of the grant funds not used for the grant's purposes. In addition, the Foundation may discontinue any further payments to Grantee, and may direct Grantee to repay any unexpended grant funds to the Foundation, if any of the following events occurs:

(a) Grantee ceases to maintain its tax-exempt status as described in paragraph 6(a) above;

(b) Grantee fails to comply with the terms of this letter; or

(c) There is a material change in Grantee's key personnel that in the sole opinion of the Foundation adversely affects Grantee's management of the grant.

8. **Release and Indemnity:** Unless prohibited by law, Grantee shall release, indemnify, defend and hold harmless the Foundation and its directors, officers, employees and agents from and against any and all claims, actions, suits, demands, damages, losses, expenses and liabilities, arising out of or related in any way to the actions or omissions of Grantee (or its directors, officers, employees, agents or contractors) in connection with the Grant and the project funded by the Grant, except to the extent caused by the Foundation's (or its directors', officers', employees' or agents') negligent actions or omissions. Grantee further agrees to carry insurance in such forms and amounts as are commercially reasonable and appropriate to cover Grantee's operations and to enable Grantee to indemnify and defend the Foundation as provided hereunder.

9. **Grant Publicity:** Grant publicity related to this grant consistent with Grantee's normal practice is permitted, subject to the following provisions. The Foundation expects any announcements and other publicity to focus on Grantee's work and the project or issue funded by the grant. Recognition of the Foundation's role in funding the project is permitted, provided that the timing, content and strategic focus of such publicity should be approved by the Foundation contact listed in paragraph 11. Publicizing the grant and the Foundation in Grantee's publications and communications in a manner consistent with similar grants obtained by Grantee is permitted.

The Foundation may ask Grantee to provide illustrations, photographs, videos, recordings, information or other materials related to the grant (collectively "Grant Work Product") for use in Foundation communications including the Foundation's website, annual report, newsletters, board materials, presentations, communications and other publications. Grantee agrees to provide the Foundation with such items upon the Foundation's reasonable request and hereby grants to the Foundation and anyone acting under the authority of the Foundation a fully paid-up, world-wide, right and license to use, reproduce, display and distribute the Grant Work Product in connection with the Foundation's charitable operations and activities. In connection therewith, Grantee shall be responsible for obtaining all necessary rights and permissions from third parties for the Foundation to use the Grant Work Product for these purposes. By signing this Agreement, Grantee also acknowledges and agrees to use by the Foundation of historical, programmatic and other information relating to Grantee and the grant hereunder.

10. **Gratuities:** The Foundation desires that all of Grantee's resources be dedicated to accomplishing its philanthropic purposes. Therefore, Grantee agrees that it will not furnish the Foundation or its Board of Directors, officers, staff or affiliates with any type of benefit related to this grant including tickets, tables, memberships, commemorative items, recognition items, or any other benefit or gratuity of any kind.

11. **Contact:** For all communications regarding this grant, please contact the Foundation by email at HomeRegion@wffmail.com. Please reference Grant #2017-2159 in your communication.

We have enclosed the grant letter. By electronically signing this item the Grantee acknowledges and agrees to the terms and conditions herein. A copy of the completed document will be emailed to the Grantee through DocuSign. If the electronic signing of this item is not completed by February 28, 2018 the Foundation will consider the Grantee to have declined the grant.

On behalf of the Foundation, I extend every good wish for the success of your organization's endeavors.

Sincerely,

Kyle J. Peterson
Executive Director

ACKNOWLEDGED AND AGREED

By: _____
Lioneld Jordan (Date)
City of Fayetteville

**Appendix A: City of Fayetteville
Centennial Open Space Acquisition**

Outputs And Outcomes		
Who will do what and how much?	By when?	Measured or evaluated by?
Goal: Centennial Open Space Acquisition		
Outputs		
The City will execute a purchase agreement for the acquisition of the subject 228 acres known as tracts 4, 5, 6, & 7 of Mountain Ranch owned by Centennial Bank.	3/1/2018	Copy of the executed purchase agreement
With the grant agreement, the City will support and allow for at least 8-10 miles of natural surface trails for use by hikers, bikers and runners to be constructed on the acquired property in the future in accordance with a WFF-prepared trail master plan, submitted for review and approval under separate cover.	3/31/2018	Letter from Mayor
The City will fully acquire and take ownership of the property.	4/15/2018	Copy of recorded deed
The City will permanently place the 228 acres in the public domain and preserve the land as greenspace/open space in perpetuity, sufficiently allowing for natural surface and greenway trail development and other open space amenities typical for a park or open space.	6/1/2018	Letter from the mayor and/or resolution
Outcomes		
The City will agree to contribute funding for the property acquisition through a program related investment loan from the Walton Family Foundation in the amount \$1,651,125 to be paid back over a maximum five-year period in equal installments of \$275,187.50.	3/31/2018	Signed loan agreement
The City will commit to maintain the property, and to maintain and operate all future greenway and natural surface trails on the property to the same standards as outlined in the Razorback Regional Greenway operations and management plan as well as the guidelines listed in the IMBA "Guide to Sweet Single-track" and "Managing Mountain Biking" handbooks.	4/15/2018	Letter from Mayor
The City will amend its master trails plan to incorporate a future greenway trail linkage to the property.	6/1/2018	Program records

WALTON FAMILY
FOUNDATION



January 29, 2018

Lioneld Jordan
Mayor
City of Fayetteville
113 W. Mountain Street
Fayetteville, AR 72701

Loan: 2018-93

Dear Mayor Jordan,

It is my pleasure to inform you that the Walton Family Foundation, Inc. (“Foundation” or “WFF”) has approved a program-related investment (“PRI”) of \$1,651,125.00 in the form of a loan (“Loan”) to the City of Fayetteville (“Borrower” or “City”). This PRI is at the recommendation of Stuart Walton and Tom Walton, and is subject to the following terms and conditions:

- Purpose:** The purpose of the Loan is to provide the Borrower with \$1,651,125.00 to acquire ~228 acres of property for greenspace preservation and future natural surface trail development, as more fully described in the Borrower’s Proposal dated December 21, 2017 and in a separate loan agreement dated the same date as this letter (“Loan Agreement”).

The Loan is to be repaid in full on April 1, 2022 (or at such earlier time as provided in Section 1.2 of the Loan Agreement) according to the following schedule:

Payment Date	Amount Due
March 31, 2018	\$275,187.50 principal payment
April 1, 2018	\$275,187.50 principal payment
April 1, 2019	\$275,187.50 principal payment
April 1, 2020	\$275,187.50 principal payment
April 1, 2021	\$275,187.50 principal payment
April 1, 2022	\$275,187.50 principal payment

The Loan’s terms are more fully stated in the Loan Agreement and its exhibits, and the terms of the Loan Agreement (including its exhibits) shall control if inconsistent with the terms of this letter. Repayment of the Loan is an unsecured, full recourse obligation of the Borrower as indicated in the Promissory Note attached as Exhibit A to the Loan Agreement.

- Amount:** One Million Six Hundred Fifty-One Thousand And One Hundred Twenty-Five (\$1,651,125.00).



The loan payment will be made as follows:

Installment	Amount	Date
#1	\$1,651,125.00	Available upon completion of a signed Loan Agreement

3. **Payable:** The installment of \$1,651,125.00 shall be available for disbursement within 14 days after the Foundation’s receipt of this completed letter and associated documents from Borrower acknowledging the terms and conditions set forth herein and compliance with the items stated in Section 1.1 of the Loan Agreement. The associated documents shall consist of a copy of the signed Loan Agreement, promissory note, and related documents.

4. **Accounting:** (a) The Foundation encourages, whenever feasible, the deposit of loan funds in an interest-bearing account. For purposes of this letter, the term “loan funds” includes the loan and any income earned thereon.

(b) Borrower will maintain records of receipts and expenditures made in connection with the loan funds and will keep these records during the period covered by the Borrower’s reporting obligations specified in paragraph 5 and for at least four years thereafter (“Maintenance Period”). Borrower will make its books and records in connection with the loan funds available for inspection by the Foundation during normal business hours as the Foundation may request at any time during the Maintenance Period.

5. **Reporting and Evaluation:** (a) Borrower will provide the Foundation with an annual report on Borrower’s use of the Loan funds by December 31st of each year (beginning in 2018), until the Loan is terminated as provided in the Loan Agreement. Each such report should include an account of expenditures of Loan funds and a narrative of what was accomplished by the use of such funds during the preceding year (including a description of progress made in fulfilling the purposes of the Loan and a confirmation of Borrower’s compliance with the terms of the Loan) and other information as indicated in Section 4.6 of the Loan Agreement. Foundation staff will evaluate the effectiveness of Borrower’s performance through internal review of progress made against the performance measures outlined in Appendix A.

(b) In addition, Borrower will provide the Foundation with annual financial statements as indicated in Section 4.3 of the Loan Agreement and any other information that the Foundation may reasonably request concerning Borrower or the Loan. This includes, without limitation, participating in the Foundation’s annual Program Related Investment utilization study and providing requested data on PRI performance.

(c) All reports will be sent electronically to HomeRegion@wffmail.com. Please reference Loan #2018-93 on all reports submitted.

6. **Representations:** Borrower represents and warrants to the Foundation that:

(a) Borrower is an organization in good standing, is either an organization described in section 501(c)(3) of the Internal Revenue Code (“Code”) or a governmental unit, and is not a “private foundation” described in section 509(a) of the Code. Borrower will promptly notify the Foundation of any change in Borrower’s tax status under the Code.

- (b) In no event will Borrower use any loan funds:
 - (i) to carry on propaganda, or otherwise to attempt, to influence legislation;
 - (ii) to influence the outcome of any specific public election or to carry on, directly or indirectly, any voter registration drive; or
 - (iii) to undertake any activity other than for a charitable, educational or other exempt purpose specified in section 170(c)(2)(B) of the Code.
- (c) Borrower will comply with all applicable laws and regulations.
- (d) Borrower will promptly notify the Foundation of any change in the individual serving as Borrower's CEO or any material change in such officer's responsibilities.

7. **Release and Indemnity:** Borrower hereby releases, indemnifies and agrees to defend and hold harmless the Foundation, its directors, officers, employees or agents, from and against any and all losses, liability, damages, and expenses (including attorneys' fees and expenses) which any of them may incur or be obligated to pay in any action, claim, or proceeding against them or any of them, for or by reason of any acts, whether of omission or commission, that may be committed or omitted by the Borrower or any of its directors, officers, employees or agents, in connection with the Loan and the project funded by the Loan. Borrower further agrees to carry insurance in such forms and amounts as are commercially reasonable and appropriate to cover Borrower's operations and to enable Borrower to indemnify and defend the Foundation as provided hereunder.

8. **Repayment:** The Foundation may discontinue any further payments to Borrower, and may direct Borrower to repay any unexpended loan funds to the Foundation, if any of the following events occurs:

- (a) Borrower ceases to maintain its tax-exempt status as described in paragraph 6(a) above;
- (b) Borrower fails to comply with the terms of this letter; or
- (c) There is a material change in Borrower's key personnel that in the sole opinion of the Foundation adversely affects Borrower's management of the loan.

9. **Loan Publicity:** Publicity related to this Loan consistent with Borrower's normal practice is permitted, subject to the following provisions. The Foundation expects any announcements and other publicity to focus on Borrower's work and the project or issue funded by the Loan. Recognition of the Foundation's role in funding the project is permitted, provided that the timing, content and strategic focus of such publicity should be approved by the Foundation by sending a request to: HomeRegion@wffmail.com (please reference Loan #2018-93). Publicizing the Loan and the Foundation in Borrower's publications and communications in a manner consistent with similar loans obtained by Borrower is permitted. If publicized or recognized, please coordinate communications about this PRI with your Foundation contact prior to any announcements.

The Foundation may ask Borrower to provide illustrations, photographs, videos, recordings, information or other materials related to the loan (collectively "Work Product") for use in Foundation communications including the Foundation's website, annual report, newsletters, board materials, presentations, communications and other publications. Borrower agrees to provide the Foundation with such items upon the Foundation's reasonable request and hereby authorizes the Foundation and anyone acting under the authority of the Foundation a fully paid-up, world-wide, right and license to use, reproduce, display and distribute the Work Product in connection with the Foundation's charitable operations and activities. In connection therewith, Borrower shall be responsible for obtaining all necessary rights and permissions from third parties for the Foundation to use the Work Product for these purposes. By signing this Agreement, Borrower also acknowledges and agrees to use by the Foundation of historical, programmatic and other information relating to Borrower and the Loan hereunder.

10. **Gratuities:** Borrower agrees that it will not furnish the Foundation or its Board of Directors, officers, staff or affiliates with any membership, tickets, tables, commemorative items, recognition plaques or gratuities or benefits of any kind.

11. **Contact:** If you need to contact the Foundation about your loan, please email HomeRegion@wffmail.com. Please reference Loan #2018-93 in your communication.

We have enclosed the loan agreement, promissory note, and officer's certificate. Please sign as the Borrower's acknowledgment of the terms and conditions herein stated. If the signed acknowledgment of this letter, promissory note, loan agreement, and officer's certificate are not received in the Foundation's office by February 28, 2018, the Foundation will consider the Borrower to have declined the loan.

On behalf of the Foundation, I extend every good wish for the success of your organization's endeavors.

Sincerely,

Kyle J. Peterson
Executive Director

ACKNOWLEDGED AND AGREED

By: _____
Mayor Lioneld Jordan
City of Fayetteville

**Appendix A: City of Fayetteville
Centennial Open Space Acquisition**

Outputs And Outcomes		
Who will do what and how much?	By when?	Measured or evaluated by?
Goal: Centennial Open Space Acquisition		
Outputs		
The City will execute a purchase agreement for the acquisition of the subject 228 acres known as tracts 4, 5, 6, & 7 of Mountain Ranch owned by Centennial Bank.	3/1/2018	Copy of the executed purchase agreement
With the grant agreement, the City will support and allow for at least 8-10 miles of natural surface trails for use by hikers, bikers and runners to be constructed on the acquired property in the future in accordance with a WFF-prepared trail master plan, submitted for review and approval under separate cover.	3/31/2018	Letter from Mayor
The City will fully acquire and take ownership of the property.	4/15/2018	Copy of recorded deed
The City will permanently place the 228 acres in the public domain and preserve the land as greenspace/open space in perpetuity, sufficiently allowing for natural surface and greenway trail development and other open space amenities typical for a park or open space.	6/1/2018	Letter from the mayor and/or resolution
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The City will agree to contribute funding for the property acquisition through a program related investment loan from the Walton Family Foundation in the amount \$1,651,125 to be paid back over a maximum five-year period in equal installments of \$275,187.50.	3/31/2018	Signed loan agreement
The City will commit to maintain the property, and to maintain and operate all future greenway and natural surface trails on the property to the same standards as outlined in the Razorback Regional Greenway operations and management plan as well as the guidelines listed in the IMBA "Guide to Sweet Single-track" and "Managing Mountain Biking" handbooks.	4/15/2018	Letter from Mayor
The City will amend its master trails plan to incorporate a future greenway trail linkage to the property.	6/1/2018	Program records

**LOAN AGREEMENT
BETWEEN
THE WALTON FAMILY FOUNDATION, INC.,
AND
CITY OF FAYETTEVILLE, ARKANSAS**

This Loan Agreement (the "Agreement") is entered into as of _____, 2018 between THE WALTON FAMILY FOUNDATION, INC., a Delaware nonprofit, nonstock corporation, with offices at 110 NW 2nd Street, Suite 200, Bentonville, AR 72712, (the "Lender") and THE CITY OF FAYETTEVILLE, ARKANSAS, a municipality and political subdivision under the laws of the State of Arkansas, with offices at 113 W Mountain, Fayetteville, AR 72701 (the "Borrower").

RECITALS

WHEREAS, the Borrower has applied to the Lender for a loan in the amount of up to \$1,651,125.00, with the proceeds thereof to be used by the Borrower for the purposes described in Section 1.3 of this Agreement, in furtherance of the exempt purposes of the Borrower and in furtherance of the exempt purposes of the Lender, both as described in Section 170(c)(2)(B) of the Internal Revenue Code of 1986, as amended (the "Code");

WHEREAS, the Lender and the Borrower intend that the transactions provided for in this Agreement constitute a "program related investment" of the Lender within the meaning of Code Section 4944(c) and Treasury Regulations Section 53.4944-3; and

WHEREAS, the Lender is willing to make such loan to the Borrower upon the terms and subject to the conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**ARTICLE I
THE LOAN AND ITS PURPOSE**

Section 1.1 The Loan. In accordance with the provisions of this Agreement and subject to the conditions precedent set forth in Section 3.1, the Lender agrees to make a loan to the Borrower in the aggregate principal amount of up to ONE MILLION SIX HUNDRED FIFTY-ONE THOUSAND AND ONE HUNDRED TWENTY FIVE/100 DOLLARS (\$1,651,125.00) (the "Loan") payable in one installment, within 14 days of _____ (the "Closing Date") at such place as the parties may mutually agree. Within 14 days of the Closing Date, upon fulfillment of all the conditions precedent set forth in Article III hereof the Lender shall issue a check or wire transfer to the Borrower funds in the amount of the Loan.

Section 1.2 The Note and Repayment of the Loan. (a) The Loan shall be evidenced by a promissory note of the Borrower (the "Note"), substantially in the form attached hereto as Exhibit A, duly executed on behalf of the Borrower by its authorized representatives and dated the Closing

Date. The Borrower hereby irrevocably authorizes the Lender to make (or cause to be made) appropriate notations on the schedule attached to the Note (or at the Lender’s option, in its records), which notations, if made, shall evidence, inter alia, the date and outstanding principal balance of the Loan evidenced thereby and the date and amount of each payment of principal thereon. Such notations shall be rebuttably presumptive evidence of the subject matter thereof absent manifest error; provided, however, that the failure to make any such notations shall not limit or otherwise affect any of the Loan or any payment thereon.

(b) The Loan shall bear no interest.

(c) Unless (i) earlier repaid pursuant to the provisions of this Agreement (including, without limitation, clause (e) below), or (ii) all amounts under this Agreement are required to be repaid on any earlier date in accordance with Section 6.2, or (iii) an amount is required to be repaid on an earlier date in accordance with Section 1.2(g), the outstanding principal balance of the Loan shall be due and payable in six equal installments of \$275,187.50, as follows:

Payment Date	Amount Due
March 31, 2018	\$275,187.50 principal payment
April 1, 2018	\$275,187.50 principal payment
April 1, 2019	\$275,187.50 principal payment
April 1, 2020	\$275,187.50 principal payment
April 1, 2021	\$275,187.50 principal payment
April 1, 2022	\$275,187.50 principal payment

(d) All payments hereunder shall be made by check or wire transfer to the Lender in the lawful money of the United States. If a payment is due on a day that is not a business day (which shall be any day other than a Saturday or Sunday that the Lender is open for business and banks are not authorized or required to be closed under the laws of the State of Arkansas), such payment may be made on the next succeeding business day. The Borrower shall make all payments to the Lender’s account set forth on Schedule I to this Agreement, or such other account as the Lender shall designate in writing to the Borrower not less than ten (10) days before a payment is due.

(e) The Borrower may prepay all or any part of the Loan at any time without premium or penalty, provided that any prepayment shall be in the minimum amount of \$100,000. Amounts repaid may not be reborrowed.

(f) If any payment of principal is not paid within ten (10) days after the due date, then such overdue amount shall, without limiting the rights of the Lender, bear interest at the rate of the lesser of five percent (5%) per annum or the maximum rate permitted under applicable law, which shall accrue from the due date until paid.

Section 1.3 Purpose of the Loan. The Lender and the Borrower agree that the purpose of the Loan is to provide the Borrower with up to \$1,651,125.00 to acquire approximately

228 acres for permanent greenspace preservation and future natural surface trails, as more fully described in the Borrower's Proposal dated December 17, 2017 and the loan letter (Loan Letter") between the Lender and Borrower dated the same date as this Agreement.

Section 1.4 Use of Proceeds. The Borrower shall use the proceeds of the Loan and any investment income derived therefrom (the "Loan proceeds") exclusively for the purposes set forth in Section 1.3, unless alternative use of funds is approved in writing by the Lender.

Section 1.5 Program Related Investment. Consistent with Code Section 4944(c) and Treasury Regulations Section 53.4944-3:

(a) The primary purpose of the Loan is to accomplish one or more of the purposes of the Lender and the Borrower described in Code Section 170(c)(2)(B);

(b) No significant purpose of the Loan is the production of income or the appreciation of property; and

(c) No purpose of the Loan is to accomplish one or more of the purposes described in Code Section 170(c)(2)(D).

It is intended that the Loan will significantly further the accomplishment of the Lender's and the Borrower's respective exempt activities. The Lender would not make the Loan but for this relationship between the Loan and the accomplishment of the Lender's exempt purposes.

ARTICLE II REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lender as of the Closing Date that:

Section 2.1 Organization and Powers. (a) The Borrower is a municipality and political subdivision under the laws of the State of Arkansas.

(b) The Borrower is duly formed, validly existing, and in good standing under the laws of the State of Arkansas. The Borrower has the statutory and regulatory power and authority to own its assets and properties and to carry on its activities as now conducted and as contemplated to be conducted. The Borrower has the statutory and regulatory power and authority to execute, deliver and perform this Agreement, to execute and deliver the Note, and to borrow hereunder.

Section 2.2 Authorization; Binding Agreement. The execution, delivery and performance by the Borrower of this Agreement, the execution and delivery of the Note, and the borrowing hereunder, have been duly authorized by all requisite corporate action. Upon execution and delivery of each of them by the Borrower, this Agreement and the Note (the "Loan Documents") will constitute the legal, valid, and binding obligations of the Borrower, enforceable in accordance with their terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency or other similar laws of general application or equitable principles relating to or affecting the enforcement of creditors' rights from time to time in effect.

Section 2.3 Litigation. There is no action, suit or proceeding at law or in equity pending or threatened before any court or governmental or administrative body or regulatory authority or agency which, individually or in the aggregate, could reasonably be expected to result in a material adverse change in the activities, operations, assets or properties or in the condition, financial or otherwise, of the Borrower, or materially to impair the ability of the Borrower to perform its obligations under this Agreement and the Note. The Borrower is not in default with respect to any judgment, writ, injunction, decree, rule or regulation of any court or any governmental or administrative body or agency.

Section 2.4 No Conflicts; No Government Consents. (a) The execution, delivery and performance by the Borrower of this Agreement and the Note and the borrowing hereunder will not violate any provision of law, any order, writ, injunction, decree, rule or regulation of any court or governmental or administrative body or regulatory authority or agency, the Articles or Certificate of Incorporation or By-Laws of the Borrower or any indenture, agreement or instrument to which the Borrower is a party or by which the Borrower or its assets or properties are bound, or conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any such indenture, agreement or instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the assets or properties of the Borrower.

(b) No consent, approval or authorization of, or declaration or filing with, any governmental or administrative body or agency on the part of the Borrower is required for the valid execution, delivery and performance by the Borrower of this Agreement or the Note and the borrowing hereunder.

Section 2.5 No Default. The Borrower is in compliance with all of the terms and provisions set forth in the Loan Documents on its part to be observed or performed, and no Event of Default (as defined in Article VI hereof), or any event that, with notice or lapse of time or both, would constitute any such Event of Default, has occurred and is continuing.

Section 2.6 Financial Condition. There has been no material adverse change in the Borrower's financial condition since applying for this Loan. Financial statements, which have heretofore been provided by the Borrower to the Lender, are complete and correct and fairly present (a) the financial position of the Borrower as of their respective dates and (b) the results of the Borrower's operations for the respective periods then ended.

Section 2.7 Taxes. The Borrower has filed all tax and information returns required to be filed in any jurisdiction and has paid all taxes, assessments, fees or other governmental charges upon the Borrower or upon any of its assets or income, which have become due and payable except for any taxes and assessments (a) the amount of which is not individually or in the aggregate material or (b) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the Borrower has established adequate reserves. There are no tax audits presently being conducted in respect of the Borrower.

Section 2.8 Disqualified Persons. Neither the Borrower, nor any director, officer, or employee of the Borrower, is a "disqualified person" with respect to the Lender within the meaning of Section 4946(a) of the Code.

Section 2.9 Insurance Coverage. The Borrower has insurance coverage in full force and effect, against such risks and in such amounts as is customarily maintained by organizations engaged in similar activities.

Section 2.10 Title to Properties. The Borrower has good title to its assets and properties free and clear of any lien, charge or encumbrance which could adversely affect either the Borrower's ability to (a) perform its obligations under this Agreement or the Note or (b) use the Loan.

Section 2.11. Solvency. The Borrower is not contemplating the commencement of insolvency, bankruptcy, litigation or consolidation proceedings or the appointment of a receiver, liquidator, custodian, trustee or similar official in respect of the Borrower or any of its property or assets.

ARTICLE III CLOSING CONDITIONS

Section 3.1 Closing Conditions. The obligation of the Lender to make the Loan is subject to the conditions precedent that the Lender shall have received the following:

- (a) The receipt of this Agreement, duly executed and delivered by the Borrower, in full force and effect;
- (b) The receipt of the Note, duly completed, executed and delivered by the Borrower, in full force and effect;
- (c) The receipt of the Loan Letter, duly completed, executed and delivered by the Borrower, in full force and effect;
- (d) The receipt of an Officer's Certificate of the Borrower, in the form of Exhibit B attached hereto, with appropriate attachments; and
- (e) Certificates from the appropriate governmental authorities certifying that the Borrower is duly formed under the laws of the State of Arkansas and is in good standing under the laws of such jurisdiction.

ARTICLE IV AFFIRMATIVE COVENANTS

The Borrower covenants and agrees that so long as this Agreement shall remain in effect or the Note shall not have been repaid in full, and unless the Lender shall otherwise consent in writing in advance:

Section 4.1 Tax Status. The Borrower shall maintain its status as a municipality and political subdivision under the laws of the State of Arkansas. The Borrower shall not use any Loan proceeds to engage, directly or indirectly, in any activity described in the Code which would cause it to be disqualified for tax exemption under Section 501(c)(3) of the Code, including, without limitation, substantially carrying on propaganda or otherwise attempting to influence legislation;

participating in, or intervening in (including the publishing or distribution of any statements) any political campaign on behalf of (or in opposition to) any political candidate for public office or attempting to influence the outcome of any specific public election, or carrying on any voter registration drive.

Section 4.2 Payment of Indebtedness and Taxes. The Borrower shall pay all of its indebtedness and obligations promptly and in accordance with the terms thereof, file or cause to be filed all federal, state and local tax or information returns which are required to be filed by it and pay and discharge or cause to be paid and discharged promptly any taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits, or upon any of its property or upon any part thereof, before the same shall become in default, as well as all lawful claims for labor, materials and supplies or otherwise which, if unpaid, might become a lien or charge upon such property, or any part thereof; provided, however, that the Borrower shall not be required to pay and discharge or to cause to be paid and discharged any such indebtedness, obligation, tax, assessment, charge, levy or claim so long as the validity thereof shall be contested in good faith by appropriate proceedings and adequate reserves therefore shall be set aside.

Section 4.3 Financial Statements. The Borrower shall furnish, or cause to be furnished, to the Lender, (a) within one hundred and fifty (150) days after the end of each fiscal year of the Borrower, a balance sheet as of the end of such fiscal year, and the related statements of support, revenue, expenses and changes in fund balance and statements of changes in financial position of the Borrower, setting forth in each case in comparative form the figures for the previous fiscal year, which shall be in reasonable detail and shall be reported on by independent public accountants selected by the Borrower and reasonably acceptable to the Lender, to the effect that such financial statements present fairly in all material respects the financial condition and results of operation of the Borrower in accordance with generally accepted accounting principles consistently applied, and (b) within sixty (60) days after the end of each fiscal quarter of the Borrower, a balance sheet as of the end of such fiscal quarter, and statements of support, revenue, expenses and change in fund balance and statements of changes in financial position of the Borrower, both for such quarter and for the period from the beginning of the fiscal year to the end of such fiscal quarter, setting forth in each case in comparative form for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of its financial officers as presenting fairly in all material respects the financial condition and results of operation of the Borrower in accordance with generally accepted accounting principles consistently applied.

Section 4.4 Notice to the Lender. The Borrower shall advise the Lender, immediately upon any officer of the Borrower becoming aware thereof, of the occurrence of any of the following events:

4.4.1 Any proceeding instituted or threatened against the Borrower in or before any court or any governmental or administrative body or agency, which proceeding could have a material adverse effect upon the operations, assets, or properties of the Borrower; or any investigation, adverse regulatory action, or proposed action by any governmental body or agency against the Borrower, which investigation or action is likely to have a material adverse effect upon the operations, assets, or properties of the Borrower;

4.4.2 Any termination, revocation, suspension, or denial of or challenge to the tax-exempt status or nonprofit corporate status of the Borrower by any governmental authority;

4.4.3 Any change in circumstances that would cause the Loan no longer to serve the purposes stated in Sections 1.3 and 1.4 hereof;

4.4.4 Any use of the Loan proceeds for a purpose other than those set forth in Section 1.3;

4.4.5 Any material adverse change in the condition, financial or otherwise, or operations of the Borrower, any organizational change of control over the Borrower (including without limitation, a merger or consolidation of the Borrower with another organization), or any change in the individual serving as the Borrower's chief executive officer or any material change in such officer's responsibilities;

4.4.6 Any Event of Default or other event that, with notice or lapse of time or both, would constitute an Event of Default; or

4.4.7 Any change or threatened change to Borrower's status as a tax-exempt organization and public charity under Section 501(c)(3) and Section 509(a)(1) of the Code.

Section 4.5 Corporate Existence and Properties. The Borrower shall do or cause to be done all things necessary to preserve, renew and keep in full force and effect its corporate existence, and comply in all material respects with all laws and regulations applicable to it.

Section 4.6 Annual Narrative and Financial Reports.

(a) The Borrower shall provide to the Lender annually, by December 31 of each year, a financial and narrative report on the use of the Loan proceeds for each preceding period and a cumulative report on the use of the Loan proceeds from the date of the Loan to the date of the most recent annual narrative report, which reports shall include an account of expenditure of the Loan proceeds, a list of individual projects funded with Loan proceeds, the Borrower's overall progress in fulfilling the purpose of the Loan, a confirmation of the Borrower's compliance with the terms of this Agreement, and such other information as the Lender may reasonably request. A final report shall be due by December 31, 2022.

(b) The Borrower agrees that it shall maintain records of receipts of expenditures of the Loan proceeds made in connection with the Loan for a period of four years after the date the Loan is paid in full. The Borrower hereby consents to the Lender, at the Lender's request and during normal business hours, entering the Borrower's property and inspecting such records. The obligation in this clause (b) shall survive the expiration or termination of this Agreement.

ARTICLE V NEGATIVE COVENANTS

The Borrower covenants and agrees that so long as this Agreement shall remain in effect or the Note shall not have been paid in full, and unless the Lender shall otherwise consent in writing in advance:

Section 5.1 Legislative and Political Uses of Loan Proceeds. The Borrower shall not use any proceeds of the Loan for any of the purposes described in Section 170(c)(2)(D) of the Code, except as permitted by U.S. Treasury Regulations. The Borrower shall not use any proceeds of the Loan to carry on propaganda or otherwise to attempt to influence legislation (within the meaning of Section 4945(d)(1) of the Code), or to influence the outcome of any specific public election, or to carry on, directly or indirectly, any voter registration drive (within the meaning of Section 4945(d)(2) of the Code).

Section 5.2 No Material Change. The Borrower shall not make any material change in the nature of its activities as presently conducted that would adversely affect the Borrower's ability to perform under the Loan Documents. Furthermore, the Borrower shall not conduct its activities in a manner that materially departs from the representations made in the documents submitted by Borrower to the Lender in connection with Borrower's request for the Loan.

Section 5.3 Governing Document Amendments. The Borrower shall not amend its Articles of Incorporation or By-Laws in any manner that would cause the Borrower to be in violation of any provision of the Loan Documents or which would jeopardize the ability of the Borrower to perform its obligations under the Loan Documents.

ARTICLE VI DEFAULT AND REMEDIES

Section 6.1 Events of Default. The Borrower shall be deemed to be in default under this Agreement upon the occurrence of any of the following events (each of which is herein sometimes called an "Event of Default"):

6.1.1 The Borrower fails to make any payment that is due and payable hereunder or under the Note, and such default continues unremedied for ten (10) days after notice to the Borrower;

6.1.2 The Borrower uses any portion of the proceeds of the Loan for a purpose or in a manner other than as specifically authorized by this Agreement;

6.1.3 Any material representation or warranty made in the Loan Documents, or in any report, certificate, financial statement, or instrument furnished in connection with this Agreement or the Loan, shall prove to have been false or misleading when made, in any material respect;

6.1.4 The Borrower violates or fails to observe or perform any covenant contained in Sections 4.1 or 4.4 or Article 5 hereof;

6.1.5 The Borrower violates or fails to observe or perform any other covenant contained herein, or any agreement on the part of the Borrower to be observed or performed pursuant to the Loan Documents, other than those referred to above in Section 6.1.4 above, and such default shall continue unremedied for thirty (30) days after the earlier of (a) the Borrower obtaining knowledge thereof or (b) the Lender delivers notice thereof to the Borrower;

6.1.6 The Borrower shall (a) cease operations; (b) apply for or consent to the appointment of a custodian, receiver, trustee or liquidator for it or for all or a substantial part of its assets or properties; (c) generally not pay its debts as they become due or admit in writing its inability to pay its debts as they become due; (d) default on the payment of indebtedness for borrowed money or any other monetary obligation, in each case, in respect of an obligation having an aggregate value in excess of \$50,000; (e) make an assignment for the benefit of creditors; or (f) file a petition commencing a voluntary case under any chapter of the Bankruptcy Code, 11 U.S.C. Section 101 et seq. or a petition seeking for itself any reorganization or arrangement with creditors or to take advantage of any bankruptcy, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law, or corporate action shall be taken by the Borrower for the purpose of effecting any of the foregoing;

6.1.7 An involuntary proceeding shall be commenced or a petition shall be filed seeking (i) reorganization, arrangement, readjustment, dissolution or liquidation of all or a substantial part of the Borrower's assets or properties, under any federal, state or foreign bankruptcy, insolvency, receivership or similar law, or (ii) the appointment of a custodian, receiver, trustee or liquidator for the Borrower or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for ninety (90) days or an order or decree approving or ordering any of the foregoing shall be entered;

6.1.8 A judgment or judgments for the payment of money aggregating in excess of \$50,000 shall be entered against the Borrower, and the same shall remain unsatisfied and in effect, without stay of execution, for a period of thirty (30) consecutive days;

6.1.9 The Internal Revenue Service determines that the Borrower is not a tax-exempt organization and public charity as described in Section 501(c)(3) and Section 509(a)(1) of the Code; or

6.1.10 The Borrower's key personnel ceases to be actively involved in the management of the Borrower, as determined by the Lender in its reasonable business judgment, and the Borrower fails to timely appoint a successor reasonably acceptable to Lender.

Section 6.2 Remedies. If an Event of Default occurs or is continuing:

(a) Lender may, by written notice to the Borrower, declare all amounts under this Agreement and the Note forthwith to be due and payable, whether or not the indebtedness evidenced by the Note shall be otherwise due and payable and whether or not Lender shall have

initiated any other action for the enforcement of the Note, and whereupon the Note shall become immediately due and payable as to principal and any other amounts payable under the Note, without presentment, demand, protest, notice or other formalities of any kind, all of which are expressly waived by the Borrower;

(b) Lender may protect and enforce its rights by appropriate judicial proceedings, including, in appropriate cases, an award of specific performance or other equitable remedy in aid of the exercise of power granted in or pursuant to this Agreement; and

(c) Upon the occurrence of any Event of Default described in subsections 6.1.6 or 6.1.7 hereof, all amounts outstanding under this Agreement and the Note shall immediately be due and payable without presentment, demand, protest, notice or other formalities of any kind, all of which are hereby expressly waived by Borrower.

ARTICLE VII MISCELLANEOUS

Section 7.1 Entire Agreement; Amendment. This Agreement, the Loan Letter and the Exhibits annexed hereto constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all prior agreements or understandings, written or oral, in respect thereof, and shall not be amended or modified in any fashion except by instrument in writing signed by the party charged with such amendment or modification. The Exhibits annexed hereto are incorporated in and made a part of this Agreement.

Section 7.2 Notices. Any notice or communication given under this Agreement shall be in writing and delivered by hand or mailed by first class mail, by courier, postage prepaid (mailed notices shall be deemed given three (3) business days after mailing), or by facsimile or e-mail with a hard copy sent by one of the methods identified above, to the following addresses:

If to the Borrower, to:

Lioneld Jordan, Mayor
City of Fayetteville
113 W. Mountain Street
Fayetteville, AR 72701
(479) 444-3471 / mayor@fayetteville-ar.gov

If to the Lender, to:

Lisa Montez, General Counsel
The Walton Family Foundation, Inc.
110 NW 2nd St., Suite 200
Bentonville, Arkansas 72712
(479) 464-1585 / lmontez@wffmail.com

or to such other address or addresses as hereafter shall be furnished as provided in this Section 7.2 by either of the parties hereto to the other party hereto.

Section 7.3 Waiver; Remedies. No delay on the part of either party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of either party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

Section 7.4 Assignment. The Lender may assign all or any portion of its rights or obligations under the Loan Documents, and in the event of such assignment, the assignee shall be accorded the full rights of the Lender by the Borrower with respect to such assignment. The Borrower may not assign all or any portion of its rights or obligations under the Loan Documents without the prior written consent of the Lender.

Section 7.5 Headings. The headings in the Loan Documents are for convenience of reference only and shall not affect the meaning or interpretation of the Loan Documents.

Section 7.6 Variation of Pronouns. All pronouns and all variations thereof shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.

Section 7.7 Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement, and either party hereto may execute this Agreement by signing one or more counterparts thereof.

Section 7.8 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 7.9 Governing Law; Jurisdiction; Consent to Service of Process. This Agreement shall be governed by and construed in accordance with the laws of the State of Arkansas applicable to agreements made within such State. The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the state courts of the State of Arkansas and of the United States District Court of the Western District of Arkansas, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such Arkansas State court or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its properties in the courts of any jurisdiction. The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this

Agreement in any court referred to in this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 7.2. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

Section 7.10 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 7.11 Other Parties. Nothing in the Loan Documents shall be construed as giving any person, firm, corporation, or other entity other than the parties any right, remedy, or claim under or in respect of the Loan Documents or any provision thereof.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties' duly authorized representatives have signed this Agreement below, as of the date first written above.

LENDER:

THE WALTON FAMILY FOUNDATION, INC.

By: _____

Typed Name: Kyle J. Peterson

Title: Executive Director

BORROWER:

CITY OF FAYETTEVILLE, ARKANSAS

By: _____

Typed Name: Lioneld Jordan

Title: Mayor

SCHEDULE I
LENDER'S WIRE INSTRUCTIONS FOR PAYMENT

Organization Name: Walton Family Foundation, Inc.
Address: P.O. Box 2030
City, State, Zip: Bentonville, AR, 72712
Contact Name: Jenny Tripp
Contact email: jtripp@wffmail.com

Organization's Bank Account Information

ABA Routing Number: 082900872
Bank Name: Arvest Bank
City, State, Zip: Bentonville, AR, 72712
Account Number: 15243700
Account Type: Checking

If you have any questions about the information provided on this form, please contact Jenny Tripp at the Walton Family Foundation via email at jtripp@wffmail.com or phone at 479-464-1543.

EXHIBIT A
PROMISSORY NOTE

Date: _____

\$1,651,125.00

CITY OF FAYETTEVILLE, ARKANSAS, a municipality and political subdivision of the State of Arkansas, with offices at 113 W Mountain, Fayetteville, AR 72701 (the "Borrower"), for value received, hereby promises to pay to the order of THE WALTON FAMILY FOUNDATION, INC., a Delaware nonprofit, nonstock corporation, (the "Lender"), or holder, at its offices at 110 NW 2nd Street, Suite 200, Bentonville, AR 72712, or at such other place or places in the United States of America as the holder hereof may designate in writing from time to time, the amount of ONE MILLION SIX HUNDRED FIFTY-ONE THOUSAND AND ONE HUNDRED TWENTY FIVE/100 DOLLARS (\$1,651,125.00), or such lesser amount as shall be outstanding hereunder, as reflected on Schedule I attached hereto and/or in the Lender's records. The Loan shall not bear interest, except as provided herein.

The outstanding principal balance of the Loan shall be due and payable at such times as are specified in the Loan Agreement (as defined below), unless earlier repaid pursuant to the provisions set forth in the Loan Agreement..

If any day on which a payment is due is not a business day (which shall be any day other than a Saturday or Sunday that the Lender is open for business and banks are not authorized or required to be closed under the laws of the State of Arkansas), such payment may be made on the next succeeding business day. If any payment shall not be paid within ten (10) days after the due date, then such overdue amount shall, without limiting the rights of the Lender, bear interest at the rate of the lesser of five percent (5%) per annum or the maximum rate permitted under applicable law, which shall accrue from the due date until paid.

The Lender shall, and is hereby authorized to, make (or cause to be made) appropriate notations on Schedule I attached hereto (or, at its option, in its records), which notations, if made, evidence, inter alia, the date and outstanding principal balance of the Loan and the date and amount of each payment of principal. Such notations shall be rebuttably presumptive evidence of the accuracy of the amount so recorded absent manifest error; provided, however, that the failure of the Lender to make any such notation shall not limit or otherwise affect any of the Loan or any payment thereon.

This Note is the Promissory Note of the Borrower referred to in that certain Loan Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time) (the "Loan Agreement"), between the Borrower and the Lender, and the holder hereof is entitled to the benefits of such Loan Agreement and may enforce the provisions thereof and exercise the remedies provided thereby or otherwise available in respect thereof. Capitalized terms used herein and not otherwise defined are used herein as defined in the Loan Agreement.

This Note may be prepaid by the Borrower in whole or in part, without premium or penalty, at any time or from time to time, provided that any prepayment shall be in the minimum amount of \$100,000. This Note is an unsecured, full recourse obligation of the Borrower.

This Note shall be governed by and construed in accordance with the laws of the State of Arkansas applicable to contracts made entirely within such state.

City of Fayetteville, Arkansas,
A municipal and political subdivision of the State of
Arkansas

By: _____
Name: Lioneld Jordan
Title: Mayor

**SCHEDULE I
PAYMENTS OF PRINCIPAL**

Date	Amount of Loan	Amount of Principal Paid	Unpaid Principal Balance	Notation made by
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

EXHIBIT B
OFFICER'S CERTIFICATE

This Certificate is being furnished to The Walton Family Foundation, Inc. (the "Lender") pursuant to Section 3.1 of the Loan Agreement dated as of the date hereof (the "Agreement"), between the Lender and City of Fayetteville, Arkansas (the "Borrower"). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Agreement.

The undersigned, Lioneld Jordan, certifies that she/he is the duly elected, qualified and acting Mayor of the Borrower, a duly-organized and validly existing Arkansas nonprofit corporation, and that as Mayor, he is familiar with the organizational records and seal, if any, of the Borrower.

The undersigned further certifies in his capacity as Mayor of the Borrower:

1. The representations made by the Borrower in the Agreement are true and correct as of the date hereof.
2. No Event of Default or event that with notice or passage of time or both would become an Event of Default has occurred and is continuing.
3. Attached hereto as Attachment A is a true, correct and complete copy of the Articles of Incorporation of the Borrower, and all amendments thereto, as in full force and effect on the date hereof. Except as otherwise attached hereto no document with respect to an amendment to the Articles of Incorporation of the Borrower has been filed in the office of the Secretary of State of the State of Arkansas since the date shown on the face of the state certification attached hereto and no action has been taken by the Borrower in contemplation of any such amendment or dissolution.
4. Attached hereto as Attachment B is a true, correct and complete copy of the By-Laws as in full force and effect on the date hereof. No action has been taken by the Company in contemplation of any amendment with respect to such By-Laws.
5. Attached hereto as Attachment C is a true, correct and complete copy of resolutions duly adopted by the Board of Directors of the Borrower on _____; such resolutions have not been amended, rescinded or revoked, and remain, on the date hereof, in full force and effect as of the date hereof; and the borrowing of the Loan from the Lender contemplated by the Agreement, the Note evidencing the Loan, and the transactions contemplated thereby come within the guidelines set forth in such resolutions.
6. Attached hereto as Attachment D is (i) a certificate of good standing of the Borrower, dated as of _____, issued by the Secretary of State of Arkansas to the effect that the Borrower is duly formed under the laws of the State of Arkansas and is in good standing under the laws of such jurisdiction.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the _____ day of _____, 2018.

By: Lioneld Jordan
Title: Mayor

The undersigned, _____, certifies that she/he is the duly elected, qualified and acting [Assistant] Secretary of the Borrower, and that as _____, she/he is familiar with the organizational records and seal, if any, of the Borrower.

The undersigned further certifies in her/his capacity as [Assistant] Secretary of the Borrower:

The following person: (i) is the duly elected, qualified and acting officer of the Borrower occupying the office set forth opposite his or her name, and the signature set forth opposite his or her name is his or her true signature and (ii) is duly authorized to execute, deliver and perform, in the name and on behalf of the Borrower, the Officer's Certificate, the Agreement, the Note, and the transactions contemplated thereby:

Name

Title

Signature

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the _____ day of _____, 2018.

By:
Title:

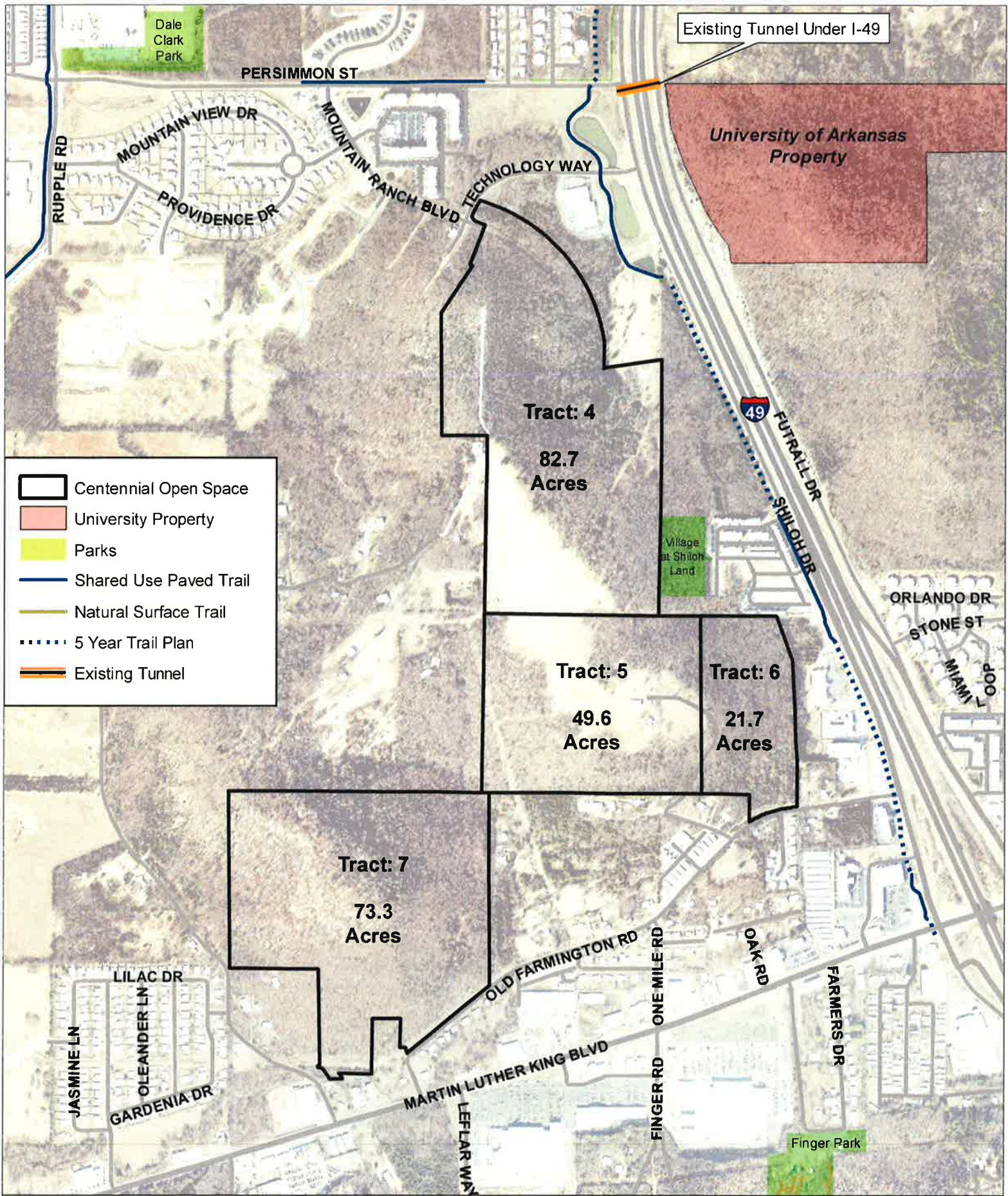
ATTACHMENTS TO OFFICER'S CERTIFICATE

Attachment A **Articles of Incorporation
and Amendments Thereto**

Attachment B **By-Laws**

Attachment C **Resolutions**

Attachment D **Good Standing Certificates**

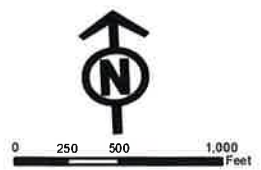


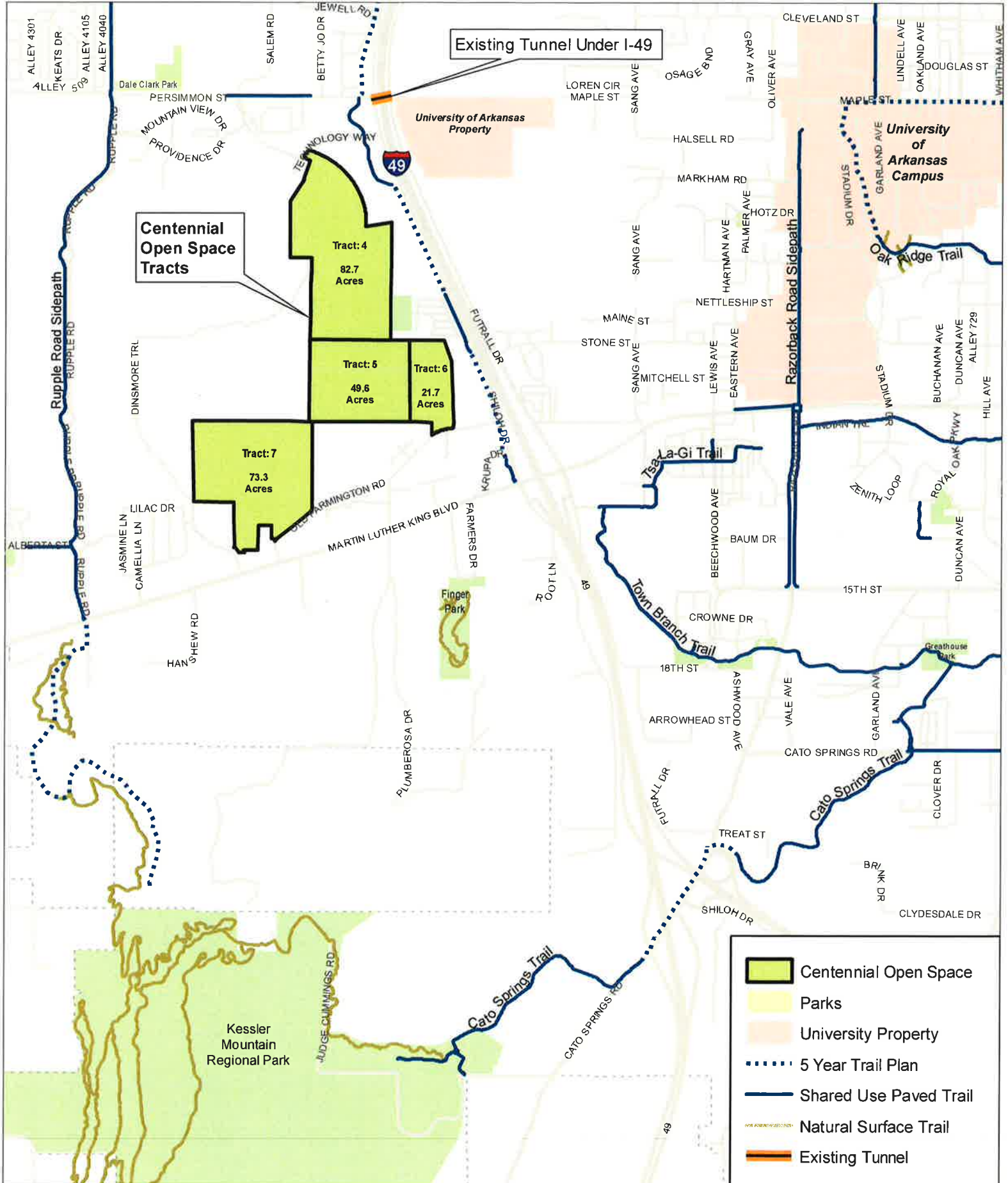
Centennial Open Space

227.3 Acres

Fayetteville, Arkansas

Date: 12/28/2017





- Centennial Open Space
- Parks
- University Property
- 5 Year Trail Plan
- Shared Use Paved Trail
- Natural Surface Trail
- Existing Tunnel

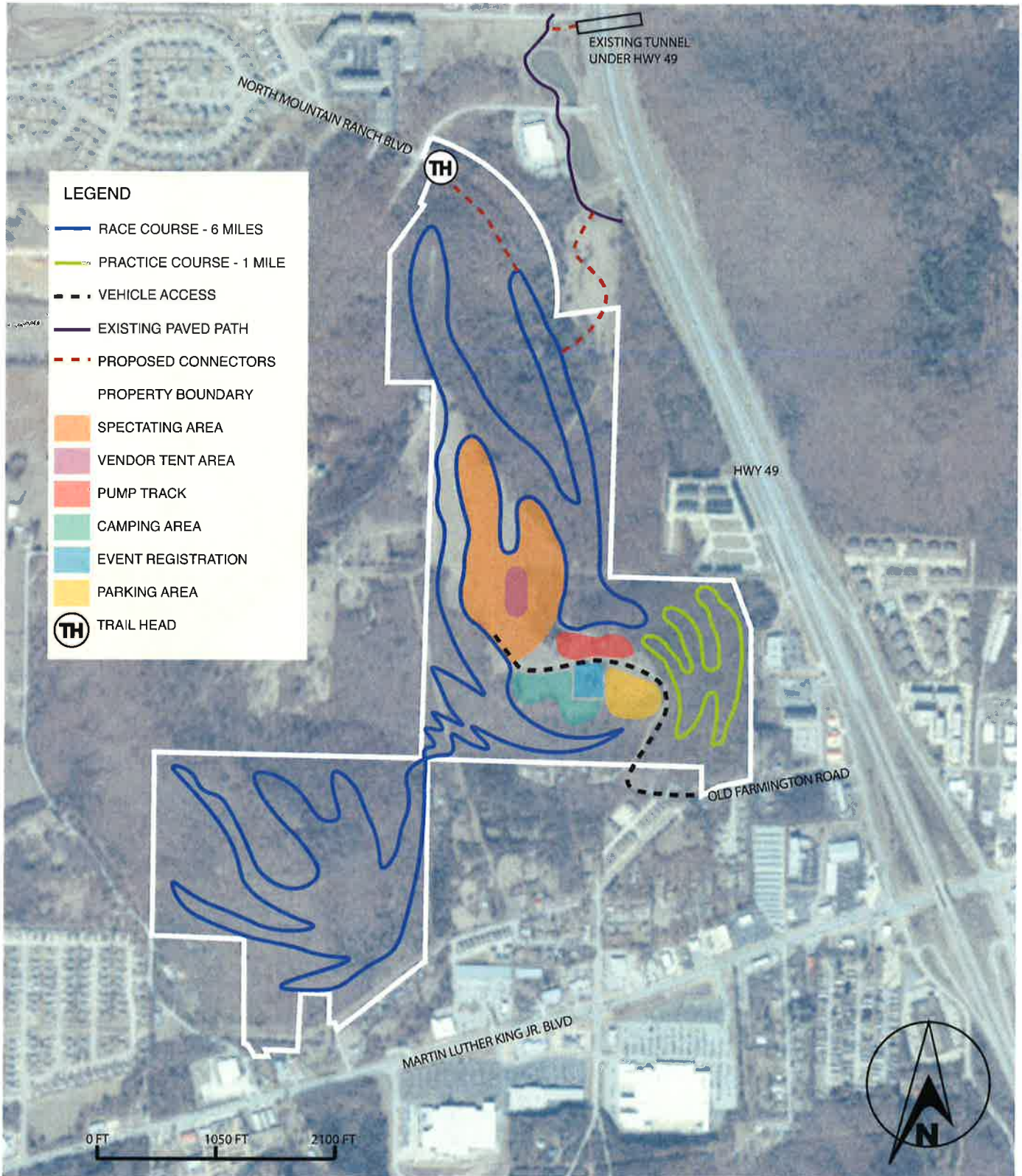
Centennial Open Space

227.3 Acres

Fayetteville, Arkansas

Date: 12/28/2017





CENTENNIAL OPEN SPACE RACE COURSE AND AMENITIES

AR.WFF.011

DATE: 01.19.2018

PO BOX 139
COPPER HARBOR, MI 49918
WWW.ROCKSOLIDTRAILS.COM



OFFICE OF THE MAYOR

November 21, 2017

Mr. Scott Hancock
Centennial Bank
3010 W. MLK Jr. Blvd
Fayetteville, AR 72704

Re: Mountain Ranch: Tracts 4, 5, 6, 7

Dear Mr. Hancock,

The purpose of this Offer Letter is to set forth the general terms and conditions under which the City of Fayetteville, is interested in buying the above referenced property. The Buyer and Seller agree that terms set forth below are not all the material terms that need to be agreed to by them. There are additional material terms that the parties will negotiate as they complete a purchase agreement. If the terms below are acceptable, it is our intention to negotiate the remaining material terms in the coming months.

Purchase Price: \$3,202,640 (three million two hundred and two thousand six hundred and forty dollars)

Contingencies:

Closing: The closing of the transaction contemplated herein shall take place in the first quarter of 2018.

Council Approval: This offer is subject to approval from the City Council of the City of Fayetteville.

Funding: This offer is contingent upon the acquisition of funding to purchase said property.

If you agree with the general terms that we have set forth, please notify us with the contact information herein. This offer is valid until December 1, 2017 at 5:00PM.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Don Marr", is written over a horizontal line.

Don Marr
Chief of Staff
479.575.8330



my100bank.com

A Home BancShares Company

November 30, 2017

Mr. Don Marr
City of Fayetteville
113 W. Mountain Street
Fayetteville, AR 72701

Re: Mountain Ranch: Tracts 4, 5, 6, 7

Don,

First I would like to express my appreciation to you and your team for your efforts and open dialogue in working to purchase the 228+- acres at Mountain Ranch.

Centennial Bank works hard to be a community partner in each of the communities we represent with branches, staff, and operations. Through numerous discussions, we want to represent our shareholders in the best possible way yet also work with the City of Fayetteville. We are optimistic the scheduled auction for December 12th will produce substantial buying activity; however, we are cognizant of the long term benefit for the region by selling it to you.

As we continue to work in good faith toward a purchase contract pursuant to your letter of intent attached, the bank would agree to the following terms:

- Purchase price - \$3,302,250
- Removal of the subject property from the scheduled auction
- Closing on or before March 30, 2018.

We will also request that the City of Fayetteville take necessary measures to allow the bank to maximize any tax benefits available due to the discounted sale, work through a tree preservation agreement on the remaining land, consider any naming rights to the future proposed park system on the subject land, and promote the cooperation and support of the bank throughout the process.

As we approach the auction, timing is of the essence. I would respectfully request an acceptance of these terms by Friday, December 8, 2017 @ 3:00pm. Upon acceptance, we will engage counsel to prepare a formal purchase agreement. You can reach me at 479-684-2265 with any questions.

Sincerely,

D. Scott Hancock
Division President, NWA



Scott Hancock,
Division President, NWA
Centennial Bank
1400 E Joyce Blvd.
Fayetteville, AR 72703

OFFICE OF THE MAYOR

December 7, 2017

Dear Scott Hancock:

I want to thank you for your counter offer letter, dated November 30, 2017 regarding the purchase of Mountain Ranch tracks 4, 5, 6, and 7.

After our phone conversation of December 5th, and clarification of the following:

- a. Clarification of the tree preservation agreement (to only be if the auction was cancelled and all tracks remained marketed individually);
- b. Clarification that the Naming rights of the future proposed mountain biking park is a commitment of Centennial Bike Park and will have no set time frame, and contingent upon the future construction of such a facility, to be handled in the purchase agreement;
- c. The City will assist to the extent possible the signing of tax documents necessary to document the purchase price of the land (by the City) and allow the Bank to process tax benefits for the discounted portion of the price against appraisals obtained and verified by the Bank;

After reviewing all of the details with Mayor Jordan, the Mayor on behalf of The City of Fayetteville accepts the purchase price counter offer of \$3,302,250 and a closing date on or before March 30, 2018, and Centennial Bank agrees to remove the subject property from the upcoming scheduled auction. Finally, all details are contingent upon the approval of this transaction by the Fayetteville City Council approving a resolution authorizing the Mayor to execute such contract.

Please let this letter serve as acceptance of the terms as outlined above, and the City's willingness to move forward with the purchase contract agreements to be executed and the agenda item of approval by the City Council.

Scott, we thank you for your work on this and look forward to finalizing all details by the March 30th 2018 deadline requirement. Please don't hesitate to contact me if you have any further questions or comments.

Don Marr, Chief of Staff – Mayor Jordan
City of Fayetteville AR
Enclosure

REAL ESTATE CONTRACT

[This Real Estate Contract, until executed by both City of Fayetteville and Centennial Bank and transmitted to both, shall not be binding upon City of Fayetteville or Centennial Bank and shall not constitute a binding offer to purchase or acceptance of an offer to purchase real estate until so executed and delivered, instead being a discussion draft]

This REAL ESTATE CONTRACT (the "Agreement") is entered into by and between **CENTENNIAL BANK**, an Arkansas state chartered bank with an address of 1400 E. Joyce Boulevard, Fayetteville, Arkansas 72704 ("Centennial Bank"), and **THE CITY OF FAYETTEVILLE, ARKANSAS**, a political subdivision of the State of Arkansas, with an address of 113 W. Mountain Street, Fayetteville, Arkansas 72701 ("City of Fayetteville").

Subject to all the terms and conditions hereof, and in consideration for the mutual and separate covenants, warranties, representations, Three Million Three Hundred Two Thousand Two Hundred Fifty and No/100 United States Dollars (\$3,302,250.00) and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by City of Fayetteville and Centennial Bank, it is agreed:

1. Real Estate. Centennial Bank shall sell and City of Fayetteville shall buy all of Centennial Bank's right, title and interest in and to the real property located in the City of Fayetteville, Washington County, Arkansas, with a legal description as set forth on the attached **Exhibit A** (the "Real Property"), together with: (a) all improvements thereon, if any; (b) all easements, tenements, appurtenances, hereditaments, rights, obligations and privileges now or hereafter contained in, belonging to or in any way pertaining to or beneficial thereto; and (c) any right, title, and interest of Centennial Bank to any land lying in the bed of any street or alley in front of or adjoining the Real Property to the center line thereof (items (a) (b) and (c) hereinafter referred to as the "Premises").

2. Purchase Price; Opening of Escrow.

(a) The total purchase price to be paid by City of Fayetteville to Centennial Bank for the Premises on the Closing Date shall be Three Million Three Hundred Two Thousand Two Hundred Fifty and No/100 United States Dollars (\$3,302,250.00)(the "Purchase Price"). An executed copy of this Agreement shall be delivered to City Title & Closing LLC, 1450 E. Zion Road, Suite 7, Fayetteville, Arkansas 72703, Attn: Blake Hanby (the "Title Company")(such delivery date referred to as the "Opening of Escrow"). The Purchase Price shall be paid through the Title Company upon closing of this sale and the closing of escrow (collectively, the "Closing") by certified check or Federal wire transfer.

(b) Delivery of this Agreement to the Title Company shall serve as instructions to establish an escrow (the "Escrow") with Title Company as escrow holder. Within a reasonable time, not to exceed ten (10) days after the Opening of Escrow, Centennial Bank shall deliver to City of Fayetteville: (i) a preliminary version of the Commitment (defined

below); and (ii) all information in Centennial Bank's actual possession regarding applicable land use classification of and restrictions concerning the Premises; and (iv) all environmental information in Centennial Bank's actual possession, including without limitation any environmental site assessments.

3. Contingencies. City of Fayetteville shall have through and including March 7, 2018 (the "Inspection Period") the right to conduct in connection with the Premises such examinations, analyses, studies, surveys, appraisals, engineering reviews, tests and any other inspections as City of Fayetteville in its sole discretion may deem necessary or desirable with respect to the Premises and to satisfy City of Fayetteville as to such matters which City of Fayetteville, in City of Fayetteville's sole discretion, considers relevant to the purchase decision. City of Fayetteville shall keep the Premises free of any liens, and repair any material physical damages to the Premises arising from City of Fayetteville's investigations and inspections within ten (10) days of the verification of the damage.

City of Fayetteville shall also have the right, during the Inspection Period, to obtain financing to purchase the Premises, with the terms of such financing to be satisfactory to City of Fayetteville, in City of Fayetteville's sole and absolute discretion.

If City of Fayetteville, in City of Fayetteville's sole discretion, disapproves of the results of any studies, test, reviews, or analyses referred to in this Section 3, or is unable to obtain financing upon terms suitable to City of Fayetteville, City of Fayetteville shall be entitled to terminate the Escrow and this Agreement upon written notification through and including 11:59 p.m. on the last day of the Inspection Period. Upon such notification, except as specifically set forth in this Agreement, neither City of Fayetteville or Centennial Bank shall have further obligation to the other pursuant to this Agreement, or otherwise. In the event City of Fayetteville shall fail to provide Centennial Bank such notification on or before 11:59 p.m. on the last day of the Inspection Period, then City of Fayetteville shall be deemed to have waived its right to terminate this Agreement pursuant to this Section 3, and the parties shall proceed to Closing

In addition to the foregoing, City of Fayetteville and Centennial Bank further acknowledge that City of Fayetteville's obligations pursuant to this Agreement are conditioned upon City of Fayetteville receiving approval of the transaction contemplated by this Agreement from the City Council of the City of Fayetteville, Arkansas. If City of Fayetteville is not able to obtain such City Council approval, City of Fayetteville shall be entitled to terminate this Agreement upon written notification to Centennial Bank through and including the Closing Date. Upon such notification, except as specifically set forth in this Agreement, neither City of Fayetteville or Centennial Bank shall have further obligation to the other pursuant to this Agreement, or otherwise.

4. Closing; Possession. The Closing shall take place at the offices of the Title Company, on a date chosen by City of Fayetteville and Centennial Bank, such date not to be later than March 30, 2018 (the "Closing Date"). The Closing shall take place pursuant to a closing

insured by the insurance company referenced in the Commitment (as described in Section 5 of this Agreement).

Centennial Bank shall deliver possession of the Premises to City of Fayetteville immediately on the Closing Date, and Centennial Bank shall convey to City of Fayetteville marketable and insurable title to the Premises, subject only to the Permitted Exceptions (defined below), such conveyance and possession to be free from any lien, encumbrance, or adverse claim, subject only to the Permitted Exceptions.

5. Title Insurance. Centennial Bank, at Centennial Bank's expense, shall obtain a title commitment issued by Title Company, as agent of Chicago Title Insurance Company, for a current ALTA Form B Owner's title insurance policy, in an amount equal to the Purchase Price, showing marketable title to the Premises in Centennial Bank (the "Commitment"), and subject to such items reasonably agreed to by City of Fayetteville and Centennial Bank ("Permitted Exceptions").

Centennial Bank shall pay the cost of the Commitment and the owner's title insurance policy which will be issued in connection therewith after the Closing. Centennial Bank warrants, represents and covenants, between the date Centennial Bank executes this Agreement and the Closing Date, Centennial Bank shall not create or suffer any unpermitted exceptions to title on the Premises, dispose of or subject to an option to purchase or an installment land sales contract (unrecorded or recorded) any or all of (including ownership interests less than fee simple absolute) the Premises, or enter into any easements, access agreements, bills of assurance, plats, restrictive covenants, leases or rental agreements concerning the Premises, without the written consent of City of Fayetteville, to be given or withheld in the sole discretion of City of Fayetteville.

6. Closing Documents. At Closing, Centennial Bank shall convey to City of Fayetteville merchantable and insurable title to the Premises, in fee simple absolute by Special Warranty Deed in recordable form satisfactory to City of Fayetteville, acting with sole discretion, such conveyance to be free from any lien, encumbrance or adverse claim, and subject to the Permitted Exceptions. At Closing, Centennial Bank shall deliver to City of Fayetteville all matters required by the Commitment for the issuance of the owner's policy of title insurance and all other documents and performances necessary to be furnished hereunder. City of Fayetteville and Centennial Bank shall also mutually agree upon and execute, on or prior to the Closing Date, a tree preservation agreement with respect to certain property retained by Centennial Bank which lies adjacent to the Premises.

7. Warranties. Centennial Bank represents, warrants and covenants to City of Fayetteville the following are true and correct as of the date hereof and shall be true and correct as of the Closing Date:

(a) Centennial Bank has good and marketable title to the Premises; free and clear of all liens (other than liens to be satisfied by Centennial Bank upon the Closing Date),

claims of adverse possession, ownership or prescriptive use and encroachments upon the Premises except the Permitted Exceptions;

(b) No person, firm, or entity has any rights in or rights to acquire a leasehold, freehold, adverse or prescriptive interest in the Premises or any part thereof;

(c) Centennial Bank has all requisite capacity and legal authority required by law to enter into, legally bind and consummate the transaction contemplated by this Agreement;

(d) The execution, delivery and performance by Centennial Bank of this Agreement does not and will not contravene or constitute a default under any provision of applicable law or regulation or of any agreement, judgment, injunction, order, decree or other instrument binding upon Centennial Bank or result in the creation of any lien or other encumbrance of any asset of Centennial Bank, except as herein provided;

(e) No consent or approval is required to be obtained from, and no action needed to be taken by, or document filed with, any judicial, governmental or self-regulatory agency or instrumentality in connection with the execution, delivery and performance of this Agreement or, if any such action is required, the same has been or will be duly taken by Centennial Bank prior to the Closing and at the Closing will be in full force and effect and will constitute valid and sufficient consent or approval therefor;

(f) There is no action, suit or proceeding pending or, to Centennial Bank's actual knowledge threatened (nor to the knowledge of Centennial Bank is there any basis therefor), against or affecting Centennial Bank, the Premises or any portion thereof, in any court or before any arbitrator or before or by any governmental or self-regulatory agency or instrumentality: (i) which in any manner raises any question affecting the validity or enforceability of this Agreement or any other agreement or instrument to which Centennial Bank is a party and that is to be used in connection with or is contemplated by this Agreement, or (ii) in which there is a reasonable possibility of an adverse decision that could affect the ability of Centennial Bank to consummate the transaction contemplated by this Agreement, or the market value or usefulness of the Premises to City of Fayetteville after Closing;

(g) To Centennial Bank's actual knowledge, there are no violations at the Premises of any law, regulation, directive or code, federal or state, including but not limited to environmental, building, ecological, fire, pollution, health or zoning laws, ordinances, directives, codes or regulations which could impose liability or obligation upon City of Fayetteville after Closing. Centennial Bank is not aware of any past or present generation, manufacture, storage or disposal of any Hazardous Substances or Wastes (as defined by applicable federal, state and local environmental laws, regulations and directives, and which shall also include hydrocarbon and byproducts thereof) on the Premises or Hazardous Substances or Wastes being present on the Premises nor has there been use of the Premises that may, under any federal, state or local law, directive, code or regulation, require any closure or cessation of the use of the Premises or impose any monetary obligations upon Centennial Bank, its successors or assigns. Centennial

Bank has not been notified by any governmental agency or individual of any pending or threatened action, litigation, proceeding or investigation as a responsible party or potentially responsible party for any liability for disposal or releases of any Hazardous Substances or Wastes; no lien or superlien has been recorded, asserted or threatened against the Premises for any liability in connection with any environmental contamination; the Premises has not been listed on either the National Priorities List, as defined in the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. ' 9601, *et seq.*

(h) From the date Centennial Bank executes this Agreement until the Closing Date, the Premises shall remain in substantially the same condition as upon the Opening of Escrow, reasonable wear and tear excepted; except for mandatory actions required of Centennial Bank by this Agreement, Centennial Bank shall manage and maintain the Premises in Centennial Bank's usual and ordinary course of business, in a manner consistent with Centennial Bank's past practices, or the past practices for which the Premises has been used;

(i) There are no service contracts or management contracts affecting the Premises, except those contracts provided to City of Fayetteville during the Inspection Period (if any are provided they must be acceptable to City of Fayetteville and assigned to City of Fayetteville at Closing);

(j) Centennial Bank has delivered or will timely deliver all items set forth in Section 2(b);

(k) At Closing, Centennial Bank shall deliver to City of Fayetteville a sworn and notarized Affidavit dated as of the Closing Date, stating the foregoing representations, warranties and covenants are true and correct as of the Closing Date.

City of Fayetteville represents, warrants and covenants to Centennial Bank the following are true and correct as of the date hereof and shall be true and correct as of the Closing Date:

(i) City of Fayetteville has all requisite capacity and legal authority required by law to enter into, legally bind and consummate the transaction contemplated by this Agreement;

(ii) The execution, delivery and performance by City of Fayetteville of this Agreement does not and will not contravene or constitute a default under any provision of applicable law or regulation or of any agreement, judgment, injunction, order, decree or other instrument binding upon City of Fayetteville or result in the creation of any lien or other encumbrance of any asset of City of Fayetteville, except as herein provided;

(iii) Solely except as set forth in Section 3 herein, no consent or approval is required to be obtained from and no action needed to be taken by or document filed with any judicial, governmental or self-regulatory agency or instrumentality in connection with the

execution, delivery and performance of this Agreement or if any such action is required, the same has been or will be duly taken prior to the Closing and at the Closing will be in full force and effect and will constitute valid and sufficient consent or approval therefor;

(iv) There is no action, suit or proceeding pending or to City of Fayetteville's knowledge threatened (nor to the knowledge of City of Fayetteville is there any basis therefor), against or affecting City of Fayetteville in any court or before any arbitrator or before or by any governmental or self-regulatory agency or instrumentality: (i) which in any manner raises any question affecting the validity or enforceability of this Agreement or any other agreement or instrument to which City of Fayetteville is a party and that is to be used in connection with or is contemplated by this Agreement, or (ii) in which there is a reasonable possibility of an adverse decision that could materially and adversely affect the ability of City of Fayetteville to consummate the transaction contemplated by this Agreement;

(v) At the Closing, City of Fayetteville shall deliver to Centennial Bank a sworn and notarized Affidavit dated as of the Closing Date, stating the foregoing representations, warranties and covenants of City of Fayetteville are true and correct as of the Closing Date.

8. Damage or Destruction; Condemnation. The risk of loss or damage to the Premises by fire or other casualty, including without limitation war, terroristic act, flood, earthquake, tornado or act of God, until the delivery, acceptance and recordation of the Special Warranty Deed is specifically and absolutely assumed by Centennial Bank. In the event the Premises is substantially destroyed prior to recordation of the Special Warranty Deed, City of Fayetteville and Centennial Bank shall each have the option to: (i) terminate this Agreement and neither party shall have any further obligation to the other hereunder, or (ii) accept the Premises in its condition at Closing, with City of Fayetteville to receive an assignment of all insurance proceeds otherwise payable to Centennial Bank. If any part or all of the Premises is taken by power of eminent domain prior to recordation of the Special Warranty Deed, City of Fayetteville and Centennial Bank shall each have the option to: (i) terminate this Agreement and neither party shall have any further obligation to the other hereunder, or (ii) complete the transaction contemplated by this Agreement and City of Fayetteville shall receive from Centennial Bank an assignment of all condemnation or eminent domain awards, payments or rights otherwise belonging to Centennial Bank in connection therewith.

9. Closing Expenses. In addition to the obligations specified previously in this Agreement, the expenses of this transaction shall be paid as follows:

(a) Centennial Bank shall pay for the drawing of the deed and all other documents to be furnished by Centennial Bank and for one-half (1/2) of the cost of all of the following: (i) recording of the deed; and (ii) all other closing and escrow fees.

(b) City of Fayetteville shall pay for the preparation of all documents to be furnished by City of Fayetteville, and for one-half (1/2) of the cost of all of the following: (i) recording the deed; and (ii) all other closing or escrow fees.

(c) Adjustments as to: (a) real estate taxes and special assessments for the year in which the Closing Date falls; and (b) any utility charges not billed directly to Centennial Bank after Closing and all other appropriate charges shall be pro-rated by the parties as of the Closing Date. Ad valorem, general and other taxes relating to the Premises for all years prior to the year in which the Closing Date falls shall be paid by Centennial Bank on or prior to the Closing Date.

(d) City of Fayetteville and Centennial Bank shall each be responsible for their own legal, accounting, or other professional fees.

Any closing or other costs not specifically accounted for within this Section 9 or in other provisions of this Agreement shall be paid in accordance with the normal allocation of City of Fayetteville's and Centennial Bank's closing costs as reasonably determined by Title Company, City of Fayetteville and Centennial Bank agreeing to hold Title Company harmless for any determinations so made.

10. Remedies Upon Default. If Centennial Bank shall default under this Agreement, including without limitation the breach of any warranty or representation of Centennial Bank set forth in Section 7 of this Agreement, City of Fayetteville shall be immediately entitled to terminate this Agreement, as the sole and exclusive remedy of City of Fayetteville, all other remedies being expressly waived. If City of Fayetteville shall default under this Agreement, including without limitation the breach of any warranty or representation of City of Fayetteville set forth in Section 7 of this Agreement, Centennial Bank shall be immediately entitled to terminate this Agreement, as the sole and exclusive remedy of Centennial Bank, all other remedies being expressly waived.

11. Binding Effect. This Agreement shall bind and inure to the benefit of City of Fayetteville, Centennial Bank and their respective successors and assigns. City of Fayetteville and Centennial Bank agree this Agreement is not assignable by City of Fayetteville to any individual or entity without the prior written consent of Centennial Bank, with such consent to be given or withheld in Centennial Bank's sole discretion.

12. Survival of Warranties, Representations, Covenants and Obligations. All warranties, representations, covenants and agreements made in this Agreement by City of Fayetteville or Centennial Bank and obligations to perform by Centennial Bank shall survive the Closing and shall not be merged into the Closing, instead surviving as though all warranties, representations, covenants and agreements made in this Agreement by Centennial Bank were incorporated into the Special Warranty Deed delivered by Centennial Bank to City of Fayetteville as if set out word for word.

13. Notices. All notices and demands hereunder shall be in writing and personally delivered or mailed by registered or certified United States mail, return receipt requested, postage prepaid to:

If to Centennial Bank: CENTENNIAL BANK
2171 West Main
Cabot, Arkansas 72023
Attn: Jodi Allgood, Special Assets Manager
email: _____

With a copy to: QUATTLEBAUM, GROOMS & TULL PLLC
4100 Corporate Center Drive, Suite 310
Springdale, Arkansas 72762
Attn: Jeb H. Joyce
email: _____

If to City of Fayetteville: THE CITY OF FAYETTEVILLE, ARKANSAS
113 W. Mountain Street
Fayetteville, Arkansas 72701
Attn: Don Marr, Chief of Staff
email: dmarr@fayetteville-ar.gov

With a copy to: Kit Williams
Fayetteville City Attorney
113 W. Mountain Street
Fayetteville, AR 72701
email: kwilliams@fayetteville-ar.gov

All notices and demands shall be effective upon receipt if personally delivered or two (2) business days after the date of mailing if mailed. Notice of a change in the foregoing addresses shall be given in compliance with this Section 13.

14. Counterparts. This Agreement may be executed in multiple counterparts each of which shall be regarded as an original hereof but all of which together shall constitute one in the same.

15. Construction. This Agreement and all provisions contained herein have been jointly drafted (or reviewed and negotiated) and agreed to by both City of Fayetteville and Centennial Bank, each being sophisticated in transactions such as the one contemplated by this Agreement, City of Fayetteville and Centennial Bank each having the benefit and advice of legal counsel, and shall be construed accordingly.

16. Captions. All captions contained in this Agreement are inserted only as a matter of convenience and in no way define, limit or extend the scope or intent of this Agreement or any provisions hereof.

17. Governing Law; Jurisdiction; Venue. This Agreement shall be governed by the laws of the State of Arkansas. City of Fayetteville and Centennial Bank agree The Parties consent to the jurisdiction of the circuit courts of Washington County, Arkansas and the United States District Court for the Western District of Arkansas and irrevocably agree that all actions or proceedings relating to this Agreement may be litigated in such courts. The Parties accept the jurisdiction of such courts and waive any defense of *forum non conveniens*, and irrevocably agree to be bound by any judgment rendered thereby in connection with this Agreement. City of Fayetteville and Centennial Bank further irrevocably and unconditionally waive trial by jury in any action, proceeding, or counterclaim brought by either party against the other on any matter arising out of or in any way connected with this Agreement and the transactions contemplated therein.

18. Entire Agreement. This Agreement shall, upon its execution, constitute the entire agreement and understanding of City of Fayetteville and Centennial Bank and shall not be altered, modified or changed unless the same is in writing and executed by City of Fayetteville and Centennial Bank. Specifically, all oral or written agreements between City of Fayetteville and Centennial Bank are superseded by this Agreement.

19. Pronouns. In this Agreement, the use of any gender shall be deemed to include all genders and the use of the singular shall include the plural, wherever it appears appropriate from the context.

20. Severability. If any part of this Agreement or any other agreement entered into pursuant hereto is contrary to, prohibited by or deemed invalid under applicable law or regulation, such provision shall be deemed inapplicable and deemed severed from this Agreement to the extent so contrary, prohibited or invalid but the remainder of this Agreement shall not be invalidated thereby and shall be given full force and effect so far as possible.

21. Time is of the Essence. The parties specifically agree time is of the essence with regard to all provisions of this Agreement.

22. Brokers and Sales Commissions. City of Fayetteville and Centennial Bank acknowledge and agree that neither party has dealt with any broker or finder in connection with this Agreement.

23. Miscellaneous. City of Fayetteville and Centennial Bank acknowledge that Centennial Bank may elect to utilize certain tax benefits in connection with the sale of the Premises, and City of Fayetteville agrees to cooperate with Centennial Bank as reasonably necessary in order for Centennial Bank to claim such tax benefits by signing the appropriate IRS

form acknowledging conveyance of any contributed property.

IN WITNESS WHEREOF this Agreement has been duly executed by City of Fayetteville and Centennial Bank on this _____ day of January, 2018.

CITY OF FAYETTEVILLE:

CITY OF FAYETTEVILLE, ARKANSAS,

By: _____
Lioneld Jordan, Mayor

ATTEST:

Sondra E. Smith, City Clerk-Treasurer

CENTENNIAL BANK:

CENTENNIAL BANK,
an Arkansas state chartered bank

By: _____
Jodi Allgood, Special Assets Manager

WITNESS:

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A

[LEGAL DESCRIPTION]

**PREPARED BY AND RETURN
FILED OR RECORDED COPY TO:**

Jeb H. Joyce, Esq.
QUATTLEBAUM, GROOMS & TULL PLLC
4100 Corporate Center Drive, Suite 310
Springdale, Arkansas 72762
479-444-5200

SPECIAL WARRANTY DEED

STATE OF ARKANSAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF WASHINGTON §

That **CENTENNIAL BANK**, an Arkansas state bank ("Grantor"), for and in consideration of the sum of TEN DOLLARS and other good and valuable consideration paid by **THE CITY OF FAYETTEVILLE, ARKANSAS**, a political subdivision of the State of Arkansas ("Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby GRANT, BARGAIN, SELL and CONVEY, unto Grantee, that certain tract of land situated in Washington County, Arkansas, and more fully described in the attached **Exhibit A** (the "Property"), pursuant to the terms of the Real Estate Contract dated _____, the terms of which are incorporated herein by reference; SUBJECT, HOWEVER, to real estate taxes and installments of governmental assessments which are not delinquent and easements, rights of way and other matters of record in the official land records of Washington County, Arkansas, including without limitation those shown on **Exhibit B** (the "Permitted Encumbrances").

Grantor hereby covenants that the Property is free and clear of all liens, claims of adverse possession, ownership or prescriptive use and encroachments upon the Property except the Permitted Encumbrances.

TO HAVE AND TO HOLD the Property, subject to the Permitted Encumbrances, together with all and singular the rights and appurtenances thereunto in anywise belonging unto Grantee, its successors and assigns forever; and Grantor does hereby bind itself, its successors and assigns to WARRANT AND FOREVER DEFEND the Property unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming through or under Grantor, but not otherwise.

EXHIBIT A

[LEGAL DESCRIPTION OF THE PROPERTY]

EXHIBIT B

[PERMITTED ENCUMBRANCES]

ARKANSAS REAL PROPERTY TAX AFFIDAVIT OF COMPLIANCE

Grantee (Buyer) Name & Address:

Grantor (Seller) Name & Address:

Date of real property transfer (as reflected on the transfer instrument): _____

Name of the Arkansas county where the property deed will be filed: _____

Amount of the full consideration for the transaction: \$ _____

_____ No tax is due: Exemption (check on exemption below)

1. ___ Transfers to or from the United States, the State of Arkansas, or any of the instrumentalities, agencies, or political subdivisions thereof.
2. ___ Any instrument given in writing to secure a debt.
3. ___ Any instrument solely for the purpose of correcting or replacing an instrument that has been previously recorded with full payment of tax having been paid at the time of the previous recordation.
4. ___ Instruments conveying land sold for delinquent taxes.
5. ___ Instruments conveying leasehold interest in land only.
6. ___ Instruments, including timber deeds, which convey the right to remove timber for a period not to exceed twenty-four (24) months.
7. ___ Instruments given by one party in a divorce action to other party to the divorce action as a division of marital property whether by agreement or order of the court.
8. ___ Instruments given in any judicial proceeding to enforce any security interest in real estate when the instrument transfers the property to the same person who is seeking to enforce the security interest.
9. ___ Instruments given to a secured party in lieu of or to avoid a judicial proceeding to enforce a security interest in real estate.
10. ___ Instruments conveying a home financed by the Federal Housing Administration, Department of Veterans Affairs, or United States Department of Agriculture (USDA) Rural Development, if the sale price of the home is sixty thousand dollars (\$60,000) or less and the seller files with the county recorder of deeds a sworn statement by the buyer stating that neither the buyer nor the spouse of the buyer has owned a home within three (3) years of the date of closing and also stating the sale price of the home.
11. ___ Instruments conveying land between corporations or between corporations, partnerships, limited liability companies, or between a business entity and its shareholder, partner or member of a corporation incident to the organization, reorganization, merger, consolidation, capitalization, asset distribution, or liquidation of a corporation, partnership, limited liability company, or other business entity.
12. ___ A beneficiary deed under ACA § 18-12-608.
13. ___ Consideration of \$100 or less.
14. ___ Other (Explain) _____

I certify under penalty of false swearing that documentary stamps or a documentary symbol in the legally correct amount has been placed on this instrument.

Agent or Grantee Signature: _____ Date: _____

Address: _____