NEW ISSUE **(AGM Insured) S&P: AA (stable)**
BOOK-ENTRY ONLY

*In the opinion of Bond Counsel, based on existing statutes, regulations, rulings and court decisions, the interest on the 2023 Bonds is excludable from gross income for federal income tax purposes, subject to the condition that the City comply with all requirements of the Internal Revenue Code that must be satisfied subsequent to the issuance of the 2023 Bonds, and the 2023 Bonds and interest thereon are exempt from all Arkansas state, county and municipal taxes. In the opinion of Bond Counsel, interest on the 2023 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; provided, however, that with respect to certain corporations, interest on the 2023 Bonds will be taken into account in determining annual adjusted financial statement income for the purpose of computing the federal alternative minimum tax. In the opinion of Bond Counsel, the 2023 Bonds are "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code. See **LEGAL MATTERS**, Tax Exemption herein.*

$8,900,000
CITY OF CABOT, ARKANSAS
FRANCHISE FEE REVENUE BONDS
SERIES 2023

Dated: Date of Delivery Due: August 1, as described below

The 2023 Bonds will not be general obligations of the City of Cabot, Arkansas (the "City"), but will be special obligations, secured by a pledge of revenues derived by the City from all franchise fees collected from public utilities for the privilege of using the public rights-of-way in the City.

Interest on the 2023 Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2023, and the 2023 Bonds mature (on August 1 of each year) and bear interest as follows:

MATURITY SCHEDULE

$455,000 2.500% Term Bonds Due August 1, 2028 to Yield 2.600%
$510,000 4.000% Term Bonds Due August 1, 2033 to Yield 2.800%*
$630,000 4.000% Term Bonds Due August 1, 2038 to Yield 3.650%*
$1,215,000 4.000% Term Bonds Due August 1, 2043 to Yield 4.000%
$3,115,000 4.000% Term Bonds Due August 1, 2048 to Yield 4.100%
$2,975,000 4.000% Term Bonds Due August 1, 2052 to Yield 4.140%

The 2023 Bonds of each maturity will be initially issued as a single registered bond registered in the name of Cede & Co., the nominee of The Depository Trust Company ("DTC"), New York, New York. The 2023 Bonds will be available for purchase in book-entry form only, in denominations of $5,000 or any integral multiple thereof. Except in limited circumstances described herein, purchasers of the 2023 Bonds will not receive physical delivery of the 2023 Bonds. Payments of principal of and interest on the 2023 Bonds will be made by First Security Bank, Searcy, Arkansas, as the Trustee, directly to Cede & Co., as nominee for DTC, as registered owner of the 2023 Bonds, to be subsequently disbursed to DTC Participants and thereafter to the Beneficial Owners of the 2023 Bonds, all as further described herein.

The scheduled payment of the principal of and interest on the 2023 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the 2023 Bonds by Assured Guaranty Municipal Corp.

ASSURED GUARANTY® MUNICIPAL

The 2023 Bonds are offered when, as and if issued and received by the Underwriter named below, subject to approval as to legality by Friday, Eldredge & Clark, LLP, Bond Counsel, and subject to satisfaction of certain other conditions.

This cover page contains information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Stephens Inc.

Dated: February 13, 2023

* Priced to first optional redemption date, February 1, 2028

Assured Guaranty Municipal Corp. (the "Insurer") makes no representation regarding the 2023 Bonds or the advisability of investing in the 2023 Bonds. In addition, the Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Insurer, supplied by the Insurer and presented under the heading **BOND INSURANCE** and Exhibit A, Specimen Municipal Bond Insurance Policy.

No dealer, broker, salesman or any other person has been authorized by the City or the Underwriter to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the 2023 Bonds described herein and, if given or made, such information or representations must not be relied upon as having been authorized by the City. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the business, operations or financial condition of the City since the date hereof. This Official Statement does not constitute an offer or solicitation in any state in which such offer or solicitation is not authorized, or in which the person making such offer or solicitation is not qualified to do so, or is made to any person to whom it is unlawful to make such offer or solicitation.

The 2023 Bonds have not been registered under the Securities Act of 1933, as amended, nor has the Indenture described herein been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions in such laws from such registration and qualification.

CONTENTS OF OFFICIAL STATEMENT

OFFICIAL STATEMENT

$8,900,000
CITY OF CABOT, ARKANSAS
FRANCHISE FEE REVENUE BONDS
SERIES 2023

INTRODUCTION TO THE OFFICIAL STATEMENT

This Introduction is subject in all respects to the more complete information contained in this Official Statement. The offering of the 2023 Bonds to potential investors is made only by means of the entire Official Statement, including the cover page hereof and exhibit hereto. A full review should be made of the entire Official Statement, as well as the Trust Indenture described herein.

This Official Statement is provided to furnish certain information in connection with the issuance by the City of Cabot, Arkansas (the "City") of its Franchise Fee Revenue Bonds, Series 2023, in the aggregate principal amount of $8,900,000 (the "2023 Bonds"). The 2023 Bonds are being issued to finance all or a portion of the cost of capital improvements for the City (the "Project"), funding a debt service reserve, paying a premium for the Insurance Policy (as hereinafter defined) and paying expenses of issuing the 2023 Bonds. See **THE 2023 BONDS**, Purpose for 2023 Bonds.

The City is a city of the first class organized under the laws of the State of Arkansas (the "State") located in Lonoke County, Arkansas (the "County"). The City is authorized and empowered under the laws of the State, including particularly Title 14, Chapter 164, Subchapter 4 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation"), to issue revenue bonds and to expend the proceeds thereof for the intended purposes. See **THE CITY AND THE COUNTY**.

The 2023 Bonds are not general obligations of the City, but are special obligations secured solely by a pledge of the revenues derived by the City from all franchise fees collected from public utilities for the privilege of using the public rights-of-way in the City pursuant to the authority contained in Title 14, Chapter 200, Subchapters 101 through 112 and Title 23, Chapter 19, Subchapters 201 through 210 of the Arkansas Code of 1987 Annotated or successor statutes (the "Pledged Revenues"). See **THE 2023 BONDS**, Security.

The pledge of Pledged Revenues in favor of the 2023 Bonds is on a parity with the pledge in favor of (i) the City's Franchise Fee Revenue Bonds, Series 2018 (the "2018 Bonds") and (ii) the City's Franchise Fee Revenue Bonds, Taxable Series 2021 (the "2021 Bonds" and collectively with the 2018 Bonds, the "Parity Bonds"). See **THE 2023 BONDS**, Security.

The 2023 Bonds are being issued pursuant to and in full compliance with the Constitution and laws of the State, and Ordinance No. 4 of 2023, adopted February 6, 2023.

The 2023 Bonds are secured by a Trust Indenture dated as of April 3, 2018, between the City and First Security Bank, Searcy, Arkansas, as trustee (the "Trustee"), as amended and supplemented by a First Supplemental Trust Indenture dated as of October 28, 2021, and a Second Supplemental Trust Indenture dated as of the date of the 2023 Bonds (collectively, the "Indenture"). The Indenture permits the issuance of Additional Bonds (defined below under **THE 2023 BONDS**, Security) secured by a pledge of Pledged Revenues on a parity of security with the Parity Bonds and the 2023 Bonds. The Indenture establishes the terms and conditions upon which the 2023 Bonds are issued. Specific covenants concerning the Pledged Revenues are described under **THE 2023 BONDS**, Security herein.

The 2023 Bonds will be initially issued in book-entry form and purchasers of 2023 Bonds will not receive certificates representing their interest in the 2023 Bonds purchased. See **THE 2023 BONDS**, Book-Entry Only System. The 2023 Bonds will contain such other terms and provisions as described herein. See **THE 2023 BONDS**, Generally.

The scheduled payment of the principal of and interest on the 2023 Bonds when due will be guaranteed under a municipal bond insurance policy (the "Insurance Policy") to be issued by Assured Guaranty Municipal Corp. (the "Insurer") simultaneously with the delivery of the 2023 Bonds. A specimen Insurance Policy is attached hereto as Exhibit A. It is expected that, based upon the commitment of the Insurer to insure the 2023 Bonds, S&P Global Ratings ("S&P") will assign a rating of "AA" (stable outlook) to the 2023 Bonds. However, there is no guarantee that such rating will be received. See **BOND INSURANCE** and **MISCELLANEOUS**, Rating. So long as the Insurer is not in default under the Insurance Policy, it is subrogated to, and may enjoy and exercise, all rights and remedies of the owners of the 2023 Bonds and may direct the Trustee in the exercise of any remedies set forth herein. No remedy set forth herein may be exercised by the Trustee or by any owner of any of the 2023 Bonds without the prior written approval of the Insurer. See **SUMMARY OF THE INDENTURE**, Defaults and Remedies.

The 2023 Bonds are issuable only as fully registered bonds, without coupons, in the denomination of $5,000 or integral multiple thereof. Interest is payable on August 1, 2023, and semiannually thereafter on each February 1 and August 1. All interest payments on the 2023 Bonds shall be payable to the persons in whose name such 2023 Bonds are registered on the bond registration books maintained by the Trustee, as of the fifteenth day of the calendar month preceding the calendar month in which the applicable interest payment date falls. Principal of and premium, if any, on the 2023 Bonds shall be payable at the principal corporate trust office of the Trustee. All such payments shall be valid and effectual to satisfy and discharge the liability upon such 2023 Bond to the extent of the sum or sums so paid. So long as DTC or its nominee is the registered owner of the 2023 Bonds, disbursement of such payments to DTC Participants is the responsibility of DTC, and the disbursement of such payments to Beneficial Owners is the responsibility of DTC Participants or Indirect Participants, as more fully described herein. See **THE 2023 BONDS**.

The 2023 Bonds are subject to extraordinary redemption from proceeds of the 2023 Bonds not needed for the purposes intended. The 2023 Bonds are subject to optional redemption on and after February 1, 2028. The 2023 Bonds are subject to mandatory sinking fund redemption as described herein. The Trustee shall give at least thirty (30) days notice of redemption. See **THE 2023 BONDS,** Redemption.

Under existing law and assuming compliance with certain covenants described herein, (i) interest on the 2023 Bonds is excludable from gross income for federal income tax purposes, (ii) interest on the 2023 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; provided, however, that with respect to certain corporations, interest on the 2023 Bonds will be taken into account in determining annual adjusted financial statement income for the purpose of computing the federal alternative minimum tax, (iii) the 2023 Bonds are "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended (the "Code"), and (iv) the 2023 Bonds and interest thereon are exempt from all State, county and municipal taxes. See **LEGAL MATTERS**, Tax Exemption herein.

It is expected that the 2023 Bonds will be available for delivery on or about March 16, 2023, through the facilities of the Depository Trust Company, in New York, New York.

The City and the Trustee will enter into a Continuing Disclosure Agreement in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Continuing Disclosure Agreement"). See **CONTINUING DISCLOSURE AGREEMENT**.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of the Indenture and the Continuing Disclosure Agreement summarized herein are available upon request from Stephens Inc., 111 Center Street, Suite 1720, Little Rock, Arkansas 72201, Attention: Public Finance.

THE 2023 BONDS

Book-Entry Only System. The Depository Trust Company ("DTC"), New York, New York, or its successor, will act as securities depository for the 2023 Bonds. The 2023 Bonds will each be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2023 Bond certificate for each maturity will be issued in the principal amount of the maturity and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Closing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2023 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2023 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2023 Bond (referred to herein as "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2023 Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in 2023 Bonds, except in the event that use of the book-entry system for the 2023 Bonds is discontinued.

To facilitate subsequent transfers, all 2023 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2023 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2023 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2023 Bonds are credited, which may or may not be the Beneficial Owners. Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent only to Cede & Co. If fewer than all of the 2023 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2023 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2023 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and premium, if any, payments on the 2023 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2023 Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, 2023 Bonds are required to be printed and delivered. The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, 2023 Bonds will be printed and delivered.

The information concerning DTC and DTC's book-entry system set forth above has been obtained from DTC. Neither the Underwriter nor the City make any representation or warranty regarding the accuracy or completeness thereof.

So long as the 2023 Bonds are in book-entry only form, Cede & Co., as nominee for DTC, will be treated as the sole owner of the 2023 Bonds for all purposes under the Indenture, including receipt of all principal of and interest on the 2023 Bonds, receipt of notices, voting and requesting or directing the Trustee to take or not to take, or consenting to, certain actions under the Indenture. The City and the Trustee have no responsibility or obligation to the Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any Participant; (b) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal of and interest on the 2023 Bonds; (c) the delivery or timeliness of delivery by any Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Indenture to be given to owners of 2023 Bonds; or (d) other action taken by DTC or Cede & Co. as owner of the 2023 Bonds.

Generally. The 2023 Bonds shall be dated, mature and bear interest and interest is payable on the 2023 Bonds as set forth on the cover page hereof. The 2023 Bonds are issuable in the form of registered bonds without coupons in the denomination of $5,000 each or any integral multiple thereof, interchangeable in accordance with the provisions of the Indenture. In the event any 2023 Bond is mutilated, lost or destroyed, the City shall, if not then prohibited by law, execute and the Trustee may authenticate a new 2023 Bond in accordance with the provisions therefor in the Indenture.

The 2023 Bonds may be transferred on the books of registration kept by the Trustee by the registered owner in person or by the owner's duly authorized attorney, upon surrender thereof, together with a written instrument of transfer duly executed by the registered owner or the owner's duly authorized attorney. Upon surrender for transfer of any 2023 Bond at the principal corporate office of the Trustee, the City shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new 2023 Bond or Bonds in the same aggregate principal amount and of any authorized denomination or denominations.

Transfers of registration or exchanges of 2023 Bonds shall be without charge to the Beneficial Owners of such 2023 Bonds, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the Beneficial Owner of the 2023 Bond requesting such transfer or exchange as a condition precedent to the exercise of such privilege.

The Trustee shall not be required to transfer or exchange any 2023 Bond during the period from and including a record date to the next succeeding interest payment date of such 2023 Bond nor to transfer or exchange any 2023 Bond after the delivery of notice calling such 2023 Bond for redemption has been made, and prior to such redemption.

So long as DTC or its nominee is the sole registered owner of the 2023 Bonds, transfers of beneficial interests in the 2023 Bonds shall be in accordance with the rules and procedures of DTC and its direct and indirect participants. See **THE 2023 BONDS**, Book-Entry Only System.

Redemption. The 2023 Bonds shall be subject to extraordinary, optional and mandatory sinking fund redemption prior to maturity as follows:

Extraordinary Redemption. The 2023 Bonds must be redeemed from proceeds of the 2023 Bonds not needed for the purposes intended, in whole or in part on any interest payment date, at a price equal to the principal amount being redeemed plus accrued interest to the redemption date, in inverse order of maturity (and by lot within a maturity in such manner as the Trustee may determine).

Optional Redemption. The 2023 Bonds are also subject to redemption on and after February 1, 2028, at the option of the City, from funds from any source, in whole or in part at any time, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date. If fewer than all of the 2023 Bonds shall be called for redemption, the particular maturities to be redeemed shall be selected by the City in its discretion. If fewer than all of the 2023 Bonds of any one maturity shall be called for redemption, the particular 2023 Bonds or portion thereof to be redeemed from such maturity shall be selected by lot by the Trustee.

Mandatory Sinking Fund Redemption. To the extent not previously redeemed, the 2023 Bonds are subject to mandatory sinking fund redemption by lot in such manner as the Trustee shall determine, on August 1 in the years and in the amounts set forth below, at a redemption price equal to the principal amount being redeemed plus accrued interest to the date of redemption:

2023 Bonds Maturing August 1, 2028

Year	Principal Amount
2023	$15,000
2024	85,000
2025	80,000
2026	90,000
2027	90,000
2028 (maturity)	95,000

2023 Bonds Maturing August 1, 2033

Year	Principal Amount
2029	$ 95,000
2030	95,000
2031	105,000
2032	105,000
2033 (maturity)	110,000

2023 Bonds Maturing August 1, 2038

Year	Principal Amount
2034	$115,000
2035	120,000
2036	125,000
2037	130,000
2038 (maturity)	140,000

2023 Bonds Maturing August 1, 2043

Year	Principal Amount
2039	$140,000
2040	150,000
2041	150,000
2042	380,000
2043 (maturity)	395,000

2023 Bonds Maturing August 1, 2048

Year	Principal Amount
2044	$575,000
2045	600,000
2046	620,000
2047	645,000
2048 (maturity)	675,000

2023 Bonds Maturing August 1, 2052

Year	Principal Amount
2049	$700,000
2050	730,000
2051	755,000
2052 (maturity)	790,000

At its option, to be exercised on or before the 45th day next preceding any mandatory sinking fund redemption date for any 2023 Bonds, the City may deliver to the Trustee for cancellation 2023 Bonds of the appropriate maturity, or portions thereof ($5,000 or any integral multiple thereof), in any aggregate principal amount desired. Each such 2023 Bond, or portion thereof, so delivered or previously redeemed (otherwise than through mandatory sinking fund redemption) and canceled by the Trustee shall be credited by the Trustee at 100% of the principal amount thereof on the obligation of the City on such mandatory sinking fund redemption date, and any excess over such amount shall be credited on future mandatory sinking fund redemption obligations of that maturity in chronological order, and the principal amount of such 2023 Bonds so to be redeemed shall be accordingly reduced.

If less than all of the 2023 Bonds of a maturity are called for redemption, the particular 2023 Bonds or portions of 2023 Bonds to be redeemed shall be selected by lot in such manner as the Trustee in its discretion may deem fair and appropriate. So long as DTC or its nominee is the sole registered owner of the 2023 Bonds, the procedures established by DTC shall control with respect to the selection of the particular 2023 Bonds to be redeemed.

Notice of the call for any redemption, identifying the 2023 Bonds or portions thereof being called and the date on which they shall be presented for payment, shall be mailed by the Trustee by first class mail (or, so long as DTC or its nominee is the sole registered owner of the 2023 Bonds, by any other means acceptable to DTC, including facsimile) to the registered owner of each such 2023 Bond addressed to such registered owner at his registered address and placed in the mails not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceeding for the redemption of any 2023 Bond with respect to which no such failure or defect has occurred. Any notice mailed as provided above shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice.

Purpose for 2023 Bonds. The 2023 Bonds are being issued to finance all or a portion of the costs of the Project, to fund a debt service reserve, to pay a premium for the Insurance Policy and to pay expenses of issuing the 2023 Bonds.

The Project includes the renovation of and improvements to a portion of a City-owned building to be used for courts and police facilities. The City expects to complete the Project by December 31, 2025.

The sources and uses of funds to finance the Project are estimated by the City as follows:

SOURCES:	
Principal Amount of 2023 Bonds	$8,900,000
Net Original Issue Discount	(84,352)
TOTAL SOURCES	$8,815,648
USES:	
Costs of Project	$8,125,000
Debt Service Reserve	410,800
Costs of Issuance and Insurance Policy Premium	146,348
Underwriter's Discount	133,500
TOTAL USES	$8,815,648

The payment of Underwriter's discount, the costs of issuing the 2023 Bonds relating to the payment of professional fees and the premium for the Insurance Policy will be contingent on the 2023 Bonds being issued. See **MISCELLANEOUS**, Underwriting for a description of the Underwriter's discount. The City will deposit the net proceeds of the 2023 Bonds (principal amount plus any original issue premium less any original issue discount and less Underwriter's discount, debt service reserve deposit, the premium for the Insurance Policy and certain issuance costs) into the 2023 Project Account in the Project Fund to be maintained by the Trustee (hereinafter defined). See **SUMMARY OF THE INDENTURE**, herein. Moneys contained in 2023 Project Account in the Project Fund will be disbursed in payment of costs of the Project, paying necessary expenses incidental thereto and paying expenses of issuing the 2023 Bonds. Disbursements shall be on the basis of requisitions which shall contain at least the following information: the person to whom payment is being made; the amount of the payment; and the purpose by general classification of the payment. For a description of how the 2023 Bond proceeds are to be invested pending use and the provisions governing those investments, see **SUMMARY OF THE INDENTURE**, herein.

Security. The 2023 Bonds are not general obligations of the City but are special obligations, secured by a pledge of all "Pledged Revenues," which are defined to be all revenues derived by the City from all franchise fees collected from public utilities for the privilege of using the public rights-of-way in the City, pursuant to the authority contained in Title 14, Chapter 200, Subchapters 101 through 112 and Title 23, Chapter 19, Subchapters 201 through 210 of the Arkansas Code of 1987 Annotated or successor statutes. The pledge in favor of the 2023 Bonds is on a parity with the pledge in favor of the Parity Bonds.

The City shall maintain a debt service reserve for the 2023 Bonds in an amount equal to one-half of the maximum annual debt service requirement on the 2023 Bonds. The debt service reserve will only secure the 2023 Bonds.

The 2023 Bonds will be secured by and entitled to the protection of the Indenture. (See **SUMMARY OF THE INDENTURE** herein.)

The franchise fees currently collected from the public utilities are sufficient to pay the principal of and interest on the Parity Bonds and the 2023 Bonds when due.

The franchise fees currently charged to public utilities shall never be reduced while the Parity Bonds, the 2023 Bonds or any Additional Bonds (defined below) are outstanding unless the City receives a certificate of an independent certified public accountant or firm of independent certified public accountants not in the regular employ of the City ("Accountant") to the effect that Pledged Revenues, with the reduced rates, in the current fiscal year, will be at least equal to (a) 125% of the average annual debt service on all outstanding obligations of the City secured by a pledge of Pledged Revenues plus (b) the amount, if any, needed to make required deposits into the Debt Service Reserve Fund (as defined under **SUMMARY OF THE INDENTURE**, Application of 2023 Bond Proceeds).

The City has also reserved the right to pledge Pledged Revenues to additional bonds issued under the Indenture on a parity with the pledge in favor of the Parity Bonds and the 2023 Bonds ("Additional Bonds") upon the meeting of certain conditions relating to the amount of Pledged Revenues available to pay the Parity Bonds, the 2023 Bonds and the Additional Bonds. (See **SUMMARY OF THE INDENTURE**, Additional Bonds, herein.)

COVID-19 Disclosure. The World Health Organization has declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus.

To date, the COVID-19 pandemic has not negatively impacted the operational and financial status of the City. The City expects that its available funds will be sufficient to fund its essential services and make all debt service payments. The City is not aware of any major businesses in the City that have closed due to COVID-19 that would have a materially adverse effect on sales and use tax collections or other revenues within the City.

THE CITY AND THE COUNTY

Location. The City is located in Lonoke County, Arkansas (the "County"), which is in the central part of the State. The City is situated approximately 22 miles northeast of Little Rock, Arkansas and eight miles northeast of Little Rock Air Force Base.

Population. Resident population in the City and the County has been as follows:

Year	City	County
1960	1,321	24,551
1970	2,903	26,249
1980	4,806	34,518
1990	8,319	39,268
2000	15,261	52,328
2010	23,776	68,356
2020	26,569	74,015

Transportation. The City is served by U. S. Highway Nos. 67 and 167. The City is in close proximity to the North Little Rock Municipal Airport, which is approximately 17 miles away, and the Searcy Municipal Airport, which is approximately 23 miles away. The nearest commercial airport is located 22 miles away in Little Rock, Arkansas.

The Union Pacific Railroad makes daily shipments from the City to major cities across the United States. There are full service public port and warehouse facilities at the Port of Little Rock, which is 22 miles away from the City.

Government. The City has the Mayor-City Council form of government. The Mayor serves a four-year term while members of the City Council serve two-year terms. The current Mayor and members of the City Council, their principal occupations and the date each term expires are as follows:

Name	Occupation	Term Expires
Ken Kincade	Mayor	December 31, 2026
Maggie Cope	Educator	December 31, 2024
Brandon Hillenburg	Business Owner	December 31, 2024
Eddie Long	Retired	December 31, 2024
Stephen Redd	Sales	December 31, 2024
James Reid	Retired	December 31, 2024
Ron Waymack	Retired	December 31, 2024
Matt Webber	U. S. Postal Service	December 31, 2024
Corey Spangler	Operations Manager	December 31, 2024

Medical Facilities. The City has six medical clinics and approximately nine physicians. The Cabot Emergency Hospital, which offers concierge-based emergency care with both inpatient and outpatient services, recently opened in the City.

Education. Primary and secondary education for the City's inhabitants are provided by a public school system fully accredited by the North Central Association of Secondary Schools and Colleges. Located within the City, there are nine elementary schools, two middle schools, two junior high schools, one high school and one charter school. The University of Arkansas at Little Rock is located in Little Rock, Arkansas approximately 22 miles from the City. University of Arkansas-Pulaski Tech, Arkansas Baptist College, Philander Smith College and Webster University are also located in Little Rock, Arkansas. Arkansas State University has branches in Beebe (approximately nine miles from the City) and Jacksonville (approximately eight miles from the City).

Financial Institutions. The City is served by branches of Arvest Bank, Bank OZK, Centennial Bank, First Arkansas Bank & Trust, First Community Bank, First Security Bank, Regions Bank, Simmons Bank and Southern Bank.

Major Employers. The following are the major employers in the City:

Employer	Product	Approximate Number of Employees
Remington Arms	Ammunition manufacturer	1,000 - 2,499
Cabot School District	Public schools	1,000 - 2,000
Walmart	Retail	500 - 999
Lonoke School District	Public schools	200 - 299
McDonalds	Restaurants	100 - 199
Kroger	Retail grocers	100 - 199
Pinnacle Structures, Inc.	Pre-engineered metal buildings	100 - 199
Cabot Nursing & Rehab	Retirement homes	50 - 99

Litigation. There is no material litigation pending or threatened against the City.

County Economic Data. Per capita personal income estimates for the County are as follows:[1]

Year	Per Capita Personal Income
2017	$38,078
2018	39,488
2019	40,743
2020	43,681
2021	46,388

Total personal income estimates for the County are as follows:[1]

Year	Total Personal Income
2017	$2,776,970,000
2018	2,908,525,000
2019	3,004,954,000
2020	3,234,254,000
2021	3,466,189,000

[1] Source: Bureau of Economic Analysis, United States Department of Commerce; data for 2022 is not yet available.

Unemployment Data. Set forth below are the annual average unemployment rates for the County and the State since 2017, according to the Arkansas Department of Workforce Services:

	Annual Average Unemployment Rate (%)	
Year	County	State
2017	3.3	3.7
2018	3.1	3.6
2019	3.2	3.5
2020	5.6	6.1
2021	3.3	4.0

BOND INSURANCE

BOND INSURANCE POLICY

Concurrently with the issuance of the 2023 Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the 2023 Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the 2023 Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

ASSURED GUARANTY MUNICIPAL CORP.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure) and structured finance markets and asset management services. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On October 21, 2022, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On July 8, 2022, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On March 18, 2022, Moody's announced it had upgraded AGM's insurance financial strength rating to "A1" (stable outlook) from "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

Capitalization of AGM

At September 30, 2022:

- The policyholders' surplus of AGM was approximately $2,660 million.
- The contingency reserve of AGM was approximately $915 million.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately $2,102 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, and (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiaries Assured Guaranty UK Limited ("AGUK") and Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2021 (filed by AGL with the SEC on February 25, 2022);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2022 (filed by AGL with the SEC on May 6, 2022);

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2022 (filed by AGL with the SEC on August 4, 2022); and

(iv) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022 (filed by AGL with the SEC on November 8, 2022).

All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the 2023 Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption **"BOND INSURANCE – Assured Guaranty Municipal Corp."** or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the 2023 Bonds or the advisability of investing in the 2023 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading **"BOND INSURANCE"**.

CONCERNING THE TRUSTEE

First Security Bank, Searcy, Arkansas, (the "Trustee") serves as the Trustee under the Indenture. The Trustee may resign at any time by notice in writing to be given to the City, the Insurer and the Holders (as hereinafter defined), and such resignation shall take effect upon the appointment of a successor trustee by the Beneficial Owners or by the City. The Trustee may be removed at any time (i) by the City, (ii) the Insurer or (iii) by an instrument or concurrent instruments in writing, signed by the Holders of not less than a majority in principal amount of the Parity Bonds, the 2023 Bonds and any Additional Bonds issued under the Indenture and then outstanding. Such removal shall not take effect until a successor trustee shall have been appointed and shall have accepted the duties of Trustee. Such written acceptance shall be filed with the City and the Insurer, and a copy thereof shall be placed in the bond transcript.

Each successor Trustee must be a trust company or bank in good standing, having capital and surplus of not less than $50,000,000.

The Trustee is also the Bond Registrar and Paying Agent for the Parity Bonds, the 2023 Bonds and any Additional Bonds issued under the Indenture.

The Trustee is deemed to have notice only of Events of Default with respect to payment defaults and of other Events of Default of which it has received written notice from the City or the Holders of not less than 10% in outstanding principal amount of the Parity Bonds, the 2023 Bonds and any Additional Bonds issued under the Indenture.

The Trustee may require before taking any action in discharging its trust that it be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees, and other reasonable disbursements, and against all liability, except liability which has been adjudicated to have resulted from the gross negligence or willful misconduct of the Trustee, by reason of any action so taken by the Trustee.

The Trustee is entitled to reasonable compensation from the City. The Trustee's compensation will be paid from Pledged Revenues. If an Event of Default has occurred and is continuing, the Trustee's right to compensation from Pledged Revenues shall be entitled to a preference therefor over the claim of owners for payment of principal of and interest on Bonds (as defined below) from such Pledged Revenues.

SUMMARY OF THE INDENTURE

The following is a summary of certain provisions of the Indenture.

Rights of Insurer. Various rights of the City and the Holders of the 2023 Bonds are subject to rights and powers granted to the Insurer pursuant to the Indenture.

Significant Definitions. The following terms, when used in the Indenture, have the meanings set forth below:

"Bonds" refers to and includes the Parity Bonds, the 2023 Bonds and all Additional Bonds issued under the Indenture.

"Government Securities" means direct obligations of, or obligations guaranteed as to principal and interest by, the United States of America or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America, including:

(a) United States Treasury obligations;
(b) Farmers Home Administration obligations;
(c) General Services Administration obligations;
(d) Guaranteed Title XI financing;
(e) Government National Mortgage Association (GNMA) obligations; and
(f) State and Local Government Series obligations.

"Holder," "Owner," "holder," "bondholder" and "registered owner" shall mean the registered owner of any Bond.

"Insurer" means Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof.

"Investment Securities" means, if and to the extent the same are at the time legal for investment of funds held under the Indenture:

(a) Cash (insured at all times by the Federal Deposit Insurance Corporation);

(b) Government Securities;

(c) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

(1) U.S. Export-Import Bank (Eximbank);

(2) Rural Economic Community Development Administration;

(3) U.S. Maritime Administration;

(4) Small Business Administration;

(5) U.S. Department of Housing & Urban Development (PHAs);

(6) Federal Housing Administration (FHA); and

(7) Federal Financing Bank;

(d) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

(1) Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC);

(2) Obligations of the Resolution Funding Corporation (REFCORP);

(3) Senior debt obligations of the Federal Home Loan Bank System; and

(4) Senior debt obligations of other Government Sponsored Agencies;

(e) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-l+" by S&P and maturing not more than 360 calendar days after the date of purchase (Ratings on holding companies are not considered as the rating of the bank);

(f) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;

(g) Investments in money market funds rated "AAAm" or "AAAM-G" or better by S&P;

(h) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(1) which are rated, based on an irrevocable escrow account or fund (the "escrow'), in the highest rating category of Moody's or S&P or any successors thereto; or

(2) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or Government Obligations, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(i) Municipal Obligations rated "Aaa/AAA" or general obligations of States with a rating of "A2/A" or higher by both Moody's and S&P;

"Moody's" means Moody's Investors Service, Inc.

"Outstanding" means, when used with reference to the Bonds, as of any particular date, the aggregate of all Bonds authenticated and delivered under the Indenture including any 2023 Bonds for which the principal or interest is paid by the Insurer, except:

(1) Bonds cancelled at or prior to such date or delivered to or acquired by the Trustee at or prior to such date for cancellation;

(2) Bonds deemed to be paid in accordance with Article VIII of the Indenture; and

(3) Bonds in lieu of or in exchange or substitution for which other Bonds shall have been authenticated and delivered pursuant to the Indenture.

"Parity Bonds" means the 2018 Bonds and the 2021 Bonds.

"S&P" means S&P Global Ratings.

"2018 Bonds" means the City's Franchise Fee Revenue Bonds, Series 2018.

"2021 Bonds" means the City's Franchise Fee Revenue Bonds, Taxable Series 2021.

"2023 Bonds" means the City's Franchise Fee Revenue Bonds, Series 2023.

Application of 2023 Bond Proceeds. Proceeds of the 2023 Bonds, after paying the premium for the Insurance Policy, will be applied as follows:

Costs of Issuance. The sum necessary to pay the costs of issuing the 2023 Bonds shall be deposited into a separate account within the Costs of Issuance Fund maintained by the Trustee under the Indenture, which account is designated "Cost of Issuance Fund, Series 2023 Account" (the "2023 Cost of Issuance Account"). Moneys in the 2023 Cost of Issuance Account shall be expended for costs and expenses of issuing the 2023 Bonds. Moneys remaining in the 2023 Cost of Issuance Account on May 1, 2023 shall be transferred into the 2023 Project Account (hereinafter defined).

2023 Debt Service Reserve Account. An amount equal to one-half of the maximum annual debt service requirement on the 2023 Bonds (the "Reserve Requirement") shall be deposited into a separate account of the Debt Service Reserve Fund maintained by the Trustee under the Indenture (the "Debt Service Reserve Fund"), which account is designated "Debt Service Reserve Fund, Series 2023 Account" (the "2023 Debt Service Reserve Account").

Project. The balance of the proceeds of the 2023 Bonds shall be deposited into a separate account in the Project Fund established by the Indenture and maintained by the Trustee (the "Project Fund"), which account is designated "Project Fund, Series 2023 Account" (the "2023 Project Account") and shall be expended to finance all or a portion of the Project.

Use of Pledged Revenues and Flow of Funds.

Pledged Revenues; Revenue Fund. All of the Pledged Revenues (defined under **THE 2023 BONDS**, Security), as and when received, shall be deposited into the Revenue Fund heretofore created and established under the Indenture.

All moneys at any time in the Revenue Fund shall be applied on a monthly basis to the Bond Fund for the payment of debt service on the Bonds, to the maintenance of the Debt Service Reserve Fund and to the payment of fees and expenses of the Trustee and the Insurer.

Bond Fund. The City has established with the Trustee a special fund in the name of the City designated "Bond Fund" (the "Bond Fund") into which shall be deposited, from the Revenue Fund, on or before the last day of each month, commencing with respect to the 2023 Bonds in April 2023, a sum equal to one-sixth (1/6) of the next installment of interest plus one-twelfth (1/12) of the next installment of principal on all Bonds then outstanding due at maturity or upon mandatory sinking fund redemption. Notwithstanding the above, monthly deposits into the Bond Fund shall be adjusted in order to make the first principal and interest payment due on the 2023 Bonds on August 1, 2023.

The Indenture establishes a 2023 Debt Service Reserve Account for the 2023 Bonds, which shall be maintained in an amount equal to the Reserve Requirement. Moneys in the 2023 Debt Service Reserve Account shall be used for the payment of principal of and interest on the 2023 Bonds to the extent moneys in the Bond Fund on any payment date are insufficient for such purpose. The 2023 Debt Service Reserve Account only secures the 2023 Bonds.

Should the 2023 Debt Service Reserve Account become impaired or be reduced below the Reserve Requirement, the City shall next make additional monthly payments from the Revenue Fund until the impairment or reduction is corrected over a twelve month period.

After making the payments set forth above from the Revenue Fund, the City shall pay to the Trustee any amount necessary to pay or reimburse the Trustee for fees and expenses related to the Bonds.

2023 Project Account. The City has established with the Trustee the 2023 Project Account within the Project Fund, which shall be used for the purpose of financing all or a portion of the Project.

2023 Cost of Issuance Account. A portion of the proceeds of the 2023 Bonds shall be deposited to the credit of the 2023 Cost of Issuance Account. The Trustee shall disburse moneys from the 2023 Cost of Issuance Account as directed by the City. After all costs of issuing the 2023 Bonds have been paid, any remaining moneys in the 2023 Cost of Issuance Account on May 1, 2023, shall be transferred to the 2023 Project Account.

Investments. At the direction of the City, or absent such direction, the Trustee shall invest moneys in funds held by the Trustee in Investment Securities with maturity or redemption dates consistent with the times at which said moneys will be required for the purposes provided in the Indenture; provided, however, the stated maturities of Investment Securities in the Debt Service Reserve Fund shall not exceed five years from the date of investment thereof. The City may invest moneys held in the Revenue Fund in any investment obligations permitted by State law. Moneys in separate funds may be commingled for the purpose of investment.

Obligations purchased as an investment of moneys in any fund created by the Indenture shall be deemed at all times to be a part of such fund, and any income or loss due to an investment thereof shall be charged to the respective fund for which the investment was made except as otherwise provided in the Indenture.

Valuation of Funds and Accounts. In determining the value of any fund held by the Trustee under the Indenture, the Trustee shall credit Investment Securities at the fair market value thereof, as determined by the Trustee by any method selected by the Trustee in its reasonable discretion. No less frequently than annually, and in any event within thirty (30) days prior to the end of each fiscal year, the Trustee shall determine the value of each fund held under the Indenture and shall report such determination to the City.

The Trustee shall sell or present for redemption any Investment Securities as necessary in order to provide money for the purpose of making any payment required under the Indenture, and the Trustee shall not be liable for any loss resulting from any such sale.

<u>Additional Bonds</u>. The City may issue one or more series of Additional Bonds under the Indenture for the purpose of financing capital improvements or to refund obligations issued for such purpose, ranking on a parity with the Parity Bonds and the 2023 Bonds then outstanding provided there has been procured and filed with the Trustee (i) the items required for the issuance of the Bonds by the Indenture plus (ii) a statement by an Accountant reciting the opinion, based upon necessary investigation, that the Pledged Revenues for the fiscal year immediately preceding the fiscal year in which it is proposed to issue such Additional Bonds were equal to not less than 125% of the maximum annual principal and interest requirements on all Bonds then outstanding and the Additional Bonds then proposed to be issued and the amount, if any, needed to make the required deposits into the Debt Service Reserve Fund. If any changes have been made, and are in effect on the date of issuance of the Additional Bonds, in any franchise fee rates or charges imposed by the City which were not in effect during the entire preceding fiscal year, the Accountant may, if such changes resulted in increases in such rates and charges, and shall, if such charges resulted in reductions in such rates and charges, adjust the Pledged Revenue receipts for the preceding fiscal year to reflect any changes in such Pledge Revenue receipts which would have occurred if the changed rates and charges had been in effect during the entire preceding fiscal year.

Notwithstanding the foregoing, no Additional Bonds shall be issued unless there is no default existing at the time of issuance under the Indenture.

<u>Defeasance</u>. Any Bond shall be deemed to be paid within the meaning of the Indenture when payment of the principal of and premium, if any, and interest on such Bond (whether at maturity or upon redemption as provided in the Indenture, or otherwise), either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment, (1) moneys sufficient to make such payment or (2) Government Securities (provided that such deposit will not affect the tax-exempt status of the interest on any of the Bonds or cause any of the Bonds issued as tax-exempt bonds under the Indenture to be classified as "arbitrage bonds" within the meaning of Section 148(a) of the Code, as reflected in an

opinion of Bond Counsel delivered to the Trustee), maturing as to principal and interest in such amounts and at such times as will provide sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee and any Paying Agent pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee.

Events of Default and Remedies. Subject to the provisions of subparagraph (f) below, each of the following events shall constitute and is referred to in the Indenture as an "Event of Default":

(a) Default in the due and punctual payment of any interest on any Bond;

(b) Default in the due and punctual payment of the principal of or premium, if any, on any Bond, whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;

(c) Default in the payment of any other amount required to be paid under the Indenture or the performance or observance of any other of the covenants, agreements or conditions contained in the Indenture, or in the Bonds issued under the Indenture, and continuance thereof for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied, shall have been given to the City by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding, unless the Trustee, or the Trustee and Holders of an aggregate principal amount of Bonds not less than the aggregate principal amount of Bonds the Holders of which requested such notice, as the case may be, shall agree in writing to an extension of such period prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Trustee will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the City within such period and is being diligently pursued;

(d) The filing of a petition in bankruptcy by or against the City under the United States Bankruptcy Code or the commencement of a proceeding by or against the City under any other law concerning insolvency, reorganization or bankruptcy; and

(e) If the State has limited or altered the rights of the City pursuant to the Authorizing Legislation, as in force on the date of the Indenture, to fulfill the terms of any agreements made with the Trustee or Holders or in any way impaired the rights and remedies of the Trustee or the Holders while any Bonds are Outstanding.

The term "default" as used in clauses (a), (b) and (c) above shall mean default by the City in the performance or observance of any of the covenants, agreements or conditions on its part contained in the Indenture, or in the Bonds Outstanding thereunder, exclusive of any period of grace required to constitute a default an "Event of Default" as described above.

(f) Notwithstanding the above, the Insurer shall be deemed to be the sole Holder of the 2023 Bonds insured by it for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that Holders of the 2023 Bonds are entitled to take with respect to Events of Default and remedies pursuant to the Indenture.

Acceleration. Upon the occurrence of an Event of Default, the Trustee may, and upon the written request of the Holders of not less than 51% in aggregate principal amount of Bonds Outstanding shall, by notice in writing delivered to the City, declare the principal of all Bonds then Outstanding, together with any premium and the interest accrued thereon, immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

Other Remedies; Rights of Bondholders. Upon the occurrence of an Event of Default, the Trustee may, as an alternative, pursue any available remedy by suit at law or in equity, including, without limitation, mandamus to enforce the payment of the principal of and premium, if any, and interest on the Bonds then Outstanding.

If an Event of Default shall have occurred, and if it shall have been requested so to do by the of Holders of 51% in aggregate principal amount of Bonds Outstanding and if it shall have been indemnified as provided in the Indenture, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred upon it by the Indenture as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Holders.

No remedy by the terms of the Indenture conferred upon or reserved to the Trustee (or to the Holders) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given under the Indenture or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default under the Indenture, whether by the Trustee or by the Holders, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

Rights and Remedies of Holders. No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy thereunder, unless a default has occurred of which the Trustee has been notified as provided in the Indenture, or of which by the Indenture it is deemed to have notice, nor unless such default shall have become an Event of Default and the Holders of not less than 51% in aggregate principal amount of Bonds Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers granted or to institute such action, suit, or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in the Indenture nor unless the Trustee shall thereafter fail or refuse to exercise the powers granted, or to institute such action, suit, or proceeding in its own name; and such notification, request and offer of indemnity are declared in every such case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of the Indenture, and to any action or cause of action for the enforcement of the indenture or for the appointment of a receiver or for any other remedy thereunder; it being understood and intended that no one or more of the Holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture by action of the Holder or Holders or to enforce any right under the Indenture except in the manner therein provided, and that all proceedings at law or in equity shall be instituted, held and maintained in the manner therein provided for the equal benefit of the Holders of all Bonds outstanding thereunder. Nothing in the Indenture contained shall, however, affect or impair the right of any Holders to enforce the payment of the principal of and premium, if any, and interest on any Bonds at and after the maturity thereof, or the obligation of the City to pay the principal of and premium, if any, and interest on each of the Bonds issued under the Indenture to the respective Holders thereof at the time and place in said Bonds expressed.

CONTINUING DISCLOSURE AGREEMENT

During the past five years, the City has been a party to continuing disclosure undertakings (each an "Undertaking" and collectively, the "Undertakings") with respect to: (i) the City's Sales and Use Tax Refunding and Improvement Bonds, Series 2013 (the "2013 Bonds"); (ii) the City's Sales and Use Tax Improvement Bonds, Series 2016 (the "2016 Bonds"); (iii) the 2018 Bonds; (iv) the 2021 Bonds; (v) the City's Sales and Use Tax Refunding and Improvement Bonds, Taxable Series 2021A and Series 2021B (the "2021 Sales Tax Bonds") and (vi) the City's Sales and Use Tax Bonds Taxable Series 2022A and Series 2022B (the "2022 Sales Tax Bonds"). Although the City has not made a determination of materiality with respect to the following information, the following summarizes a non-exhaustive discussion of the City's compliance with its continuing disclosure obligations over the past five years.

The Undertakings required the City to file with the Municipal Securities Rulemaking Board on its Electronic Municipal Market Access system ("EMMA") within 180 days of the end of each fiscal year (or by June 20 of each year for the 2018 Bonds) annual reports containing (i) certain operating data and (ii) the City's audited financial statements. To the extent that the audited financial statements were not available at the time of the required filing of the annual report, the City was obligated to file such audited financial statements within 30 days of becoming available.

The operating data required by the Undertakings for the 2013 Bonds, the 2016 Bonds, the 2021 Sales Tax Bonds and the 2021 Bonds was timely filed; however, the operating data for the fiscal year ended December 31, 2019 was not filed under the CUSIPs associated with the 2016 Bonds. The operating data required by the Undertaking for the 2018 Bonds for the fiscal years ended December 31, 2018 and 2020 was filed approximately 83 days late and 55 days late, respectively. In addition, the operating data required by the Undertakings for the 2013 Bonds and the 2016 Bonds did not contain all required information. Specifically, although the City reported major employers located in the City each year, the annual report omitted the approximate number of employees of each employer. Notices of such failures were not filed on EMMA. Operating data required by the Undertaking for the 2022 Sales Tax Bonds is not yet due.

The audited financial statements of the City for the year ended December 31, 2017 were filed on EMMA approximately 986 days late. The audited financial statements for the years ended December 31, 2018 and 2019 were timely filed under the CUSIPs associated with the 2018 Bonds; however, the audited financial statements for such years were filed under the CUSIPs associated with the 2013 Bonds and the 2016 Bonds approximately 615 days late and 124 days late, respectively. Notices of such failures were not filed on EMMA. The audited financial statements of the City for the fiscal years ended December 31, 2020 were timely filed. The audited financial statements for the years ended December 31, 2021 and 2022 are not yet available.

The Undertakings also obligated the City to file a notice of the occurrence of certain events listed therein. During the past five years, the City has timely filed notices of the occurrence of all listed events.

Set forth below is a summary of certain portions of the Continuing Disclosure Agreement. This summary does not purport to be comprehensive and reference is made to the full text of the Continuing Disclosure Agreement for a complete description of the provisions.

Purpose of the Continuing Disclosure Agreement. The Continuing Disclosure Agreement is executed and delivered by the City and the Trustee for the benefit of the Beneficial Owners of the 2023 Bonds and in order to assist the Underwriter in complying with the Securities and Exchange Commission, Rule 15c2-12(b)(5).

Definitions. In addition to the definitions set forth in this Official Statement, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean an Annual Report provided by the City pursuant to, and as described in, the Continuing Disclosure Agreement.

"Beneficial Owner" of a 2023 Bond shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any 2023 Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean the Trustee, acting in its capacity as Dissemination Agent, or any successor Dissemination Agent designated in writing by the City and which has filed with the Trustee a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule.

"Financial Obligation" shall mean a

(A) debt obligation;

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

(C) guarantee of obligations described in (A) or (B).

The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Listed Events" shall mean any of the events listed hereunder.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Provision of Annual Report. (a) The City shall, or cause the Dissemination Agent to, not later than 180 days after the end of each fiscal year (presently December 31) commencing with the report after the end of the 2023 fiscal year, provide to the Insurer and the MSRB an Annual Report with respect to the 2023 Bonds which is consistent with the requirements of the Continuing Disclosure Agreement. Each Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in the Continuing Disclosure Agreement; provided that the Financial Statements (defined below) of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date, but, in such event, such Financial Statements shall be submitted within thirty (30) days of receipt thereof by the City. If the fiscal year of the City changes, it shall give notice of such change in the manner as for a Listed Event.

(b) Not later than five (5) days prior to the date specified in subsection (a) for providing each Annual Report to the MSRB, the City shall provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). If by such date, the Trustee has not received a copy of the Annual Report, the Trustee shall contact the City and the Dissemination Agent to determine if the City is in compliance with the first sentence of this subsection (b).

(c) If the Trustee is unable to verify that an Annual Report (containing the information required in 1 under Content of Annual Report, below) has been provided to the MSRB by the date required in subsection (a), the Trustee shall send a notice to the Insurer and the MSRB.

(d) The Dissemination Agent shall file a report with the City and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report (containing the information required in 1 under Content of Annual Report, below) has been provided pursuant to this Disclosure Agreement and stating the date it was provided.

(e) As and to the extent an Annual Report or Notice of Listed Event is required to be filed under the Continuing Disclosure Agreement, the City shall submit such Annual Report or Notice of Material Event to the MSRB through its continuing disclosure service portal provided through EMMA at http://www.emma.msrb.org,or any other similar system that is acceptable to the Securities and Exchange Commission. All documents provided to the MSRB pursuant to the Continuing Disclosure Agreement shall be in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Content of Annual Report. The City's Annual Report shall contain or incorporate by reference the following:

1. Pledged Revenues for the latest calendar year and the four (4) previous years, if available; and

2. The annual financial statements of the general fund of the City, which (i) need not be audited in accordance with auditing standards generally accepted in the United States of America, (ii) shall be prepared using accounting principles prescribed by Arkansas Code Annotated Section 10-4-412, as it may be amended from time to time, or any successor statute and (iii) shall be audited in accordance with, and as required by, State law (the "Financial Statements").

Any or all of the items above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's website or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so incorporated by reference.

Reporting of Listed Events. (a) This caption describes the giving of notices of the occurrence of any of the following events:

1. Principal and interest payment delinquencies.

2. Non-payment related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity providers, or their failure to perform.

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security.

7. Modifications to rights of security holders, if material.

8. 2023 Bond calls (excluding mandatory sinking fund redemptions), if material.

9. Defeasances and tender offers.

10. Release, substitution, or sale of property securing repayment of the securities, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership or similar event of the obligated person.

13. The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) After the occurrence of a Listed Event (excluding an event described in (a)8 above), the City shall promptly notify the Dissemination Agent (if other than the City) in writing. Such notice shall instruct the Dissemination Agent to report the occurrence.

(c) After the occurrence of a Listed Event (excluding an event described in (a)8 above), whether by notice from the Trustee or otherwise, the City shall file (or shall cause the Dissemination Agent to file), in a timely manner not in excess of ten (10) business days after the occurrence of such Listed Event, a notice of such occurrence with the MSRB, through its continuing disclosure service portal provided through EMMA at http://www.emma.msrb.org or any other similar system that is acceptable to the Securities and Exchange Commission, with a copy to the Trustee (if the Trustee is not the Dissemination Agent) and the Insurer. Each notice of the occurrence of a Listed Event shall be filed in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB. In the event of a Listed Event described in (a)8 above, the Trustee shall make the filing in a timely manner not in excess of ten (10) business days after the occurrence of such Listed Event.

<u>Termination of Reporting Obligation</u>. The City's obligations under the Continuing Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all the 2023 Bonds.

<u>Dissemination Agent</u>. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Continuing Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to the Continuing Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the City shall be the Dissemination Agent. The initial Dissemination Agent shall be the Trustee.

<u>Amendment; Waiver</u>. Notwithstanding any other provision of the Continuing Disclosure Agreement, the City and the Trustee may amend the Continuing Disclosure Agreement, and any provisions of the Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the requirements for providing an Annual Report, to the contents of the Annual Report or to the reporting of Listed Events, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the 2023 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the 2023 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Beneficial Owners of the 2023 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Beneficial Owners, or (ii) does not, in the opinion of the Trustee, materially impair the interests of the Beneficial Owners of the 2023 Bonds.

In the event of any amendment or waiver of a provision of the Continuing Disclosure Agreement, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

<u>Additional Information</u>. Nothing in the Continuing Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in the Continuing Disclosure Agreement or any other means of communication, or including any other information in any

notice of occurrence of a Listed Event, in addition to that which is required by the Continuing Disclosure Agreement. If the City chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by the Continuing Disclosure Agreement, the City shall have no obligation under the Continuing Disclosure Agreement to update such information or include it in any future notice of occurrence of a Listed Event.

Default. In the event of a failure of the City or the Trustee to comply with any provision of the Continuing Disclosure Agreement, the Trustee, the Insurer, the City or any Beneficial Owner may (and the Trustee, at the request of the Underwriter or the Beneficial Owners of at least 25% aggregate principal amount of outstanding Bonds, shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City or the Trustee, as the case may be, to comply with its obligations under the Continuing Disclosure Agreement. A default under the Continuing Disclosure Agreement shall not be deemed a default under the Indenture, and the sole remedy under the Continuing Disclosure Agreement in the event of any failure of the City or the Trustee to comply with the Continuing Disclosure Agreement shall be an action to compel performance.

Duties of Trustee and Dissemination Agent and Right of Indemnity. The Dissemination Agent (if other than the Trustee) and the Trustee in its capacity as Dissemination Agent shall have only such duties as are specifically set forth in the Continuing Disclosure Agreement, and the City agrees to indemnify and save the Dissemination Agent and the Trustee, their officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's or the Trustee's gross negligence or willful misconduct.

Beneficiaries. The Continuing Disclosure Agreement shall inure solely to the benefit of the City, the Trustee, the Dissemination Agent, the Underwriter, the Insurer and the Beneficial Owners and shall create no rights in any other person or entity.

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FINANCIAL INFORMATION

The Pledged Revenues pledged to the payment of the 2023 Bonds consist of franchise fees imposed by the City for products and services furnished or rendered by various public utilities within the City's corporate limits for the permission to use the public rights-of-way within the City. Except for video service provider fees collected under Title 23, Chapter 19, Subchapter 206 of the Arkansas Code of 1987 Annotated, which are collected in an amount equal to the lesser of (i) the percentage of gross revenues paid by an incumbent video service provider and (ii) five percent (5%), the maximum amount of the franchise fee that may be charged is the greater of 4.25% or the amount in effect on January 1, 1997, unless agreed to by the affected utility or approved by the voters of the City. The City charges a franchise fee based upon the gross revenues received by the public utility during the preceding calendar year from residential and commercial customers in the City as follows:

Public Utility	Charge Levy	Payable
Entergy	4.25%	Quarterly
Suddenlink	5.00	Quarterly
Centerpoint	4.25	Quarterly
CenturyTel	4.25	Quarterly
First Electric	4.50	Monthly
Ritter Communications	3.00	Quarterly

Set forth below is a table showing the Pledged Revenues received for the past five years from each public utility:[1]

Year	Entergy	Suddenlink	Centerpoint	CentruryTel	First Electric	Ritter	Year Total
2018	$524,501	$102,326	$11,152	$10,879	$399,336	$2,669	$1,055,863
2019	506,662	141,790	11,159	8,288	389,710	2,979	1,060,588
2020	562,919	168,280[1]	36,069[2]	7,252	363,603	4,016	1,142,139
2021	556,152	159,586	171,995	11,718	447,765	4,587	1,351,803
2022	570,943	142,485	221,431	16,287	496,178	6,043	1,453,367

[1] The City adopted Ordinance No. 8 of 2019 on February 25, 2019, which increased the franchise fee charged to Suddenlink from 3% to 5%.

[2] The City adopted Ordinance No. 11 of 2020 on May 18, 2020, which increased the franchise fee charged to Centerpoint from 2% to 4.25%.

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DEBT SERVICE COVERAGE

The following table shows the net revenues available for debt service based upon Pledged Revenues collected in 2022, the amount of maximum annual debt service for the Parity Bonds and the 2023 Bonds, and the extent to which debt service on the Parity Bonds and the 2023 Bonds is covered by such funds:

Pledged Revenues Available for Debt Service (A)	$1,453,367
Maximum Annual Debt Service Requirements on the Parity Bonds and the 2023 Bonds (B)	821,600
Debt Service Coverage (A/B)	1.77x

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DEBT SERVICE REQUIREMENTS

Set forth below are the debt service requirements for the 2023 Bonds for each year ending December 31:

Year	Principal	Interest	Total
2023	$ 15,000	$ 130,940.63	$ 145,940.63
2024	85,000	348,800.00	433,800.00
2025	80,000	346,675.00	426,675.00
2026	90,000	344,675.00	434,675.00
2027	90,000	342,425.00	432,425.00
2028	95,000	340,175.00	435,175.00
2029	95,000	337,800.00	432,800.00
2030	95,000	334,000.00	429,000.00
2031	105,000	330,200.00	435,200.00
2032	105,000	326,000.00	431,000.00
2033	110,000	321,800.00	431,800.00
2034	115,000	317,400.00	432,400.00
2035	120,000	312,800.00	432,800.00
2036	125,000	308,000.00	433,000.00
2037	130,000	303,000.00	433,000.00
2038	140,000	297,800.00	437,800.00
2039	140,000	292,200.00	432,200.00
2040	150,000	286,600.00	436,600.00
2041	150,000	280,600.00	430,600.00
2042	380,000	274,600.00	654,600.00
2043	395,000	259,400.00	654,400.00
2044	575,000	243,600.00	818,600.00
2045	600,000	220,600.00	820,600.00
2046	620,000	196,600.00	816,600.00
2047	645,000	171,800.00	816,800.00
2048	675,000	146,000.00	821,000.00
2049	700,000	119,000.00	819,000.00
2050	730,000	91,000.00	821,000.00
2051	755,000	61,800.00	816,800.00
2052	790,000	31,600.00	821,600.00
TOTALS	$8,900,000	$7,717,890.63	$16,617,890.63

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The following table shows amounts required to pay scheduled principal and interest on the Parity Bonds and the 2023 Bonds during each year ending December 31:

Year	Parity Bonds	2023 Bonds	Total Debt Service
2023	$ 388,797.50	$ 145,940.63	$ 534,738.13
2024	384,667.50	433,800.00	818,467.50
2025	390,312.50	426,675.00	816,987.50
2026	385,660.00	434,675.00	820,335.00
2027	385,932.50	432,425.00	818,357.50
2028	384,685.25	435,175.00	819,860.25
2029	388,068.38	432,800.00	820,868.38
2030	391,166.26	429,000.00	820,166.26
2031	383,938.26	435,200.00	819,138.26
2032	386,494.63	431,000.00	817,494.63
2033	387,647.75	431,800.00	819,447.75
2034	388,397.75	432,400.00	820,797.75
2035	383,835.25	432,800.00	816,635.25
2036	384,029.00	433,000.00	817,029.00
2037	383,885.25	433,000.00	816,885.25
2038	382,891.00	437,800.00	820,691.00
2039	386,545.75	432,200.00	818,745.75
2040	384,598.50	436,600.00	821,198.50
2041	387,209.63	430,600.00	817,809.63
2042	164,203.13	654,600.00	818,803.13
2043	163,100.00	654,400.00	817,500.00
2044		818,600.00	818,600.00
2045		820,600.00	820,600.00
2046		816,600.00	816,600.00
2047		816,800.00	816,800.00
2048		821,000.00	821,000.00
2049		819,000.00	819,000.00
2050		821,000.00	821,000.00
2051		816,800.00	816,800.00
2052		821,600.00	821,600.00
TOTALS	$7,666,065.79	$16,617,890.63	$24,283,956.42

LEGAL MATTERS

Legal Proceedings. There is no litigation pending seeking to restrain or enjoin the issuance or delivery of the 2023 Bonds, or questioning or affecting the legality of 2023 Bonds or the Pledged Revenues or the proceedings and authority under which the 2023 Bonds are to be issued, or questioning the right of the City to enter into the Indenture or to issue the 2023 Bonds.

Legal Opinions. Legal matters incident to the authorization and issuance of the 2023 Bonds are subject to the unqualified approving opinion of Friday, Eldredge & Clark, LLP, Little Rock, Arkansas, Bond Counsel.

Tax Exemption. In the opinion of Friday, Eldredge & Clark, LLP, Bond Counsel, under existing law the interest on the 2023 Bonds is exempt from all Arkansas state, county and municipal taxes.

In the opinion of Bond Counsel, interest on the 2023 Bonds under existing law is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; provided, however, that with respect to certain corporations, interest on the 2023 Bonds will be taken into account in determining annual adjusted financial statement income for the purpose of computing the federal alternative minimum tax. The opinions set forth in the preceding sentence are subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the 2023 Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. These requirements generally relate to arbitrage, the use of the proceeds of the 2023 Bonds and the Project. Failure to comply with certain of such requirements could cause the interest on the 2023 Bonds to be so included in gross income retroactive to the date of issuance of the 2023 Bonds. The City has covenanted to comply with all such requirements in the Indenture.

Prospective purchasers of the 2023 Bonds should be aware that (i) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the 2023 Bonds, (ii) interest on the 2023 Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (iii) passive investment income including interest on the 2023 Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income and (iv) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account in determining gross income, receipts or accruals of interest on the 2023 Bonds.

Prospective purchasers of the 2023 Bonds should be further aware that Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the 2023 Bonds or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the 2023 Bonds, except with respect to certain financial institutions (within the meaning of Section 265(b)(5) of the Code).

An exception allows a deduction of certain interest expense allocable to "qualified tax-exempt obligations." The City has designated the 2023 Bonds as "qualified tax exempt obligations" and has covenanted not to use the Project and the proceeds of the 2023 Bonds in a manner which would cause the Bonds to be "private activity bonds" within the meaning of the Code, and has represented that the City and its subordinate entities have not and do not expect to issue more than $10,000,000 of such tax exempt obligations (other than private-activity bonds (excluding from that term "qualified 501(c)(3) bonds" under Section 145 of the Code)) during calendar year 2023.

Prospective purchasers of the 2023 Bonds should also be aware that Section 17 of Act 785 of the Acts of Arkansas of 1993 added new subsections (b) and (c) to Section 26-51-431 of the Arkansas Code of 1987 Annotated. Subsection (b) states that Section 265(a) of the Code is adopted for the purpose of computing Arkansas corporation income tax liability. Subsection (c) provides that in computing Arkansas corporation income tax liability, no deduction shall be allowed for interest "on indebtedness incurred or continued to purchase or carry obligations the interest on which is wholly exempt from the taxes imposed by Arkansas law." On December 8, 1993, the Arkansas Department of Finance and Administration Revenue Division issued Revenue Policy Statement 1993-2, which provides in part:

> Financial institutions may continue to deduct interest on indebtedness incurred or continued to purchase or carry obligations which generate tax-exempt income to the same extent that the interest was deductible prior to the adoption of Section 17 of Act 785 of 1993.

As shown on the cover page of this Official Statement, certain of the 2023 Bonds are being sold at an original issue discount (collectively, the "Discount Bonds"). The difference between the initial public offering prices, as set forth on the cover page, of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated as interest which is excluded from gross income for federal income tax purposes, as described above.

The amount of original issue discount which is treated as having accrued with respect to such Discount Bond is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption, or payment at maturity). Amounts received upon disposition of such Discount Bond which are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days which are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to the product of (i) the yield of maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount which would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less the amount of any interest payable for such Discount Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts which have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount which would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of the Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond.

As shown on the front cover of this Official Statement, certain of the 2023 Bonds are being sold at an original issue premium (collectively, the "Premium Bonds"). An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. An initial purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to the call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult with their tax advisors with respect to the determination and treatment of amortizable premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2023 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent holders of the 2023 Bonds from realizing the full current benefit of the tax status of such interest. On August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (the "IRA"), which, among other things, makes certain changes to the federal tax laws affecting the taxation of certain corporations for tax years beginning after December 31, 2022. The introduction or enactment of any other legislative proposals or clarification of the Code or court decisions may affect, perhaps significantly, the market price for, or marketability of, the 2023 Bonds. Prospective purchasers of the 2023 Bonds should consult their own tax advisors regarding any proposed or enacted federal or state tax legislation (including particularly, without limitation, the IRA), regulations or litigation, as to which Bond Counsel expresses no opinion.

It is not an event of default on the 2023 Bonds if legislation is enacted reducing or eliminating the exclusion of interest on state and local government bonds from gross income for federal or state income tax purposes.

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Enforceability of Remedies. Rights of the registered owners of the 2023 Bonds and the enforceability of the remedies available under the Indenture may depend on judicial action and may be subject to the valid exercise of the constitutional powers of the United States of America and of the sovereign police powers of the State or other governmental units having jurisdiction, and to the application of federal bankruptcy laws or other debtor relief or moratorium laws in general. Therefore, enforcement of those remedies may be delayed or limited, or the remedies may be modified or unavailable, subject to the exercise of judicial discretion in accordance with general principles of equity. Bond Counsel expresses no opinion as to any effect upon any right, title, interest or relationship created by or arising under the Indenture resulting from the application of state or federal bankruptcy, insolvency, reorganization, moratorium or similar debtor relief laws affecting creditors' rights which are presently or may from time to time be in effect.

Rating. S&P has assigned a credit rating of "AA" (stable outlook) to the 2023 Bonds with the understanding that the scheduled payment of principal of and interest on the 2023 Bonds will be guaranteed under the Insurance Policy to be issued and delivered by the Insurer at the time of delivery of the 2023 Bonds.

An explanation of the significance of such rating may be obtained from S&P. Generally, rating agencies base their rating on such material and information, as well as their own investigations, studies, assumptions, and policies. It should be noted that a rating may be changed at any time and that no assurance can be given that it will not be revised or withdrawn by the rating agencies if, in their respective judgments, circumstances should warrant such action. Any downward revision or withdrawal of the rating could have an adverse effect on market prices of the 2023 Bonds. The Underwriter and the City have undertaken no responsibility after issuance of the 2023 Bonds to assure the maintenance of the rating or to oppose any such revision or withdrawal.

Underwriting. Under a Bond Purchase Agreement (the "Agreement") entered into by and between the City, as issuer, and Stephens Inc., as underwriter (the "Underwriter"), the 2023 Bonds are being purchased at a price of $8,682,148.20 (principal amount less net original issue discount of $84,351.80 and less Underwriter's discount of $133,500). The Agreement provides that the Underwriter will purchase all of the 2023 Bonds if any are purchased. The obligation of the Underwriter to accept delivery of the 2023 Bonds is subject to various conditions contained in the Agreement, including the absence of pending or threatened litigation questioning the validity of the 2023 Bonds or any proceedings in connection with the issuance thereof, and the absence of material adverse changes in the financial or business condition of the City.

The Underwriter intends to offer the 2023 Bonds to the public initially at the offering prices set forth on the cover page of this Official Statement, which prices may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the 2023 Bonds to the public. The Underwriter may offer and sell 2023 Bonds to certain dealers (including dealers depositing 2023 Bonds into investment trusts) at prices lower than the public offering price.

The City has agreed to indemnify the Underwriter against certain civil liabilities in connection with the offering and sale of the 2023 Bonds, including certain liabilities under federal securities laws.

Information in the Official Statement. Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or owners of any of the 2023 Bonds.

The information contained in this Official Statement has been taken from sources considered to be reliable, but is not guaranteed. To the best of the knowledge of the undersigned the Official Statement does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

The execution and delivery of this Official Statement on behalf of the City has been authorized by the City.

CITY OF CABOT, ARKANSAS

By /s/ Ken Kincade
Mayor

Dated: As of the Cover Page hereof

EXHIBIT A
Specimen Municipal Bond Insurance Policy

MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: $ in aggregate principal amount of

Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ________________________________
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100