NEW ISSUE **RATING: S&P: A+ (stable outlook)**

BOOK-ENTRY ONLY

*In the opinion of Bond Counsel, based on existing statutes, regulations, rulings and court decisions, the interest on the Series 2022B 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 (the "Code") that must be satisfied subsequent to the issuance of the Series 2022B Bonds, and the Series 2022A Bonds and Series 2022B Bonds and interest thereon are exempt from all Arkansas state, county and municipal taxes. In the opinion of Bond Counsel, interest on the Series 2022B Bonds is not an item of tax preference for purposes of the federal alternative minimum tax, and the Series 2022B Bonds are "qualified tax-exempt obligations" within the meaning of Section 265 of the Code. In the opinion of Bond Counsel, interest on the Series 2022A Bonds is includable in gross income for federal income tax purposes. See **TAX MATTERS** herein.*

$25,780,000
CITY OF CABOT, ARKANSAS
SALES AND USE TAX BONDS

$23,940,000 TAXABLE SERIES 2022A	$1,840,000 SERIES 2022B

Dated: Date of Delivery Due: December 1, as shown on the inside front cover

Principal of and interest on the Series 2022A Bonds and the Series 2022B Bonds (collectively, the "2022 Bonds") are payable from a pledge of receipts derived by the City of Cabot, Arkansas (the "City") from a 1% sales and use tax levied by the City on a parity with the City's Sales and Use Tax Refunding and Improvement Bonds, Taxable Series 2021A and Series 2021B. Interest on the 2022 Bonds is payable semiannually on June 1 and December 1 in each year, commencing December 1, 2022, and the 2022 Bonds mature (on December 1 of each year), bear interest and are priced to yield as set forth on the inside front cover.

(FOR THE MATURITY SCHEDULES, SEE THE INSIDE FRONT COVER)

The 2022 Bonds of each maturity and series 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 2022 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 2022 Bonds will not receive physical delivery of the 2022 Bonds. Payments of principal of and interest on the 2022 Bonds will be made by U. S. Bank Trust Company, National Association, as the Trustee, directly to Cede & Co., as nominee for DTC, as registered owner of the 2022 Bonds, to be subsequently disbursed to DTC Participants and thereafter to the Beneficial Owners of the 2022 Bonds, all as further described herein.

The 2022 Bonds are offered, subject to prior sale, when, as and if issued and received by the Underwriter named below, subject to the approval of legality by Friday, Eldredge & Clark, LLP, Little Rock, Arkansas, Bond Counsel, and subject to 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: April 11, 2022

MATURITY SCHEDULE

Series 2022A Bonds

$8,020,000 Serial Bonds

Year (December)	Amount	Rate(%)	Yield(%)
2024	$ 190,000	2.85	2.85
2025	865,000	3.15	3.15
2026	895,000	3.30	3.30
2027	925,000	3.40	3.40
2028	955,000	3.50	3.50
2029	990,000	3.65	3.65
2030	1,025,000	3.70	3.70
2031	1,060,000	5.00	3.75
2032	1,115,000	3.85	3.85

$6,310,000 4.375% Term Bonds due December 1, 2037 to Yield 4.375%
$9,610,000 4.375% Term Bonds due December 1, 2043 to Yield 4.500%

Series 2022B Bonds

Year (December)	Amount	Rate(%)	Yield(%)
2022	$410,000	5.00	1.55
2023	790,000	5.00	1.85
2024	640,000	5.00	2.05

No dealer, broker, salesman or 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, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or other solicitation of an offer to buy, nor shall there be any sale of the 2022 Bonds by any persons in any state in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City since the date hereof.

The 2022 Bonds have not been registered under the Securities Act of 1933, as amended, nor has the Authorizing Ordinance 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.

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OFFICIAL STATEMENT

$25,780,000
CITY OF CABOT, ARKANSAS
SALES AND USE TAX BONDS

$23,940,000 **TAXABLE SERIES 2022A**	**$1,840,000** **SERIES 2022B**

INTRODUCTION TO OFFICIAL STATEMENT

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

This Official Statement of the City of Cabot, Arkansas (the "City") is furnished in connection with the offering by the City of its $23,940,000 principal amount of Sales and Use Tax Bonds, Taxable Series 2022A (the "Series 2022A Bonds") and its $1,840,000 principal amount of Sales and Use Tax Bonds, Series 2022B (the "Series 2022B Bonds"). The Series 2022A Bonds are being issued for the purpose of financing the costs of broadband improvements, animal services improvements and public health improvements for the City (the "2022A Improvements"), funding a portion of a debt service reserve and paying expenses of issuing the Series 2022A Bonds. The Series 2022B Bonds are being issued for the purpose of financing the costs of street improvements, drainage improvements, police improvements, fire improvements and park and recreational improvements for the City (the "2022B Improvements," and collectively with the 2022A Improvements, the "2022 Improvements"), funding a portion of a debt service reserve and paying expenses of issuing the Series 2022B Bonds. See **THE 2022 BONDS**, <u>Purposes for 2022 Bonds</u>.

The City is a city of the first class duly organized under the laws of the State of Arkansas (the "State") and is located in central Arkansas. See **THE CITY AND THE COUNTY**. The City is authorized under Amendment No. 62 to the Constitution of the State ("Amendment 62") and Title 14, Chapter 164, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation") to issue capital improvement bonds and to expend the proceeds thereof for the intended purposes.

The Series 2022A Bonds and the Series 2022B Bonds (collectively, the "2022 Bonds") are not general obligations of the City, but are special obligations payable solely from collections from a 1% sales and use tax (the "Tax") levied by the City. See **THE TAX** and **THE 2022 BONDS**, <u>Security</u>. The Tax is levied under Ordinance No. 12 of 2021 of the City adopted March 29, 2021 (the "Tax Ordinance"). The issuance of the 2022 Bonds and the pledging of the Tax to the payment of the principal of and interest on the 2022 Bonds was approved at the special election held August 10, 2021. The Series 2022A Bonds and the Series 2022B Bonds are equally and ratably secured. The 2022 Bonds are being issued pursuant to and in full compliance with Amendment 62 and the Authorizing Legislation and Ordinance No. 37 of 2021 of the City, adopted on October 4, 2021, and Ordinance No. 10 of 2022 of the City, adopted on April 4, 2022 (collectively, the "Authorizing Ordinance"). See **THE AUTHORIZING ORDINANCE**.

The pledge of Tax collections in favor of the 2022 Bonds is on a parity with the pledge in favor of the City's Sales and Use Tax Refunding and Improvement Bonds, Taxable Series 2021A (the "Series 2021A Bonds) and the City's Sales and Use Tax Refunding and Improvement Bonds, Series 2021B (the "Series 2021B Bonds," and collectively with the Series 2021A Bonds, the "2021 Bonds"). The City has reserved the right in the Authorizing Ordinance to issue additional bonds on a parity of security with the 2021 Bonds and the 2022 Bonds for the purpose of refunding either or both issues of bonds (the "Additional Parity Bonds"). See **THE 2022 BONDS**, <u>Security</u>.

The 2022 Bonds will be initially issued in book-entry form and purchasers of 2022 Bonds will not receive certificates representing their interest in the 2022 Bonds purchased. See **THE 2022 BONDS**, Book-Entry Only System. The 2022 Bonds will contain such other terms and provisions as described herein. See **THE 2022 BONDS**, Generally.

The 2022 Bonds are issuable only as fully registered bonds, without coupons, in the denomination of $5,000 or an integral multiple thereof. Interest is payable December 1, 2022, and semiannually thereafter on each June 1 and December 1. Unless the 2022 Bonds are in book-entry form, payment of principal of the 2022 Bonds will be made to the owners of the 2022 Bonds at the principal office of U. S. Bank Trust Company, National Association, as trustee and paying agent for the 2022 Bonds (the "Trustee"). Interest is payable by the Trustee to the registered owners as of the record date for each interest payment date. The record date for payment of interest on the 2022 Bonds shall be the fifteenth day of the calendar month next preceding each interest payment date. A 2022 Bond may be transferred, in whole or in part (in integral multiples of $5,000), but only upon delivery of the 2022 Bond, together with a written instrument of transfer, to the Trustee. See **THE 2022 BONDS**, Generally, and Book-Entry Only System.

The 2022 Bonds are subject to extraordinary redemption from proceeds of the 2022 Bonds not needed for the purposes intended and Surplus Tax Receipts (as hereinafter defined). The Series 2022A Bonds are subject to optional redemption on and after June 1, 2032. The Series 2022B Bonds are not subject to optional redemption. The Series 2022A Bonds maturing on December 1 in the years 2037 and 2043 are subject to mandatory sinking fund redemption as described herein. The Trustee shall give at least thirty (30) days notice of redemption. See **THE 2022 BONDS**, Redemption.

Under existing law and assuming compliance with certain covenants described herein, (i) interest on the Series 2022B Bonds is excludable from gross income for federal income tax purposes, (ii) interest on the Series 2022B Bonds is not an item of tax preference for purposes of the federal alternative minimum tax, (iii) the Series 2022B Bonds are "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended (the "Code"), (iv) the 2022 Bonds and interest thereon are exempt from all State, county and municipal taxes and (v) interest on the Series 2022A Bonds is includable in gross income for federal income tax purposes. See **TAX MATTERS**.

It is expected that the 2022 Bonds will be available for delivery on or about May 17, 2022, 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 Authorizing Ordinance 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 2022 BONDS

Book-Entry Only System. The Depository Trust Company ("DTC"), New York, New York, or its successor, will act as securities depository for the 2022 Bonds. The 2022 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 2022 Bond certificate for each maturity and series 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 2022 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2022 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2022 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 2022 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 2022 Bonds, except in the event that use of the book-entry system for the 2022 Bonds is discontinued.

To facilitate subsequent transfers, all 2022 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 2022 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 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2022 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 to Cede & Co. If fewer than all of the 2022 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 2022 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 Trustee 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 2022 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 2022 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 2022 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, 2022 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, 2022 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 2022 Bonds are in book-entry only form, Cede & Co., as nominee for DTC, will be treated as the sole owner of the 2022 Bonds for all purposes under the Authorizing Ordinance, including receipt of all principal of and interest on the 2022 Bonds, receipt of notices, voting and requesting or directing the Trustee to take or not to take, or consenting to, certain actions under the Authorizing Ordinance. 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 2022 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 Authorizing Ordinance to be given to owners of 2022 Bonds; or (d) other action taken by DTC or Cede & Co. as owner of the 2022 Bonds.

Generally. The 2022 Bonds are dated, mature and bear interest as set forth on the inside front cover of this Official Statement. The principal of the 2022 Bonds is payable upon presentation and surrender at the principal office of the Trustee. Payment of interest on the 2022 Bonds will be made to each registered owner thereof by check or draft mailed by the Trustee to such owner at his address as such name and address appear on the registration book of the City kept by the Trustee on the record date which is the fifteenth day of the calendar month next preceding the calendar month in which such interest payment date falls. All such payments will be made in lawful money of the United States of America.

The 2022 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 Authorizing Ordinance. In the event any 2022 Bond is mutilated, lost or destroyed, the City shall, if not then prohibited by law, execute and the Trustee may authenticate a new 2022 Bond in accordance with the provisions therefor in the Authorizing Ordinance.

Each 2022 Bond is transferable by the registered owner thereof or by his attorney duly authorized in writing at the principal office of the Trustee. Upon such transfer a new fully registered 2022 Bond or 2022 Bonds of the same maturity and series, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefor.

No charge shall be made to any owner of any 2022 Bond for the privilege of registration, but any owner of any 2022 Bond requesting any such registration shall pay any tax or other governmental charge required to be paid with respect thereto. Except as otherwise provided in the immediately preceding sentence, the cost of preparing each new 2022 Bond upon each exchange or transfer and any other expenses of the City or the Trustee incurred in connection therewith shall be paid by the City. Neither the City nor the Trustee shall be required to transfer or exchange any 2022 Bond selected for redemption in whole or in part.

The person in whose name any 2022 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or interest of any 2022 Bond shall be made only to or upon the order of the registered owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such 2022 Bond to the extent of the sum or sums so paid.

In any case where the date of maturity of interest on or principal of the 2022 Bonds or the date fixed for redemption of any 2022 Bonds shall be a Saturday or Sunday or shall be in the State a legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal need not be made on such date but may be made on the next succeeding business day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after the date of maturity or date fixed for redemption.

Redemption. The 2022 Bonds are subject to extraordinary, optional and mandatory sinking fund redemption prior to maturity as follows:

(1) Extraordinary Redemption. The 2022 Bonds of each series shall be redeemed from proceeds of such series not needed for the purposes intended and Surplus Tax Receipts (hereinafter defined), on any interest payment date, in inverse order of maturity (and by lot within a maturity in such manner as the Trustee shall determine), in whole at any time or in part on any interest payment date, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date. Bonds of each series shall be redeemed in the order of priority set forth below.

"Surplus Tax Receipts" are collections of the Tax in excess of the amount necessary to (1) insure the prompt payment of the principal of, interest on and Trustee's fees and expenses and other administrative charges in connection with the 2021 Bonds, the 2022 Bonds and any Additional Parity Bonds, (2) maintain the debt service reserve in the required amount and (3) pay any arbitrage rebate due under Section 148(f) of the Code.

While the Series 2021A Bonds are outstanding, the City shall apply 100% of the Surplus Tax Receipts to the redemption of the Series 2021A Bonds. Thereafter, the amount of Surplus Tax Receipts used to redeem the Series 2021B Bonds, the Series 2022A Bonds, the Series 2022B Bonds and any Additional Parity Bonds will be prorated between such bonds based on the then outstanding principal amount of each (and rounded to the nearest $5,000). In the event of a redemption from Surplus Tax Receipts, the bonds of a particular series shall be redeemed in inverse order of maturity and by lot within a maturity in such manner as the Trustee shall determine.

In case of any defeasance of the 2022 Bonds, redemption of defeased 2022 Bonds shall be scheduled on the basis of mandatory redemption requirements and assuming annual Tax receipts in an amount equal to receipts for the most recent twelve-month period.

(2) Optional Redemption. The Series 2022A Bonds are subject to redemption at the option of the City, from funds from any source, on and after June 1, 2032, 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 Series 2022A Bonds shall be called for redemption, the particular maturities of the Series 2022A Bonds to be redeemed shall be selected by the City in its discretion. If fewer than all of the Series 2022A Bonds of any one maturity shall be called for redemption, the particular Series 2022A Bonds or portion thereof to be redeemed from such maturity shall be selected by lot by the Trustee.

The Series 2022B Bonds are not subject to redemption at the option of the City.

(3) Mandatory Sinking Fund Redemption. To the extent not previously redeemed, the Series 2022A Bonds maturing on December 1 in the years 2037 and 2043, are subject to mandatory sinking fund redemption by lot in such manner as the Trustee shall determine, on December 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:

Series 2022A Bonds Maturing December 1, 2037

Year (December 1)	Principal Amount
2033	$1,155,000
2034	1,210,000
2035	1,260,000
2036	1,315,000
2037 (maturity)	1,370,000

Series 2022A Bonds Maturing December 1, 2043

Year (December 1)	Principal Amount
2038	$1,430,000
2039	1,495,000
2040	1,565,000
2041	1,635,000
2042	1,705,000
2043 (maturity)	1,780,000

In the case of any redemption of 2022 Bonds prior to maturity, the Trustee shall mail or send via other standard means, including electronic or facsimile communication, a copy of the redemption notice to the registered owners of the 2022 Bonds to be redeemed, in each case not less than 30 nor more than 60 days prior to the date of redemption. After the date for redemption no further interest shall accrue on any 2022 Bond called for redemption if funds for redemption of such 2022 Bond have been deposited with the Trustee as provided in the Authorizing Ordinance.

Notwithstanding the above, so long as the 2022 Bonds are issued in book-entry only form, if fewer than all the 2022 Bonds of an issue are called for redemption, the particular 2022 Bonds to be redeemed will be selected pursuant to the procedures established by DTC. So long as the 2022 Bonds are issued in book-entry only form, notice of redemption will be given only to Cede & Co., as nominee for DTC. **The Trustee will not give any notice of redemption to the Beneficial Owners of the 2022 Bonds.**

Otherwise, any selection of 2022 Bonds by lot shall be effected by the Trustee, by any method chosen by the Trustee in its discretion.

Purposes for 2022 Bonds. At the special election held August 10, 2021, there was approved the issuance of bonds (including the 2021 Bonds and the 2022 Bonds) in the aggregate principal amount of $103,020,000 for the following purposes (collectively, the "Voter-Approved Bonds"):

(a) refunding the Bonds Refunded (the "Refunding") - $24,835,000;

(b) financing all or a portion of the costs of the acquisition, construction and equipping of facilities and apparatus for broadband, voice, data, video or wireless telecommunication services, or any combination thereof, and any necessary land and easement acquisition, road and utility adjustments therefor (the "Broadband Improvements") - $23,830,000;

(c) financing all or a portion of the costs of improvements to existing streets, roads and bridges, including particularly, without limitation, any curb, gutter, drainage and other related improvements, equipment and land acquisition to accomplish such improvements, and street lighting, utility adjustments, sidewalks and traffic signals related thereto (the "Street Improvements") - $10,835,000;

(d) financing all or a portion of the costs of the acquisition, construction and equipping of facilities for drainage and flood control and any necessary land and easement acquisition therefor (the "Drainage Improvements") - $10,835,000;

(e) financing all or a portion of the costs of the acquisition, construction, furnishing and equipping of facilities and apparatus for the City's police department, including particularly, without limitation, a new training facility, a new substation, vehicles and equipment and any necessary land acquisition and parking, lighting, road and utility improvements related thereto (the "Police Improvements") - $3,255,000;

(f) financing all or a portion of the costs of the acquisition, construction, furnishing and equipping of facilities and apparatus for the City's fire department, including particularly, without limitation, a new fire truck, a new training facility and a new substation and any necessary land acquisition and parking, lighting, road and utility improvements related thereto (the "Fire Improvements") - $2,605,000;

(g) financing all or a portion of the costs of the acquisition, equipping and installation of early warning facilities and apparatus (the "Early Warning Improvements") - $275,000;

(h) financing all or a portion of the costs of new, or improvements to existing, animal services facilities and any necessary furniture, fixtures, equipment, apparatus, land acquisition and parking improvements therefor (the "Animal Services Improvements") - $4,230,000;

(i) financing all or a portion of the costs of the acquisition, construction, furnishing and equipping of park and recreational facilities and improvements, including particularly, without limitation, a new multi-purpose community center with basketball and volleyball courts; improvements to the aquatic park to include particularly, without limitation, a new wave pool; new artificial turf for baseball fields; a new playground facility; a new community pavilion; and any necessary land acquisition and parking, landscaping, signage, drainage, lighting, concession, road and utility improvements related thereto (the "Park and Recreational Improvements") - $21,775,000; and

(j) financing all or a portion of the costs of public health facilities and improvements, including particularly, without limitation, new facilities for a City-owned food pantry to be operated by a non-profit organization and any necessary furniture, fixtures, equipment, apparatus, land acquisition and parking improvements therefor (the "Public Health Improvements") - $545,000.

The principal amounts of the Series 2021A Bonds, the Series 2021B Bonds, the Series 2022A Bonds and the Series 2022B Bonds, plus any original issue premium, are allocated approximately among the purposes described above as follows:

	Series 2021A Bonds	Series 2021B Bonds	Series 2022A Bonds	Series 2022B Bonds	Total
Refunding	$16,875,000	$ 4,697,611.00	--	--	$21,572,611.00
Broadband Improvements	--	--	$23,830,000	--	23,830,000.00
Street Improvements	--	10,402,281.60	--	$ 425,147.10	10,827,428.70
Drainage Improvements	--	10,402,281.60	--	425,147.10	10,827,428.70
Police Improvements	--	3,129,562.10	--	120,743.15	3,250,305.25
Fire Improvements	--	2,502,963.40	--	99,687.10	2,602,650.50
Early Warning Improvements	--	265,171.25	--	--	265,171.25
Animal Services Improvements	4,140,000	--	90,000	--	4,230,000.00
Park and Recreational Improvements	--	20,907,743.55	--	860,874.65	21,768,618.20
Public Health Improvements	525,000	--	20,000	--	545,000.00
Total	$21,540,000	$52,307,614.50	$23,940,000	$1,931,599.10	$99,719,213.60

After issuance of the 2022 Bonds, the City does not intend to issue any additional Voter-Approved Bonds. Therefore, unless the indebtedness represented by the Series 2021A Bonds, the Series 2021B Bonds, the Series 2022A Bonds or the Series 2022B Bonds is refunded, no Additional Parity Bonds will be issued.

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

	Series 2022A Bonds	Series 2022B Bonds	Total
SOURCES:			
Principal Amount of 2022 Bonds	$23,940,000	$1,840,000	$25,780,000
Original Issue Premium	--	91,599	91,599
Net Original Issue Discount	(59,395)	--	(59,395)
Total Sources	$23,880,605	$1,931,599	$25,812,204
USES:			
Costs of Broadband Improvements	$23,285,100	--	$23,285,100
Costs of Street Improvements	--	$416,541	416,541
Costs of Drainage Improvements	--	416,541	416,541
Costs of Police Improvements	--	118,300	118,300
Costs of Fire Improvements	--	97,668	97,668
Costs of Animal Services Improvements	88,148	--	88,148
Costs of Park and Recreational Improvements	--	843,451	843,451
Costs of Public Health Improvements	19,249	--	19,249
Debt Service Reserve	190,863	14,669	205,532
Underwriter's Discount	203,490	15,640	219,130
Costs of Issuance	93,755	8,789	102,544
Total Uses	$23,880,605	$1,931,599	$25,812,204

The payment of Underwriter's discount and the costs of issuing the 2022 Bonds relating to the payment of professional fees will be contingent on the 2022 Bonds being issued. See **MISCELLANEOUS**, Underwriting for a description of the Underwriter's discount. The City will deposit the net proceeds of the Series 2022A Bonds (principal amount plus any original issue premium, less any original issue discount and less Underwriter's discount, debt service reserve deposit and certain issuance costs) into three construction funds established with the Trustee. The City will deposit the net proceeds of the Series 2022B Bonds (principal amount plus any original issue premium, less any original issue discount and less Underwriter's discount, debt service reserve deposit and certain issuance costs) into five construction funds established with the Trustee. Each construction fund is referred to herein as a "Construction Fund" and collectively, the "Construction Funds." Moneys contained in each Construction Fund will be disbursed in payment of costs of the respective 2022 Improvements, paying necessary expenses incidental thereto and paying costs of issuance. Each Construction Fund will be designated to reflect the purpose, e.g., 2022A Broadband Construction Fund, and will have deposited therein a pro rata portion of 2022 Bond proceeds based upon principal amount. Moneys in each Construction Fund shall be used only for the specific 2022 Improvements related thereto. 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; the account from which the payment is to be made; the purpose by general classification of the payment; and that the payment is a proper charge on the account. For a description of how the net proceeds of the 2022 Bonds are to be invested pending use and the provisions governing those investments, see **THE AUTHORIZING ORDINANCE**, Investments.

Security. The 2022 Bonds are not general obligations of the City but are special obligations secured by a pledge of collections of the Tax ("Tax receipts") on a parity with the 2021 Bonds. Tax receipts must be used solely to pay the principal of and interest on the 2021 Bonds, the 2022 Bonds and any Additional Parity Bonds, Trustee's fees and expenses and other administrative charges and any arbitrage rebate due under Section 148(f) of the Code. The 2022 Bonds are secured under the Authorizing Ordinance. For a summary of the terms of the Authorizing Ordinance, see **THE AUTHORIZING ORDINANCE**.

A debt service reserve will be maintained in the Bond Fund in an amount equal to one-half of the maximum annual debt service requirements on the 2021 Bonds, the 2022 Bonds and any Additional Parity Bonds. See **THE AUTHORIZING ORDINANCE**, The Bond Fund. The debt service reserve has been funded with proceeds of the 2021 Bonds and will be increased to the required level with proceeds of the 2022 Bonds.

The City covenants that it will not issue any bonds or incur any additional obligations secured by a lien on or pledge of the Tax receipts, other than Additional Parity Bonds. Additional Parity Bonds may only be issued to refund the indebtedness represented by the Series 2021A Bonds, the Series 2021B Bonds, the Series 2022A Bonds and the Series 2022B Bonds. The Additional Parity Bonds may be issued so long as the City has received collections from a City-wide 1% sales and use tax for a 12 month period that ends not less than 30 and not more than 90 days prior to the date that the Additional Parity Bonds are authorized by the City Council of the City to be issued, in an amount equal to or in excess of 125% of the maximum annual debt service requirements for the 2021 Bonds, the 2022 Bonds, any outstanding Additional Parity Bonds and the Additional Parity Bonds proposed to be issued. Nothing herein shall be construed to prohibit the City from refunding any 2021 Bonds, 2022 Bonds or any outstanding Additional Parity Bonds and pledging the Tax receipts to the refunding bonds on a parity with the non-refunded bonds and such refunding bonds shall be a part of the Additional Parity Bonds hereunder.

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. 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, 2022
Maggie Cope	Educator	December 31, 2022
Brandon Hillenburg	Business Owner	December 31, 2022
Michael Jones	Bank Employee	December 31, 2022
Eddie Long	Retired	December 31, 2022
Stephen Redd	Sales	December 31, 2022
James Reid	Retired	December 31, 2022
Ron Waymack	Retired	December 31, 2022
Matt Webber	U. S. Postal Service	December 31, 2022

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 Technical College, 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 Bank OZK, Centennial Bank, First Arkansas Bank & Trust, First Community Bank of Bentonville, First Security Bank, Regions Bank and Simmons 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
2015	$36,474
2016	37,222
2017	37,818
2018	39,316
2019	40,749

Total personal income estimates for the County are as follows:(1)

Year	Total Personal Income
2015	$2,602,741,000
2016	2,672,677,000
2017	2,752,317,000
2018	2,885,419,000
2019	2,987,256,000

(1) Source: Bureau of Economic Analysis, United States Department of Commerce; data for 2020 is not yet available.

Unemployment Data. Set forth below are the annual average unemployment rates for the County and the State since 2016, according to the Arkansas Department of Workforce Services:

	Annual Average Unemployment Rate (%)	
Year	County	State
2016	3.3	4.0
2017	3.3	3.7
2018	3.2	3.7
2019	3.2	3.5
2020	5.5	6.1
2021*	1.9	3.4

*As of November 2021

THE TAX

Generally. Pursuant to the Authorizing Legislation and the Tax Ordinance, the City has levied the Tax, which is a tax within the City on all items which are subject to taxation under The Arkansas Gross Receipts Act of 1941 and a tax on the receipts from storing, using or consuming tangible personal property under The Arkansas Compensating (Use) Tax Act of 1949. Pursuant to the Authorizing Ordinance, the City has pledged the Tax receipts to the payment of the 2021 Bonds and the 2022 Bonds. The Tax was approved as security for the 2021 Bonds and the 2022 Bonds at the special election held August 10, 2021. The Tax became effective on April 1, 2022.

The Streamline Sales and Use Tax Agreement ("Streamline") has been adopted by the State and became effective on January 1, 2008. Streamline amended Arkansas sales and use tax law to allow the State to collect sales and use taxes from internet sales from vendors outside the State. Streamline limits the collection of the local sales and use tax on the first $2,500 of sales proceeds only on the following sales: motor vehicles, aircraft, watercraft, modular homes, manufactured homes or mobile homes. There is no limit of the amount of local sales and use tax to be paid on all other items. The State allows businesses, nonprofits and governmental entities to file for a credit or rebate on a local sales and use tax if the amount on an invoice totals more than $2,500 on certain qualified purchases. Claims for credit or rebates must be filed with the Arkansas Department of Finance and Administration ("DF&A") within one year from the date of purchase or one year from the date of payment, if later. DF&A will then cause the State Treasurer to withhold the amount of the refund from future disbursements to the local government levying the sales and use tax.

Pursuant to Act 757 of 2011 (the "Sales Tax Holiday Act"), the State has created an annual sales tax holiday in which clothing (which are less than $100 per item), clothing accessories or equipment (which are less than $50 per item), electronic devices, school art supplies, school instructional materials and school supplies are exempt from taxation under The Arkansas Gross Receipts Tax Act of 1941. The annual sales tax holiday is from 12:01 a.m. on the first Saturday in August until 11:59 p.m. the following Sunday.

Set forth in Exhibit A attached hereto is a summary of certain sales and use tax provisions. The summary does not purport to be complete statements of the laws. Reference is made to the Arkansas Code Annotated §§26-52-101 et seq. and 26-53-101 et seq. for the full text and complete descriptions of such provisions.

Administration. Pursuant to the Authorizing Legislation, the Commissioner of Revenues of the State (the "Commissioner") performs all functions incidental to the administration, collection, enforcement and operation of the Tax. All Tax receipts collected, less certain charges payable and retainage due the Commissioner for administrative services in the amount of 3% of the gross Tax receipts, shall be remitted by the State Treasurer to the Trustee monthly for deposit into the Bond Fund. See **THE AUTHORIZING ORDINANCE**, The Bond Fund.

Historical Tax Receipts. The Tax replaced a 1% sales and use tax pledged to bonds refunded by the 2021 Bonds (the "Existing 1% Tax"). Collections of the Existing 1% Tax in the City have been as follows since 2016:

Year	Existing 1% Tax Collections
2016	$4,373,140
2017	4,520,125
2018	4,774,838
2019	4,995,142
2020	5,637,153
2021	6,382,946

Collections of the Existing 1% Tax for the twelve-month periods ended March 31 have been as follows for the past five years:

Period (Ended March 31)	Existing 1% Tax Collections
2018	$4,597,405
2019	4,792,580
2020	5,115,974
2021	5,845,530
2022	6,576,980

Future Tax Receipts. Tax receipts will be contingent upon the sale and use of property and services within the City, which activity is generally dependent upon economic conditions within the City. Also, Tax receipts may be affected by changes to transactions exempted from the Tax made by legislation adopted by the General Assembly of the State or by the people of the State in the form of a constitutional amendment or initiated act. In the past the General Assembly of the State has considered new exemptions to the Tax, such as food sales, which, if adopted, would materially reduce Tax receipts. The City has no control over actions of the General Assembly or the people of the State and cannot predict whether changes to the Tax may be made. Accordingly, the City cannot predict with certainty the expected amount of Tax receipts to be received and, therefore, there can be no assurance that Tax receipts will be sufficient to pay the principal of and interest on the 2022 Bonds.

The United States Supreme Court held in *S. Dakota v. Wayfair, Inc.*, No. 17-494, 2018 WL 3058015 (U.S. June 21, 2018) that in certain circumstances retailers can be required to collect sales tax even in states where they have no physical presence. The Arkansas General Assembly passed Act 822 of 2019 that requires out-of-state sellers without a physical presence in the State to collect and remit sales and use taxes to the State on annual sales of more than $100,000 from products and services delivered into the State. Alternatively, such sellers would be required to collect and remit sales and use taxes to the State if sales of products and services for delivery in the State consist of 200 or more transactions. These thresholds are identical to those imposed by the United States Supreme Court in *S. Dakota v. Wayfair, Inc.*

THE AUTHORIZING ORDINANCE

Set forth below is a summary of certain portions of the Authorizing Ordinance. This summary does not purport to be comprehensive and reference is made to the full text of the Authorizing Ordinance for a complete description of its provisions. **Unless the context clearly indicates otherwise, all references under this heading to the "Bonds" shall include the 2021 Bonds, the 2022 Bonds and any Additional Parity Bonds**. The City will covenant as set forth below in the Authorizing Ordinance.

The Bond Fund. (a) The Trustee shall deposit all Tax receipts as and when received into a special fund of the City in the Trustee which is created by the Authorizing Ordinance and designated "Sales and Use Tax Bond Fund" (the "Bond Fund"), for the purpose of providing funds for the payment of principal of and interest on the Bonds as they become due at maturity or at redemption prior to maturity, the Trustee's fees and expenses and other administrative charges, and any arbitrage rebate. Moneys in the Bond Fund shall be used on each interest payment date in the following order of priority as and when necessary:

(1) to pay the interest on the Bonds then due; and

(2) to pay the principal of the Bonds then due at maturity or upon mandatory sinking fund redemption; and

(3) to make provision in the Bond Fund for payment of one-half of the principal next due at maturity or upon mandatory sinking fund redemption on the Bonds if principal is not due on such interest payment date; and

(4) to pay into the Debt Service Reserve Account (hereinafter identified) any moneys necessary to increase the Debt Service Reserve Account to the required level; and

(5) to pay the Trustee's fees and expenses and other administrative charges then due; and

(6) to make any arbitrage rebate payment due under Section 148(f) of the Code; and

(7) to redeem Bonds prior to maturity.

Notwithstanding the above, (i) any arbitrage rebate shall be paid not later than the date due, and (ii) a Bond redemption payment may occur on any authorized redemption date as set forth in the Bonds, in each case whether or not such date is an interest payment date.

(b) There shall be established and maintained in the Bond Fund a Debt Service Reserve Account in an amount equal to one-half of the maximum annual debt service requirements on the Bonds (the "required level"). The City shall fund the Debt Service Reserve Account from time to time as Bonds are issued. Moneys in the Debt Service Reserve Account shall be used to make the payments described in clauses (1) and (2) of subsection (a) above if moneys in the Bond Fund are not otherwise sufficient for that purpose. Moneys in the Debt Service Reserve Account over and above the required level shall be immediately transferred from the Debt Service Reserve Account into the Special Redemption Account in the Bond Fund. Moneys in the Debt Service Reserve Account shall be used to make the final payment of principal and interest on the Bonds.

(c) There shall be established and maintained in the Bond Fund a Special Redemption Account into which shall be deposited all funds in the Bond Fund available for the redemption of the Bonds arising from Surplus Tax Receipts and any surplus Bond proceeds. Moneys in the Special Redemption Account shall be used on the next available date for the purpose of redeeming Bonds.

(d) When the moneys in the Bond Fund, including the Debt Service Reserve Account and the Special Redemption Account, shall be and remain sufficient to pay (1) the principal of all the Bonds then outstanding, (2) interest on the Bonds until the next interest payment date, (3) the Trustee's fees and expenses and other administrative charges, and (4) all arbitrage rebate payments due the United States under Section 148(f) of the Code, there shall be no obligation to make any further payments into the Bond Fund and any Tax receipts remaining in the Bond Fund after the principal of, premium, if any and interest on the Bonds have been paid may be used by the City for any lawful purpose.

<u>Investments</u>. (a) Moneys held for the credit of the Construction Funds may be invested and reinvested in Permitted Investments (as hereinafter defined) or other investments permitted by State law, which shall mature, or which shall be subject to redemption by the holder thereof, at the option of such holder, not later than the date or dates when such money will be required for the purposes intended.

(b) Moneys held for the credit of the Debt Service Reserve Account shall be invested and reinvested in Permitted Investments, which shall mature, or which shall be subject to redemption by the holder thereof, at the option of such holder, not later than the earlier of (i) the final maturity of the Bonds that are outstanding on the date of investment or (ii) five (5) years.

(c) Moneys held for the credit of the Bond Fund (other than the Debt Service Reserve Account) shall be invested and reinvested in Permitted Investments, which will mature, or which will be subject to redemption by the holder thereof at the option of the holder, not later than the date or dates on which the money shall be required for the payment of the principal of and interest on the Bonds when due.

(d) Obligations purchased as an investment of any fund or account shall be deemed at all times a part of such fund. Any profit or loss realized on investments of moneys in any fund shall be charged to said fund.

(e) "Permitted Investments" are defined as (i) direct or fully guaranteed obligations of the United States of America ("Government Securities"), (ii) direct obligations of an agency, instrumentality or government-sponsored enterprise created by an act of the United States Congress and authorized to issue securities or evidences of indebtedness, regardless of whether the securities or evidences of indebtedness are guaranteed for repayment by the United States Government, (iii) certificates of deposit or demand deposits of banks, including the Trustee, which are insured by the Federal Deposit Insurance Corporation ("FDIC") or, if in excess of insurance coverage, collateralized by Government Securities or other securities authorized by State law to secure public funds or (iv) money market funds invested exclusively in Government Securities and the obligations described in (ii) above.

Certain Covenants. The City covenants that:

(a) It will not take, suffer or permit any action which may cause the interest payable on the Series 2022B Bonds to be included in gross income for federal income tax purposes, including any use of proceeds of the sale of the Series 2022B Bonds or Tax receipts directly or indirectly in such manner as to cause the Series 2022B Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code.

(b) It will not use or permit the use of the improvements being financed or the proceeds of the Series 2022B Bonds in such manner as to cause the Series 2022B Bonds to be "private activity bonds" within the meaning of Section 141 of the Code.

(c) It will faithfully and punctually perform all duties with reference to the Tax and the Bonds, required by the Constitution and laws of the State and by the Authorizing Ordinance, including the collection of Tax, as therein specified and covenanted, the segregating of the Tax receipts and the applying of the Tax receipts as provided in the Authorizing Ordinance.

(d) It will make any arbitrage rebate payment due the United States under Section 148(f) of the Code from moneys in the Bond Fund.

Defaults and Remedies. (a) If there be any default in the payment of the principal of and interest on the Bonds, or if the City defaults in the performance of any covenant contained in the Authorizing Ordinance, the Trustee may, and upon the written request of the owners of not less than 25% in principal amount of the Bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the City, under the Authorizing Ordinance, to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

(b) No owner of any Bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or in law for the protection or enforcement of any right under the Authorizing Ordinance or under the Constitution and laws of the State unless such owner previously shall have given to the Trustee written notice of the default on account of which such suit, action or proceeding is to be taken, and unless the owners of not less than 25% in principal amount of the Bonds then outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted by the Constitution and laws of the State, or to institute such action, suit or proceeding in its name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the cost, expense and liabilities to be incurred therein or thereby and the Trustee shall have refused or neglected to comply with such request within a reasonable time, and such notification, request and offer of indemnity are in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trust of the Authorizing Ordinance or to any other remedy thereunder. No one or more owners of the Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Authorizing Ordinance, or to enforce any right thereunder except in the manner therein provided, that all proceedings at law or in equity shall be instituted, had and maintained in the manner therein provided and for the benefit of all owners of the outstanding Bonds, and any individual rights of action or other right given to one or more of such owners by law are restricted by the Authorizing Ordinance to the rights and remedies therein detailed.

(c) All rights of action under the Authorizing Ordinance or under any of the Bonds secured thereby, enforceable by the Trustee, may be enforced by it without the possession of any of the Bonds, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name and for the benefit of all the owners of the Bonds, subject to the provisions of the Authorizing Ordinance.

(d) No remedy conferred upon or reserved to the Trustee or to the owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Authorizing Ordinance or given by any law or by the Constitution of the State.

(e) No delay or omission of the Trustee or of any owners of the Bonds to exercise any right or power accrued upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy given by the Authorizing Ordinance to the Trustee and to the owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

(f) The Trustee may, and upon the written request of the owners of not less than a majority in principal amount of the Bonds then outstanding shall, waive any default which shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted under the provision of the Authorizing Ordinance or before the completion of the enforcement of any other remedy, but no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

Defeasance. Any Bond shall be deemed to be paid within the meaning of this Ordinance when payment of the principal of and interest on such Bond (whether at maturity or upon redemption as provided herein, or otherwise), either (i) shall have been made or caused to be made in accordance with the terms hereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment (1) cash sufficient to make such payment and/or (2) Government Securities that are direct obligations of the United States of America (provided that such deposit will not cause any of the Series 2022B Bonds or any Additional Parity Bonds to be classified as "arbitrage bonds" within the meaning of the Code), 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 with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee.

In case of any defeasance of the Bonds, redemption of defeased bonds shall be scheduled on the basis of the mandatory redemption requirements and assuming annual collections of the Tax in an amount equal to receipts for the most recent twelve-month period.

On the payment of any Bonds within the meaning of this Ordinance, the Trustee shall hold in trust, for the benefit of the owners of such Bonds, all such moneys and/or Government Securities.

When all the Bonds shall have been paid within the meaning of the Authorizing Ordinance, if the Trustee has been paid its fees and expenses, and if all arbitrage rebate due the United States under Section 148(f) of the Code has been paid or provided for to the satisfaction of the Trustee, the Trustee shall take all appropriate action to cause (i) the pledge and lien of this Ordinance to be discharged and cancelled, and (ii) all moneys held by it pursuant to this Ordinance and which are not required for the payment of such Bonds to be paid over or delivered to or at the direction of the City.

The Trustee. The Trustee shall be responsible for the exercise of good faith and ordinary prudence in the execution of its trusts and duties. The recitals in the Authorizing Ordinance and in the Bonds are the recitals of the City and not of the Trustee. The Trustee shall not be required to take any action as Trustee unless it shall have been requested to do so in writing by the owners of not less than 25% in principal amount of Bonds then outstanding and shall have been offered reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby. The Trustee may resign by giving 60 days' notice in writing to the

City Clerk and the owners of the Bonds. The majority in principal amount of the owners of the outstanding Bonds or the City, so long as it is not in default under this Ordinance, at any time, with or without cause, may remove the Trustee. In the event of a vacancy in the office of Trustee, the City shall forthwith designate a new Trustee by a written instrument filed with the City Clerk. The new Trustee shall be a bank or a trust company duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than $50,000,000. The preceding criteria may be met by a parent corporation if the parent corporation has guaranteed the obligations of the successor trustee. The Trustee and any successor Trustee shall file a written acceptance and agreement to execute the trusts imposed upon it by the Authorizing Ordinance, but only upon the terms and conditions set forth in the Authorizing Ordinance and subject to the provisions of the Authorizing Ordinance, to all of which the respective owners of the Bonds agree. Such written acceptance shall be filed with the City Clerk and a copy thereof shall be placed in the bond transcript. Any successor Trustee shall have all the powers herein granted to the original Trustee. Notwithstanding the above, no removal, resignation or termination shall take effect upon the acceptance of the trusts by the successor Trustee.

Supplemental Ordinances. The terms of the Authorizing Ordinance constitute a contract between the City and the owners of the Bonds and no variation or change in the undertaking set forth in the Authorizing Ordinance shall be made while any of the Bonds are outstanding, except as hereinafter set forth. The owners of not less than 75% in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, to consent to and approve the adoption by the City of a supplemental ordinance as shall be necessary or desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Authorizing Ordinance or in any supplemental ordinance. The Trustee may consent to any change without the consent of 75% of the owners of the aggregate principal amount of Bonds outstanding that the Trustee determines is not to the material prejudice of the owners of the Bonds or in order to cure any ambiguity or formal defect or omission in the Authorizing Ordinance or any amendment thereto or in connection with the issuance of Additional Parity Bonds, provided, however, that nothing therein contained shall permit or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Bond issued thereunder, or (b) a reduction in the principal amount of any Bond or the rate of interest thereon, or (c) the creation of a pledge of Tax receipts superior to or on a parity with the pledge created by the Authorizing Ordinance, or (d) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance.

CONTINUING DISCLOSURE

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 City's Franchise Fee Revenue Bonds, Series 2018 (the "2018 Bonds"); (iv) the City's Franchise Fee Revenue Bonds, Taxable Series 2021 (the "2021 Franchise Fee Bonds") and (v) the 2021 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 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 and the 2016 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 Undertakings for the 2021 Franchise Fee Bonds and the 2021 Bonds is not yet due.

The audited financial statements of the City for the years ended December 31, 2016 and 2017 were filed on EMMA approximately 34 days late and 986 days late, respectively. 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 year ended December 31, 2020 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 its 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 2022 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 any annual report provided by the City pursuant to, and as described in, the Continuing Disclosure Agreement.

"Beneficial Owner" of a 2022 Bond shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any 2022 Bonds (including persons holding 2022 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 shall cause the Dissemination Agent to, not later than one hundred eighty (180) days after the end of the City's fiscal year (presently December 31), commencing with the report after the end of the 2022 fiscal year, provide to the MSRB, through its continuing disclosure service portal provided through EMMA at http://www.emma.msrb.org or any similar system acceptable to the Securities and Exchange Commission, an Annual Report which is consistent with the requirements of the Continuing Disclosure Agreement. The Annual Report shall be in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB. The 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 (as defined below) 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 after receipt thereof by the City. If the City's fiscal year changes, it shall give notice of such change in the manner as for a Listed Event.

(b) Not later than fifteen (15) days prior to the date specified in subsection (a) for providing the 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 (a) under Content of Annual Report, below) has been provided to the MSRB by the date required in subsection (a), the Trustee shall file a notice with the MSRB.

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

(a) Tax receipts for the latest calendar year and the four (4) previous years, if available; and

(b) 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. Modification to rights of security holders, if material.

8. 2022 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). Each notice of the occurrence of a Listed Event shall be captioned "Notice of Listed Event" and 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 2022 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 Trustee 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 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 2022 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 2022 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 2022 Bonds in the same manner as provided in the Authorizing Ordinance for amendments to the Authorizing Ordinance 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 2022 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.

Additional Information. 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 Annual Report or 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 Annual Report or 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 Annual Report or 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 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 2022 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 Authorizing Ordinance, 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 and the Beneficial Owners and shall create no rights in any other person or entity.

DEBT SERVICE COVERAGE

Set forth below is estimated debt service coverage information for the 2021 Bonds and the 2022 Bonds. In arriving at the estimate of annual Tax receipts for this calculation, the City examined the collections of the Existing 1% Tax for the twelve-month period ended March 31, 2022.

Actual Tax receipts collected by the City will depend upon, among other things, the level of retail activity within the City, the economic health of the City and surrounding trade area, possible future actions by the people of the State or General Assembly of the State defining transactions subject to the Tax and granting exemptions from the Tax, such as exemptions for food sales. The figure set forth below is only an estimate and there can be no assurance that future Tax receipts will equal the estimate shown below. See **THE TAX**, Future Tax Receipts.

Based upon the pledge of 100% of estimated Tax receipts, debt service coverage is as follows:

Estimated Tax Receipts Available for Debt Service[(A)]	$6,576,980
Maximum Annual Debt Service for the 2021 Bonds and the 2022 Bonds [(B)]	4,593,513
Debt Service Coverage[(A/B)]	1.43x

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DEBT SERVICE REQUIREMENTS

The following tables show amounts required to pay scheduled principal and interest on the 2022 Bonds during each year. However, the City expects to retire the Series 2022A Bonds earlier than scheduled from Surplus Tax Receipts. See **THE 2022 BONDS**, Redemption and **PROJECTED MANDATORY REDEMPTION**.

SERIES 2022A BONDS

Year	Principal	Interest	Total Debt Service
2022	--	$ 535,418.44	$ 535,418.44
2023	--	993,560.00	993,560.00
2024	$ 190,000	993,560.00	1,183,560.00
2025	865,000	988,145.00	1,853,145.00
2026	895,000	960,897.50	1,855,897.50
2027	925,000	931,362.50	1,856,362.50
2028	955,000	899,912.50	1,854,912.50
2029	990,000	866,487.50	1,856,487.50
2030	1,025,000	830,352.50	1,855,352.50
2031	1,060,000	792,427.50	1,852,427.50
2032	1,115,000	739,427.50	1,854,427.50
2033	1,155,000	696,500.00	1,851,500.00
2034	1,210,000	645,968.76	1,855,968.76
2035	1,260,000	593,031.26	1,853,031.26
2036	1,315,000	537,906.26	1,852,906.26
2037	1,370,000	480,375.00	1,850,375.00
2038	1,430,000	420,437.50	1,850,437.50
2039	1,495,000	357,875.00	1,852,875.00
2040	1,565,000	292,468.76	1,857,468.76
2041	1,635,000	224,000.00	1,859,000.00
2042	1,705,000	152,468.76	1,857,468.76
2043	1,780,000	77,875.00	1,857,875.00
Totals	$23,940,000	$14,010,457.24	$37,950,457.24

SERIES 2022B BONDS

Year	Principal	Interest	Total Debt Service
2022	$ 410,000	$ 49,577.78	$ 459,577.78
2023	790,000	71,500.00	861,500.00
2024	640,000	32,000.00	672,000.00
Totals	$1,840,000	$153,077.78	$1,993,077.78

COMBINED SERIES 2022A BONDS AND SERIES 2022B BONDS

Year	Principal	Interest	Total Debt Service
2022	$ 410,000	$ 584,996.22	$ 994,996.22
2023	790,000	1,065,060.00	1,855,060.00
2024	830,000	1,025,560.00	1,855,560.00
2025	865,000	988,145.00	1,853,145.00
2026	895,000	960,897.50	1,855,897.50
2027	925,000	931,362.50	1,856,362.50
2028	955,000	899,912.50	1,854,912.50
2029	990,000	866,487.50	1,856,487.50
2030	1,025,000	830,352.50	1,855,352.50
2031	1,060,000	792,427.50	1,852,427.50
2032	1,115,000	739,427.50	1,854,427.50
2033	1,155,000	696,500.00	1,851,500.00
2034	1,210,000	645,968.76	1,855,968.76
2035	1,260,000	593,031.26	1,853,031.26
2036	1,315,000	537,906.26	1,852,906.26
2037	1,370,000	480,375.00	1,850,375.00
2038	1,430,000	420,437.50	1,850,437.50
2039	1,495,000	357,875.00	1,852,875.00
2040	1,565,000	292,468.76	1,857,468.76
2041	1,635,000	224,000.00	1,859,000.00
2042	1,705,000	152,468.76	1,857,468.76
2043	1,780,000	77,875.00	1,857,875.00
Totals	$25,780,000	$14,163,535.02	$39,943,535.02

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The following table shows the amounts required to pay the remaining scheduled principal of and interest on the 2021 Bonds and the 2022 Bonds during each year. However, the City expects to retire the 2021 Bonds and the Series 2022A Bonds earlier than scheduled from Surplus Tax Receipts. See **THE 2022 BONDS**, Redemption and **PROJECTED MANDATORY REDEMPTION**.

COMBINED 2021 BONDS AND 2022 BONDS

Year	2021 Bond Debt Service	2022 Bond Debt Service	Total Debt Service
2022	$ 2,744,895.72	$ 994,996.22	$ 3,739,891.94
2023	2,728,663.00	1,855,060.00	4,583,723.00
2024	2,735,163.00	1,855,560.00	4,590,723.00
2025	2,729,413.00	1,853,145.00	4,582,558.00
2026	2,726,913.00	1,855,897.50	4,582,810.50
2027	2,727,413.00	1,856,362.50	4,583,775.50
2028	2,725,663.00	1,854,912.50	4,580,575.50
2029	2,726,663.00	1,856,487.50	4,583,150.50
2030	2,730,463.00	1,855,352.50	4,585,815.50
2031	2,722,463.00	1,852,427.50	4,574,890.50
2032	2,734,163.00	1,854,427.50	4,588,590.50
2033	2,724,513.00	1,851,500.00	4,576,013.00
2034	2,734,113.00	1,855,968.76	4,590,081.76
2035	2,727,363.00	1,853,031.26	4,580,394.26
2036	2,714,713.00	1,852,906.26	4,567,619.26
2037	2,726,313.00	1,850,375.00	4,576,688.00
2038	2,731,413.00	1,850,437.50	4,581,850.50
2039	2,720,163.00	1,852,875.00	4,573,038.00
2040	2,723,013.00	1,857,468.76	4,580,481.76
2041	2,734,513.00	1,859,000.00	4,593,513.00
2042	2,724,363.00	1,857,468.76	4,581,831.76
2043	2,725,863.00	1,857,875.00	4,583,738.00
2044	4,176,363.00		4,176,363.00
2045	4,174,613.00		4,174,613.00
2046	4,170,988.00		4,170,988.00
2047	4,175,488.00		4,175,488.00
2048	4,164,893.76		4,164,893.76
2049	4,172,580.50		4,172,580.50
2050	4,178,043.00		4,178,043.00
2051	4,176,301.00		4,176,301.00
2052	4,177,466.00		4,177,466.00
2053	4,182,362.00		4,182,362.00
2054	4,180,020.00		4,180,020.00
2055	4,170,513.00		4,170,513.00
2056	4,168,914.00		4,168,914.00
Totals	$114,286,763.98	$39,943,535.02	$154,230,299.00

PROJECTED MANDATORY REDEMPTION

The tables under the caption **DEBT SERVICE REQUIREMENTS** do not reflect possible redemptions from Surplus Tax Receipts, if available. Surplus Tax Receipts are derived solely from Tax collections in excess of the amounts needed to pay principal of, interest on, and Trustee's fees and expenses and administrative charges in connection with the 2021 Bonds, the 2022 Bonds and any Additional Parity Bonds when due, to maintain the debt service reserve in the required amount and to pay any arbitrage rebate due under Section 148(f) of the Code.

While the Series 2021A Bonds are outstanding, the City shall apply 100% of the Surplus Tax Receipts to the redemption of the Series 2021A Bonds. Thereafter, the amount of Surplus Tax Receipts used to redeem the Series 2021B Bonds, the Series 2022A Bonds, the Series 2022B Bonds and any Additional Parity Bonds will be prorated between such bonds based on the then outstanding principal amount of each (and rounded to the nearest $5,000).

Based upon collections of the Existing 1% Tax for the twelve-month period ended March 31, 2022, and no projected growth, the City estimates that annual Tax collections will be available in the amount of $6,576,980. THERE IS NO GUARANTEE THAT THESE ESTIMATES WILL BE ACCURATE. See **THE TAX**, Future Tax Receipts. The Series 2022A Bonds would be paid in full by December 1, 2040 from Surplus Tax Receipts, if these estimates are correct, as follows:

SERIES 2022A BONDS

Date	Scheduled Principal	Series 2022A Bonds Redeemed Prior to Maturity	Total Principal Retired
June 1, 2022	--	--	--
December 1, 2022	--	--	--
June 1, 2023	--	--	--
December 1, 2023	--	--	--
June 1, 2024	--	--	--
December 1, 2024	$ 190,000	--	$ 190,000
June 1, 2025	--	--	--
December 1, 2025	865,000	--	865,000
June 1, 2026	--	--	--
December 1, 2026	895,000	--	895,000
June 1, 2027	--	--	--
December 1, 2027	925,000	--	925,000
June 1, 2028	--	--	--
December 1, 2028	955,000	--	955,000
June 1, 2029	--	--	--
December 1, 2029	990,000	--	990,000
June 1, 2030	--	--	--
December 1, 2030	1,025,000	--	1,025,000
June 1, 2031	--	--	--
December 1, 2031	1,060,000	$ 330,000	1,390,000
June 1, 2032	--	360,000	360,000
December 1, 2032	1,115,000	355,000	1,470,000
June 1, 2033	--	365,000	365,000
December 1, 2033	1,155,000	360,000	1,515,000
June 1, 2034	--	360,000	360,000
December 1, 2034	1,210,000	350,000	1,560,000
June 1, 2035	--	360,000	360,000
December 1, 2035	1,260,000	340,000	1,600,000
June 1, 2036	--	345,000	345,000
December 1, 2036	1,315,000	325,000	1,640,000
June 1, 2037	--	330,000	330,000
December 1, 2037	1,370,000	290,000	1,660,000
June 1, 2038	--	295,000	295,000
December 1, 2038	1,430,000	240,000	1,670,000
June 1, 2039	--	245,000	245,000
December 1, 2039	1,495,000	145,000	1,640,000
June 1, 2040	--	155,000	155,000
December 1, 2040	1,135,000	--	1,135,000
Totals	$18,390,000	$5,550,000	$23,940,000

LEGAL MATTERS

Legal Proceedings. There is no litigation pending seeking to restrain or enjoin the Tax or the issuance or delivery of the Bonds, or questioning or affecting the legality of the Tax or the 2022 Bonds or the proceedings and authority under which the 2022 Bonds are to be issued, or questioning the right of the City to adopt the Authorizing Ordinance or to issue the 2022 Bonds or the levy and pledge of the Tax by the City.

Legal Opinions. Legal matters incident to the authorization and issuance of the 2022 Bonds are subject to the unqualified approving opinion of Friday, Eldredge & Clark, LLP, Little Rock, Arkansas, Bond Counsel.

A form of Bond Counsel's approving opinion is attached hereto as Exhibit B.

TAX MATTERS

State Taxation. In the opinion of Friday, Eldredge & Clark, LLP, Bond Counsel, under existing law the interest on the 2022 Bonds is exempt from all Arkansas state, county and municipal taxes.

Series 2022A Bonds. In the opinion of Bond Counsel, interest on the Series 2022A Bonds under existing law is not excludable from gross income for federal income tax purposes. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Series 2022A Bonds. Prospective purchasers should consult their own tax advisor in determining the federal tax consequences to them of the purchase, holding and disposition of the Series 2022A Bonds.

Any federal tax advice contained in this Official Statement pertaining to the Series 2022A Bonds was written to support the marketing of and is not intended or written to be used, and cannot be used, by a taxpayer for the purpose of avoiding any penalties that may be imposed under the Code. All taxpayers should seek advice based on such taxpayer's particular circumstances from an independent tax advisor. This disclosure is provided to comply with Treasury Circular 230.

The following is a summary of certain anticipated federal income tax consequences of the purchase, ownership and disposition of the Series 2022A Bonds under the Code, regulations and the judicial and administrative rulings and court decisions now in effect, all of which are subject to change or possible differing interpretations. This summary does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances, nor certain types of investors subject to special treatment under the federal income tax laws. This summary does not address owners that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or currencies, purchasers that hold the Series 2022A Bonds (or foreign currency) as a hedge against currency risks or as part of a straddle with other investments or as part of a "synthetic security" or other integrated investment (including a "conversion transaction") comprised of a Series 2022A Bond and one or more other investments, or purchasers that have a "functional currency" other than the U.S. dollar. Except to the extent discussed below under "Foreign Investors," this summary is not applicable to non-United States persons not subject to federal income tax on their worldwide income. This summary does not discuss the tax laws of any state other than Arkansas or any local or foreign governments. Potential purchasers of the Series 2022A Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Series 2022A Bonds.

General. Although there are not any regulations, published rulings, or judicial decisions involving the characterization for federal income tax purposes of securities with terms substantially the same as the Series 2022A Bonds, Bond Counsel has advised that the Series 2022A Bonds will be treated for federal income tax purposes as evidences of indebtedness of the City and not as an ownership interest in the trust estate securing the Series 2022A Bonds or as an equity interest in the City or any other party, or in a separate association taxable as a corporation. Although the Series 2022A Bonds are issued by the City, interest on the Series 2022A Bonds (including original issue discount, if any) is not excludable from gross income for federal income tax purposes under Code Section 103. Interest on the Series 2022A Bonds will be fully subject to federal income taxation. Thus, owners of the Series 2022A Bonds generally must include interest (including any original issue discount) on the Series 2022A Bonds in gross income for federal income tax purposes.

In general, interest paid on the Series 2022A Bonds, original issue discount, if any, and market discount, if any, will be treated as ordinary income to the owners of the Series 2022A Bonds, and principal payments (excluding the portion of such payments, if any, characterized as original issue discount) will be treated as a return of capital.

Sales or Other Dispositions. If a Series 2022A Bond is sold, redeemed prior to maturity or otherwise disposed of in a taxable transaction, gain or loss will be recognized in an amount equal to the difference between the amount realized on the sale or other disposition, and the adjusted basis of the transferor in the Series 2022A Bond. The adjusted basis of a Series 2022A Bond generally will be equal to its costs, increased by any original issue discount or market discount included in the gross income of the transferor with respect to the Series 2022A Bond and reduced by any amortized bond premium under Section 171 of the Code and by the payments on the Series 2022A Bond (other than payments of qualified stated interest), if any, that have previously been received by the transferor. Except as provided in Section 582(c) of the Code, relating to certain financial institutions, or as discussed in the following paragraph, any such gain or loss will be a capital gain or loss taxable at the applicable rate determined by the Code if the Series 2022A Bond to which it is attributable is held as a "capital asset."

Gain on the sale or other disposition of a Series 2022A Bond that was acquired at a market discount will be taxable as ordinary income in an amount not exceeding the portion of such discount that accrued during the period that the Series 2022A Bond was held by the transferor (after reduction by any market discount includable in income by such transferor in accordance with the rules described above under "Market Discount"). In addition, if the City is determined (pursuant to regulations that have yet to be promulgated under Code Section 1271(g)(2)(A)) to have had an intention on the date of original issuance of the Series 2022A Bonds to call all or a portion of the Series 2022A Bonds prior to maturity, then gain on the sale or other disposition of a Series 2022A Bond in an amount equal to the original issue discount not previously includable in gross income would be required to be treated as ordinary income taxable at the applicable rate determined by the Code.

Backup Withholding. Payments of principal and interest (including original issue discount) on the Series 2022A Bonds, as well as payments of proceeds from the sale of the Series 2022A Bonds may be subject to the "backup withholding tax" under Section 3406 of the Code with respect to interest or original issue discount on the Series 2022A Bonds if recipients of such payments (other than foreign investors who have properly provided certifications described below) fail to furnish to the payor certain information, including their taxpayer identification numbers, or otherwise fail to establish an exemption from such tax. Any amounts deducted and withheld from a payment to a recipient would be allowed as a credit against the federal income tax of such recipient.

Foreign Investors. An owner of a Series 2022A Bond that is not a "United States person" (as defined below) and is not subject to federal income tax as a result of any direct or indirect connection to the United States of America in addition to its ownership of a Series 2022A Bond will generally not be subject to United States income or withholding tax in respect of a payment on a Series 2022A Bond, provided that the owner complies to the extent necessary with certain identification requirements (including delivery of a statement, signed by the owner under penalties of perjury, certifying that such owner is not a United States person and providing the name and address of such owner). For this purpose the term "United States person" means a citizen or resident of the United States, a corporation, partnership or other entity created or organized in or under the laws of the United States of America or any political subdivision thereof, or an estate or trust whose income from sources within the United States is includable in gross income for United States of America income tax purposes regardless of its connection with the conduct of a trade or business within the United States of America.

Except as explained in the preceding paragraph and subject to the provisions of any applicable tax treaty, a United States withholding tax will apply to interest paid and original issue discount accruing on the Series 2022A Bonds owned by foreign investors. In those instances in which payments of interest on the Series 2022A Bonds continue to be subject to withholding, special rules apply with respect to the withholding of tax on payments of interest on, or the sale or exchange of the Series 2022A Bonds having original issue discount and held by foreign investors. Potential investors that are foreign persons should consult their own tax advisors regarding the specific tax consequences to them of owning a Series 2022A Bond.

ERISA Considerations. The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the Code generally prohibit certain transactions between a qualified employee benefit plan under ERISA (an "ERISA Plan") and persons who, with respect to that plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. In the absence of an applicable statutory, class or administrative exemption, transactions between an ERISA Plan and a party in interest with respect to an ERISA Plan, including the acquisition by one from the other of a Series 2022A Bond, could be viewed as violating those prohibitions. In addition, Code Section 4975 prohibits transactions between certain tax-favored vehicles such as Individual Retirement Accounts and disqualified persons and Code Section 503 includes similar restrictions with respect to governmental and church plans. In this regard, the City or any underwriter of the Series 2022A Bonds, might be considered or might become a "party in interest" within the meaning of ERISA or a "disqualified person" within the meaning of the Code, with respect to an ERISA Plan or a plan or arrangement subject to Code Sections 4975 or 503. Prohibited transactions within the meaning of ERISA and the Code may arise if the Series 2022A Bonds are acquired by such plans or arrangements with respect to which the City or any underwriter is a party in interest or disqualified person. In all events, fiduciaries of ERISA Plans and plans or arrangements subject to the above Code Sections, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the Series 2022A Bonds.

Series 2022B Bonds. In the opinion of Bond Counsel, interest on the Series 2022B 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. 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 Series 2022B 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 Series 2022B Bonds and the 2022B Improvements. Failure to comply with certain of such requirements could cause the interest on the Series 2022B Bonds to be so included in gross income retroactive to the date of issuance of the Series 2022B Bonds. The City has covenanted to comply with all such requirements in the Authorizing Ordinance.

Prospective purchasers of the Series 2022B 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 Series 2022B Bonds, (ii) interest on the Series 2022B 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 Series 2022B 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 Series 2022B Bonds.

Prospective purchasers of the Series 2022B 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 Series 2022B Bonds or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Series 2022B 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 Series 2022B Bonds as "qualified tax exempt obligations" and has covenanted not to use the 2022B Improvements and the proceeds of the Series 2022B Bonds in a manner which would cause the Series 2022B 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 the Section 145 of the Code)) during calendar year 2022.

Prospective purchasers of the Series 2022B 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 inside front cover of this Official Statement, certain of the Series 2022B 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 their tax advisors with respect to the determination and treatment of 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 2022B Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent holders of the 2022B Bonds from realizing the full current benefit of the tax status of such interest. 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 2022B Bonds. Prospective purchasers of the 2022B Bonds should consult their own tax advisors regarding any proposed or enacted federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

It is not an event of default on the Series 2022B 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.

MISCELLANEOUS

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 Series 2022A Bonds are being purchased at a price of $23,677,115.50 (principal amount less net original issue discount of $59,394.50 less Underwriter's discount of $203,490) and the Series 2022B Bonds are being purchased at a price of $1,915,959.10 (principal amount plus original issue premium of $91,599.10 less Underwriter's discount of $15,640). The Agreement provides that the Underwriter will purchase all of the 2022 Bonds if any are purchased. The obligation of the Underwriter to accept delivery of the 2022 Bonds is subject to various conditions contained in the Agreement, including the absence of pending or threatened litigation questioning the validity of the 2022 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 2022 Bonds to the public initially at the offering prices set forth on the inside front cover 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 2022 Bonds to the public. The Underwriter may offer and sell 2022 Bonds to certain dealers (including dealers depositing 2022 Bonds into investment trusts) at prices lower than the public offering price.

Rating. S&P Global Ratings ("S&P") has assigned its municipal bond rating of "A+" (stable outlook) to the 2022 Bonds. Any explanation of such rating may only be obtained from S&P. Generally, rating agencies base their ratings upon information and materials supplied to them and on their own investigations, studies and assumptions. There is no assurance that such ratings, once assigned, will remain for any given period of time or that it will not be lowered or withdrawn entirely by the rating agency if in its judgment circumstances so warrant. Any such downward change or withdrawal of the rating assigned to the 2022 Bonds by S&P may have an adverse effect on the market price of the 2022 Bonds. The Underwriter and the City have undertaken no responsibility after issuance of the 2022 Bonds to assure the maintenance of the rating or to oppose any such revision or withdrawal.

Enforceability of Remedies. Rights of the registered owners of the 2022 Bonds and the enforceability of the remedies available under the Authorizing Ordinance 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 Authorizing Ordinance 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.

Information in 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 2022 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 of this Official Statement has been duly authorized by the City.

CITY OF CABOT, ARKANSAS

By /s/ Ken Kincade
Mayor

Dated: As of the date set forth on the Cover Page hereof.

EXHIBIT A

SUMMARY OF STATE SALES AND USE TAX PROVISIONS

Sales Tax. The sales tax portion of the Tax is generally levied upon the gross proceeds and receipts derived from all sales to any person within the City of the following (list not exclusive):

(a) (i) Tangible personal property;

(ii) Specified digital products sold;

(iii) Digital codes;

(b) Natural or artificial gas, electricity, water, ice, steam, or any other tangible personal property sold as a utility or provided as a public service;

(c) (i) Service of furnishing rooms, suites, condominiums, townhouses, rental houses or other accommodations by hotels, apartment hotels, lodging houses, tourist camps, tourist courts, property management companies, accommodations intermediaries, or any other provider of accommodations to transient guests;

(ii) Service of cable television, community antenna television, and any and all other distribution of television, video, or radio services with or without the use of wires provided to subscribers, paying customers or users, including installation, service, rental, repair and other charges having any connection with the providing of the said services;

(iii) Service of initial installation, alteration, addition, cleaning, refinishing, replacement and repair of motor vehicles, aircraft, farm machinery and implements, motors of all kinds, tires and batteries, boats, electrical appliances and devices, furniture, rugs, flooring, upholstery, household appliances, televisions and radios, jewelry, watches and clocks, engineering instruments, medical and surgical instruments, machinery of all kinds, bicycles, office machines and equipment, shoes, tin and sheet metal, mechanical tools and shop equipment; however, the tax does not apply to (A) the maintenance or repair of railroad parts, railroad cars and equipment brought into the City solely and exclusively for the purpose of being repaired, refurbished, modified, or converted within the City, (B) the service of alteration, addition, cleaning, refinishing, replacement or repair of commercial jet aircraft or commercial jet aircraft components or subcomponents, (C) the repair or remanufacture of industrial metal rollers or platens that have a remanufactured non-metallic material covering on all or a part of the roller or platen surface, (D) the initial installation, alteration, addition, cleaning, refinishing, replacement or repair of non-mechanical, passive or manually operated components of buildings or other improvements or structures affixed to real estate, (E) services performed on watches and clocks received by mail or common carrier from outside this state and which, after the service is performed, are returned by mail or common carrier or in the repairer's own conveyance to points outside this state, (F) services performed by a temporary or leased employee or other contract laborer on items owned or leased by the employer, or (G) service of initial installation of any property that is specifically exempted from the tax imposed by this chapter;

(iv) Service of providing transportation or delivery of money, property or valuables by armored car; service of providing cleaning or janitorial work; service of pool cleaning and servicing; pager services; telephone answering services; lawn care and landscaping services; service of parking a motor vehicle or allowing a motor vehicle to be parked; service of storing a motor vehicle; service of storing furs; and the service of providing indoor tanning at a tanning salon;

(d) Printing of all kinds, types and characters, including the service of overprinting, and photography of all kinds;

(e) Tickets or admissions to places of amusement, to athletic, entertainment, recreational events, or fees for access to or the use of amusement, entertainment, athletic or recreational facilities;

(f) Dues and fees to health spas, health clubs and fitness clubs; dues and fees to private clubs which hold any permit from the Alcoholic Beverage Control Board allowing the sale, dispensing or serving of alcoholic beverages of any kind on the premises;

(g) Contracts, including service contracts, maintenance agreements, and extended warranties, which in whole or in part provide for future performance of or payment for services which are subject to gross receipts tax;

(h) Retail sale of any device used in playing bingo and any charge for admittance to facilities or for the right to play bingo or other games of chance;

(i) Prepaid calling service or prepaid wireless calling service and the recharge of such services;

(j) Beer, wine, liquor, or any intoxicating beverages;

(k) Tangible personal property, specified digital products, a digital code, and services sold to financial institutions;

(l) Wrecker and towing services;

(m) Collection and disposal of solid wastes;

(n) Cleaning of parking lots and gutters;

(o) Dry cleaning and laundry services;

(p) Industrial laundry services;

(q) Body piercing, tattooing, and electrolysis services;

(r) Pest control services;

(s) Security and alarm monitoring services;

(t) Boat storage and docking fees;

(u) Furnishing camping spaces or trailer spaces at public or privately-owned campgrounds, except for federal campgrounds, on less than a month-to-month basis;

(v) Locksmith services;

(w) Pet grooming and kennel services; and

(x) Portable toilet lease or rental and services associated with the lease or rental of portable toilets.

(y) (i) Computer software, including prewritten computer software;

(ii) Service of repairing or maintaining computer equipment or hardware in any form;

(iii) However, gross receipts or gross proceeds derived from the sale of a computer software maintenance contract are not taxable;

(z) (i) Any intrastate, interstate, and international telecommunications service that is sourced in this state;

(ii) Any ancillary service; and

(iii) Any installation, maintenance, or repair service of telecommunication equipment;

(aa) The sale of new or used heavy equipment;

(bb) A fishing guide service provided as a part of a guided fishing trip if the fishing guide service is purchased in conjunction with the sale or lease of taxable tangible personal property by the person providing the fishing guide service; and

(cc) Withdrawals from stock.

Exemptions from Sales Tax. As summarized below, several types of transactions have been exempted from the sales tax by the General Assembly of the State. Some of the current exemptions include the sale of:

(a) New or used house trailers, mobile homes, aircraft, motor vehicles, trailers or semi-trailers and a used house trailer, mobile home, aircraft, motor vehicle, trailer or semi-trailer is taken as a credit or part payment of the purchase price, when the total consideration is less than the following: $2,000 for aircraft, house trailers and mobile homes (or $10,000 in case the house trailer or mobile home is a "manufactured home"); and $4,000 for motor vehicles, trailers and semi-trailers;

(b) Aircraft held for resale and used for rental or charter, whether by a business or an individual for a period not to exceed one year from the date of purchase of aircraft;

(c) Tangible personal property, specified digital products, a digital code or services by churches, except when such organizations may be engaged in business for profit;

(d) Tangible personal property, specified digital products, a digital code or services by charitable organizations, except when such organizations may be engaged in business for profit;

(e) Food in public, common, high school or college cafeterias and lunchrooms operated primarily for teachers and pupils, and not operated primarily for the public or for profit;

(f) Newspapers;

(g) Property or services to the United States Government; motor vehicles and adaptive equipment to disabled veterans who have purchased said vehicles or equipment with financial assistance of the United States Department of Veterans Affairs; specified digital products, a digital code, tangible personal property to and leasing of cars used in promoting scouting or services to the Boy Scouts of America, the Girl Scouts of America or any of the Scout Councils in the State; tangible personal property, specified digital products, a digital code, or service to the Salvation Army, Heifer International, Inc., or Habitat for Humanity; tangible personal property, specified digital products, a digital code, or service to the Boys & Girls Club of America, to the Poets' Roundtable of Arkansas, to 4-H Clubs and FFA Clubs, to the Arkansas 4-H Foundation, the Arkansas FFA Foundation and the Arkansas Division of the Future Farmers of America;

(h) Gasoline or motor vehicle fuel on which the motor vehicle fuel or gasoline tax has been paid to the State, special fuel or petroleum products sold for consumption by vessels, barges and other commercial watercraft and railroads, dyed distillate special fuel on which a tax has been paid and biodiesel fuel;

(i) Property resales to persons regularly engaged in the business of reselling the articles purchased;

(j) Advertising space in newspapers and publications, billboard advertising services, or on a public transit bus;

(k) Gate admissions at State, district, county or township fairs or at any rodeo if the receipts derived from gate admissions to the rodeo are used exclusively for the improvement, maintenance and operation of such rodeo, and if no part of the net earnings thereof inures to the benefit of any private stockholder or individual;

(l) Property or services which the State is prohibited by the constitution or laws of the United States or by the constitution of the State from taxing or further taxing;

(m) Isolated sales not made by an established business;

(n) Cotton, seed cotton, lint cotton, baled cotton, whether compressed or not, or cotton seed in its original condition; seed for use in commercial production of an agricultural product or of seed; raw products from the farm, orchard or garden, where such sale is made by the producer of such raw products directly to the consumer and user; livestock, poultry, poultry products and dairy products of producers owning not more than five cows; and baby chickens;

(o) Foodstuffs to governmental agencies for free distribution to any public, penal and eleemosynary institutions or for free distribution to the poor and needy, and the rental or sale of medical equipment, for the benefit of persons enrolled in and eligible for Medicare or Medicaid programs;

(p) Tangible personal property, specified digital products, a digital code, or services provided to any hospital or sanitarium operated for charitable and nonprofit purposes or any nonprofit organization whose sole purpose is to provide temporary housing to the family members of patients in a hospital or sanitarium;

(q) Used tangible personal property when the used property was (1) traded in and accepted by the seller as part of the sale of other tangible personal property and (2) the Arkansas Gross Receipts Tax was collected and paid on the total amount of consideration for the sale of the other tangible personal property without any deduction or credit for the value of the used tangible personal property; provided, however, this exemption does not apply to transactions involving used automobiles or used aircraft;

(r) Unprocessed crude oil;

(s) Tangible personal property consisting of machinery and equipment used directly in producing, manufacturing, fabricating, assembling, processing, finishing or packaging of articles of commerce if the machinery and equipment is used to (i) create new manufacturing or processing plants or facilities in the State, (ii) expand existing manufacturing or processing plants or facilities in the State or (iii) replace existing machinery and equipment;

(t) Property consisting of machinery and equipment required by State or federal law or regulations to be installed and utilized by manufacturing or processing plants or facilities, cities or towns in the State to prevent or reduce air and/or water pollution or contamination;

(u) Electricity used in the manufacture of aluminum metal by the electrolytic reduction process and sale of articles sold on the premises of the veterans' homes;

(v) Automobile parts which constitute "core charges," which are received for the purpose of securing a trade-in for the article purchased;

(w) Bagging and other packaging and tie materials sold to and used by cotton gins for packaging and/or tying baled cotton and from the sale of twine which is used in the production of tomato crops;

(x) Prescription drugs by licensed pharmacists, hospitals, or physicians, and oxygen sold for human use on prescription of a licensed physician;

(y) Property or services to humane societies;

(z) Vessels, barges and towboats of at least fifty tons load displacement and parts and labor used in the repair and construction of the same;

(aa) Property or sales to all orphans' homes, or children's homes, which are not operated for profit and whether operated by a church, religious organization or other benevolent charitable association;

(bb) Agricultural fertilizer, agricultural limestone, agricultural chemicals, and water purchased from a public surface-water delivery project to reduce or replace water used for in-ground irrigation or reduce dependence on ground water for agriculture.

(cc) Sale of tickets or admissions, by municipalities and counties, to places of amusement, to athletic, entertainment, recreational events, or fees for the privilege of having access to or the use of amusement, entertainment, athletic or recreational facilities, including free or complimentary passes, tickets, admissions, dues or fees;

(dd) New and used farm machinery and equipment;

(ee) New automobiles to a veteran of the United States Armed Services who is blind as a result of a service-connected injury;

(ff) Motor vehicles sold to municipalities, counties, school districts, and state supported colleges and universities;

(gg) School buses sold to school districts and, in certain cases, to other purchasers providing school bus service to school districts;

(hh) Catalysts, chemicals, reagents, and solutions which are consumed or used in producing, manufacturing, fabricating, processing, or finishing articles of commerce in the State and by manufacturing or processing plants or facilities prevent or reduce air or water pollution or contamination;

(ii) Feedstuffs used in the commercial production of livestock or poultry;

(jj) Modular homes constructed from materials on which the State sales tax has been paid;

(kk) The first 500 kilowatt hours of electricity per month and the total franchise tax billed to each residential customer whose household income is less than $12,000 per year;

(ll) Electricity and natural gas to qualified steel manufacturers;

(mm) Tangible personal property lawfully purchased with food stamps, food coupons, food instruments or vouchers in connection with certain Federal programs;

(nn) Publications sold through regular subscriptions;

(oo) Tickets for admission to athletic events and interscholastic activities of public and private elementary and secondary schools in the State and tickets for admission to athletic events at public and private colleges and universities in the State;

(pp) Durable medical equipment, mobility enhancing equipment, a prosthetic device, and disposable medical supplies prescribed by a physician;

(qq) Insulin and test strips for testing blood sugar levels in humans;

(rr) Telephone instruments sent into the State for refurbishing or repair and then shipped back to the state of origin;

(ss) Industrial metal rollers sent into the State for repair or remanufacture and then shipped back to the state of origin;

(tt) New motor vehicles purchased by non-profit organizations and used for the performance of contracts with the Department of Human Services, and new motor vehicles purchased with Federal Transit Administration funds if (i) vehicles meet minimum State specifications and (ii) vehicles are used for transportation under the Department of Human Services' programs for the aging, individuals with disabilities, individuals with mental illness, and children and family services;

(uu) Motor fuels to owners or operators of motor buses operated on designated streets according to regular schedule and under municipal franchise which are used for municipal transportation purposes;

(vv) Parts or other tangible personal property incorporated into or which become a part of commercial jet aircraft component or subcomponents;

(ww) Transfer of fill material by a business engaged in transporting or delivering fill material;

(xx) Long-term leases, thirty days or more, of commercial trucks used for interstate transportation of goods under certain conditions;

(yy) Foodstuffs to nonprofit agencies;

(zz) Tangible personal property consisting of forms constructed of plaster, cardboard, fiberglass, natural fibers, synthetic fibers or composites and which are destroyed or consumed during the manufacture of the item;

(aaa) Natural gas used as a fuel in the process of manufacturing glass;

(bbb) Sales to Community Services Clearinghouse, Inc. of Fort Smith;

(ccc) Substitute fuel used in producing, manufacturing, fabrication, assembling, processing, finishing or packaging of articles at manufacturing facilities or processing plants in the State;

(ddd) Railroad rolling stock used in transporting persons or property in interstate commerce;

(eee) Parts or other tangible personal property which become a part of railroad parts, railroad cars and equipment brought into the State for the purpose of being repaired, refurbished, modified or converted within the State;

(fff) Fire protection and emergency equipment to be owned by and exclusively used by a volunteer fire department, and supplies and materials to be used in the construction and maintenance of volunteer fire departments;

(ggg) Gas produced from biomass and sold for the purpose of generating steam, hot air or electricity to be sold to the gas producer;

(hhh) Fuel packaging materials sold to a person engaged in the business of processing hazardous and non-hazardous waste materials into fuel products at an approved site and machinery and equipment, including analytical equipment and chemicals used directly in the processing and packaging of hazardous and non-hazardous waste materials into fuel products at an approved site;

(iii) Electricity and natural gas used in the manufacturing of wall and floor tile by approved manufacturers;

(jjj) Textbooks, library books, and instructional materials purchased by an Arkansas school district or the State for free distribution to Arkansas school districts or Arkansas public schools;

(kkk) Tangible personal property, specified digital products, a digital code, or services to the Arkansas Symphony Orchestra, Inc.;

(lll) Electricity used for the production of chlorine and other chemicals using a chlor-alkali manufacturing process;

(mmm) Tangible personal property, specified digital products, a digital code, or services to a qualified museum;

(nnn) Livestock reproduction equipment or substances;

(ooo) Natural gas and electricity used in the manufacturing of tires in the State;

(ppp) Thermal imaging equipment purchased by a county government for use by law enforcement aircraft;

(qqq) Tangible property, specified digital products, a digital code, or services to the Arkansas Search Dog Association, Inc.;

(rrr) Certain new or used trucks to be engaged in interstate commerce;

(sss) Tangible personal property, specified digital products, a digital code, or services to the Arkansas Black Hall of Fame Foundation;

(ttt) Sale, lease or rental of kegs used to sell beer wholesale by a wholesale manufacturer of beer;

(uuu) Repair parts and labor for pollution control machinery and equipment;

(vvv) Sales by commercial farmers of certain baling twine, net wrap, silage wrap, and similar products;

(www) Sales of tangible personal property, specified digital products, a digital code, or a service to a nonprofit blood donation organization;

(xxx) Sales of utilities used by a qualifying agricultural structure and qualifying aquaculture and horticulture equipment;

(yyy) Sales of utilities used by a grain drying and storage facility;

(zzz) Dental appliances sold by or to dentists or certain other professionals; and

(aaaa) Machinery, new and used equipment, and related attachments that are sold to or used by a person engaged primarily in the harvesting of timber;

(bbbb) Sales of tangible personal property at a concession stand operated by a nonprofit youth athletic organization;

(cccc) (i) Tangible personal property, specified digital products, or a digital code by or to a car wash operator for use in an automatic car wash, a car wash tunnel, or a self-service bay or as part of an ancillary service; (ii) services to a car wash operator; (iii) ancillary services by a car wash operator; and (iv) a car wash operator through an automatic car wash, car wash tunnel, or self-service bay;

(dddd) Water that is used exclusively in the operation of a poultry farm;

(eeee) Sale of a washer-extractor to a fire department or intergovernmental council of a county; and (ffff) Coins or currency or bullion.

Reference is made to "The Arkansas Gross Receipts Act of 1941," Title 26, Chapter 52 of the Arkansas Code of 1987 Annotated, for more information concerning the sales tax.

Use Tax. The use tax portion of the Tax is levied on every person for the privilege of storing, using, distributing or consuming in the City any article of tangible personal property, specified digital products, a digital code, or a taxable service purchased for storage, use, distribution or consumption. The use tax applies to the use, distribution, storage or consumption of every article of tangible personal property except as hereinafter provided. The use tax does not apply to aircraft, aircraft equipment, and railroad parts, cars, and equipment, nor to tangible personal property owned or leased by aircraft, automotive or railroad companies brought into the City solely and exclusively for refurbishing, conversion, or modification within the City or storage for use outside or inside the City regardless of the length of time any such property is so stored in the City. The use tax is levied on the following described tangible personal property:

(a) Tractors, trailers, semi-trailers, trucks, buses and other rolling stock, including replacement tires, used directly in the transportation of persons or property in intrastate or interstate common carrier transportations;

(b) Railroads (except fuel) consumed in the operation of railroad rolling stock;

(c) Transmission lines and pumping or pressure control equipment used directly in or connected to the primary pipeline facility engaged in intrastate or interstate common carrier transportation of property;

(d) Airplanes and navigation instruments used directly in or becoming a part of flight aircraft engaged in transportations of persons or property in regular scheduled intrastate or interstate common carrier transportation;

(e) Exchange equipment, lines, boards and all accessory devices used directly in and connected to the primary facility engaged in the transmission of messages;

(f) Transmission and distribution pipelines and pumping or pressure control equipment used in connection therewith used directly in primary pipeline facility for the purpose of transporting and delivering natural gas;

(g) Transmission and distribution lines, pumping machinery and controls used in connection therewith in cleaning or treating equipment of a primary water distribution system;

(h) Property of public electric power companies consisting of all machinery and equipment including reactor cores and related accessory devices used in the generation and production of electric power and energy and transmission facilities consisting of the lines, including poles, towers and other supporting structures, transmitting electric power and energy together with substations located on or attached to such lines;

(i) Computer software; and

(j) Tangible personal property, specified digital products, a digital code, and services provided to a financial institution.

Exemptions from Use Tax. Some of the property exempted from the use tax by the General Assembly of the State is as follows:

(a) Property, the storage, use or consumption of which the State is prohibited from taxing under the Constitution or laws of the United States of America or the State;

(b) Sales of tangible personal property, specified digital products, a digital code, or services on which the tax under the Arkansas Gross Receipts Act of 1941 is levied;

(c) Tangible personal property, specified digital products, a digital code, or services which is exempted from the sales tax under the Arkansas Gross Receipts Act of 1941;

(d) Feedstuffs used in the commercial production of livestock or poultry in the State;

(e) Unprocessed crude oil;

(f) Machinery and equipment used directly in producing, manufacturing, fabricating, assembling, processing, finishing or packaging of articles of commerce at manufacturing or processing plants or facilities in the State, including facilities and plants for manufacturing feed, processing of poultry and/or eggs and livestock and the hatching of poultry and such equipment is either (1) purchased to create or expand manufacturing or processing plants in the State, (2) purchased to replace existing machinery and used directly in producing, manufacturing, fabricating, assembling, processing, finishing or packaging of articles of commerce at manufacturing or processing plants in the State, or (3) required by State law to be installed and utilized by manufacturing or processing plants to prevent or reduce air and/or water pollution or contamination;

(g) Modular homes constructed with materials on which the sales or use tax has once been paid;

(h) Aircraft, aircraft equipment, railroad parts, cars, and equipment, and tangible personal property owned or leased by aircraft, airmotive, or railroad companies, brought into the State solely and exclusively for refurbishing, conversion, or modification or for storage for use outside or inside the State;

(i) Vessels, barges, and towboats of at least 50 tons load displacement and parts and labor used in the repair and construction of them;

(j) Sales of motor fuels to the owners or operators of motor buses operated on designated streets according to regular schedule, under municipal franchise, which are used for municipal transportation purposes;

(k) Agricultural fertilizer, agricultural limestone, agricultural chemicals, including agricultural pesticides and herbicides used in commercial production of agricultural products, and vaccines, medications, and medicinal preparations, used in treating livestock and poultry being grown for commercial purposes and other ingredients used in the commercial production of yeast;

(l) All new and used motor vehicles, trailers or semi-trailers that are purchased for a total consideration of less than $4,000;

(m) Any tangible personal property used, consumed, distributed, or stored in the State upon which a like tax, equal to or greater than the Arkansas Compensating (Use) Tax, has been paid in another state;

(n) Durable medical equipment, mobility enhancing equipment, a prosthetic device, and prescriptive disposable medical supplies prescribed by a physician;

(o) Fire protection and emergency equipment to be owned by and exclusively used by a volunteer fire department, and supplies and materials to be used in the construction and maintenance of volunteer fire departments;

(p) Electricity and natural gas used in the manufacturing of wall and floor tile by approved manufacturers;

(q) Tangible personal property consisting of forms constructed of plaster, cardboard, fiberglass, natural fibers, synthetic fibers or composites and which are destroyed or consumed during the manufacture of the item;

(r) Natural gas used as a fuel in the process of manufacturing glass;

(s) Sales to Community Services Clearinghouse Inc. of Fort Smith;

(t) Prepaid telephone calling cards or prepaid authorization numbers and the recharge of such cards or numbers;

(u) Foodstuffs to nonprofit agencies;

(v) Tangible personal property, specified digital products, a digital code or services for a qualified museum;

(w) Certain new or used trucks to be engaged in interstate;

(x) Railroad rolling stock manufactured for use in transporting persons or property in interstate commerce;

(y) Sales of tangible personal property or a service to a nonprofit blood donation organization;

(z) Sales of utilities used by a qualifying agricultural structure and qualifying aquaculture and horticulture equipment;

(aa) Sales of utilities used by grain drying and storage facilities;

(bb) Dental appliances sold by or to dentists or certain other professionals; and

(cc) Coins or currency or bullion.

Reference is made to "The Arkansas Compensating (Use) Tax Act of 1949," Title 26, Chapter 53 of the Arkansas Code of 1987 Annotated, for more information concerning the use tax.

EXHIBIT B

________________, 2022

U. S. Bank Trust Company, National Association
Brandon, Mississippi, as Trustee

Stephens Inc.
Little Rock, Arkansas

Re: $23,940,000 City of Cabot, Arkansas Sales and Use Tax Bonds, Taxable Series 2022A

$1,840,000 City of Cabot, Arkansas Sales and Use Tax Bonds, Series 2022B

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the City of Cabot, Arkansas (the "City") of $23,940,000 City of Cabot, Arkansas Sales and Use Tax Bonds, Taxable Series 2022A (the "Series 2022A Bonds") and $1,840,000 City of Cabot, Arkansas Sales and Use Tax Bonds, Series 2022B (the "Series 2022B Bonds" and collectively with the Series 2022A Bonds, the "Bonds"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion, including particularly a certified copy of Ordinance No. 37 of 2021 of the City adopted on October 4, 2021, and Ordinance No. 10 of 2022 of the City adopted on April 4, 2022, authorizing the issuance of the Bonds (collectively, the "Authorizing Ordinance"), and Ordinance No. 12 of 2021 of the City adopted on March 29, 2021 (the "Tax Ordinance"), levying a 1% sales and use tax within the City (the "Tax").

As to questions of fact material to our opinion we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The Bonds have been lawfully authorized and issued under the Constitution and laws of the State of Arkansas now in force, including particularly Amendment No. 62 to the Constitution of the State of Arkansas and Title 14, Chapter 164, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation"), and are valid and binding obligations of the City enforceable in accordance with their terms.

2. The Bonds are not general obligations of the City but are special obligations payable from and secured by a pledge of collections of the Tax duly levied by the City under the authority of the Authorizing Legislation and the Tax Ordinance. In this regard the pledge of collections of the Tax in favor of the Bonds is on a parity with the pledge in favor of the City's Sales and Use Tax Refunding and Improvement Bonds, Taxable Series 2021A and Series 2021B. The Bonds are not secured by any lien on or security interest in any physical properties of the City.

3. The interest on the Series 2022B Bonds 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. The opinions set forth in the preceding sentence are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as

amended (the "Code"), that must be satisfied subsequent to the issuance of the Series 2022B Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. The City has covenanted in the Authorizing Ordinance to comply with all such requirements. Failure to comply with certain of such requirements could cause the interest on the Series 2022B Bonds to be so included in gross income retroactive to the date of issuance of the Series 2022B Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Series 2022B Bonds, except as set forth in paragraph 5 below.

5. The Series 2022B Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

6. The Series 2022A Bonds will be treated for federal income tax purposes as evidences of indebtedness of the City. Interest on the Series 2022A Bonds is not excludable from gross income for federal income tax purposes and will be fully subject to federal income taxation.

7. The Bonds and income thereon are exempt from all Arkansas state, county and municipal taxes.

It is to be understood that the rights of the registered owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Sincerely,

FRIDAY, ELDREDGE & CLARK, LLP