

NEW ISSUE**BOOK-ENTRY ONLY**

*In the opinion of Bond Counsel, based on existing statutes, regulations, rulings and court decisions, the interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds. In the opinion of Bond Counsel, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. In the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265 of the Code. In the opinion of Bond Counsel, the Bonds and the interest thereon are exempt from all Arkansas state, county and municipal taxes. See **LEGAL MATTERS**, herein.*

\$3,235,000
CITY OF CAMMACK VILLAGE, ARKANSAS
LIMITED TAX GENERAL OBLIGATION
CAPITAL IMPROVEMENT BONDS,
SERIES 2025

Dated: Date of Delivery

Due: February 1, as described below

Principal of and interest on the Bonds are payable from a pledge of receipts derived by the City of Cammack Village, Arkansas (the "City") from an 8.5-mills ad valorem tax levied by the City on all taxable real and personal property located within the jurisdictional limits of the City.

Interest on the Bonds is payable semiannually on February 1 and August 1 in each year, commencing August 1, 2025, and the Bonds mature, bear interest and are priced as follows:

MATURITY SCHEDULE

\$3,235,000 4.375% Term Bonds due February 1, 2056

Price = 100%

The Bonds 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 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 Bonds will not receive physical delivery of Bonds. Payments of principal of and interest on the Bonds will be made by Bank OZK, Little Rock, Arkansas, as the Trustee, directly to Cede & Co., as nominee for DTC, as registered owner of the Bonds, to be subsequently disbursed to DTC Participants and thereafter to the Beneficial Owners of the Bonds, all as further described herein.

The 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. It is expected that the Bonds will be available for delivery on or about May 14, 2025.

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 15, 2025

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 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.

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OFFICIAL STATEMENT

\$3,235,000
CITY OF CAMMACK VILLAGE, ARKANSAS
LIMITED TAX GENERAL OBLIGATION
CAPITAL IMPROVEMENT BONDS,
SERIES 2025

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 exhibit 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 Cammack Village, Arkansas (the "City") is furnished in connection with the offering by the City of its \$3,235,000 principal amount of Limited Tax General Obligation Capital Improvement Bonds, Series 2025 (the "Bonds"). The Bonds are being issued for the purpose of financing all or a portion of the costs of construction of a new city administration building (the "Improvements") and paying costs of issuing the Bonds. See **THE BONDS, Purposes for Bonds**.

The City is a city of the second class duly organized under the laws of the State of Arkansas (the "State") and is located in central Arkansas. See **DESCRIPTION OF THE CITY OF CAMMACK VILLAGE**. 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 Bonds are limited tax general obligations of the City, secured by (i) all proceeds derived from the 8.5 mills annual ad valorem tax levied by the City on all taxable real and personal property located within the jurisdictional limits of the City (the "Bond Tax"), including penalties and interest payable with respect thereto, and (ii) all payments received by the City from the State in lieu thereof under Amendment No. 79 to the Arkansas Constitution ("Special State Sales Tax Collections" and collectively with collections of the Bond Tax, "Special Tax Collections"). See **SECURITY FOR THE BONDS**. The issuance of the Bonds and the levy of the Bond Tax for the payment of the principal of and interest on the Bonds was approved at the special election held November 5, 2024. The Bonds are being issued pursuant to and in full compliance with Amendment 62 and the Authorizing Legislation and Ordinance No. 25-01 of the City, adopted on April 8, 2025 (the "Authorizing Ordinance"). See **THE AUTHORIZING ORDINANCE**.

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

The Bonds are issuable only as fully registered bonds, without coupons, in the denomination of \$5,000 or an integral multiple thereof. Interest is payable August 1, 2025, and semiannually thereafter on each February 1 and August 1. Unless the Bonds are in book-entry form, payment of principal of the Bonds will be made to the owners of the Bonds at the principal office of Bank OZK, Little Rock, Arkansas, as trustee and paying agent for the Bonds (the "Trustee"). Interest is payable by check mailed 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 Bonds shall be the fifteenth day of the calendar month next preceding each interest payment date. A Bond may be transferred, in whole or in part (in integral multiples of \$5,000), but only upon delivery of the Bond, together with a written instrument of transfer, to the Trustee. See **THE BONDS, Generally, and Book-Entry Only System**.

The Bonds are subject to special mandatory redemption from Surplus Tax Collections (as hereinafter defined). The Bonds are subject to extraordinary redemption from proceeds of the Bonds not needed for the purposes intended. The Bonds are subject to optional redemption on and after August 1, 2032. The Bonds are subject to mandatory sinking fund redemption prior to maturity. The Trustee shall give at least thirty (30) days notice of redemption. See **THE BONDS, Redemption**.

Under existing law and assuming compliance with certain covenants described herein, (i) interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), (ii) interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations, (iii) the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265 of the Code and (iv) the Bonds and interest thereon are exempt from all State, county and municipal taxes. See **LEGAL MATTERS**.

It is expected that the Bonds will be available for delivery on or about May 14, 2025, 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 the Underwriter listed on the cover page of this Official Statement.

THE BONDS

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

To facilitate subsequent transfers, all 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 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 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 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 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 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 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 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, 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, 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 Bonds are in book-entry only form, Cede & Co., as nominee for DTC, will be treated as the sole owner of the Bonds for all purposes under the Authorizing Ordinance, including receipt of all principal of and interest on the 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 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 Bonds; or (d) other action taken by DTC or Cede & Co. as owner of the Bonds.

Generally. The Bonds are dated, mature and bear interest as set forth on the cover page hereof. The principal of the Bonds is payable upon presentation and surrender at the principal office of the Trustee. Payment of interest on the 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 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 Bond is mutilated, lost or destroyed, the City shall, if not then prohibited by law, execute and the Trustee may authenticate a new Bond in accordance with the provisions therefor in the Authorizing Ordinance.

The Bonds are 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 Bond of the same maturity, 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 Bond for the privilege of registration, but any owner of any 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 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 Bonds selected for redemption in whole or in part.

The person in whose name any 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 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 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 Bonds or the date fixed for redemption of any 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 Bonds are subject to special mandatory, optional and mandatory sinking fund redemption prior to maturity as follows:

(1) Special Mandatory Redemption. The Bonds shall be redeemed from Surplus Tax Collections (hereinafter defined) on each February 1, in inverse order of maturity (and by lot within a maturity in such manner as the Trustee shall determine), in whole or in part, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date.

"Surplus Tax Collections" are Special Tax Collections in excess of the amount necessary to make the next two interest payments, the next principal payment and to pay the Trustee's fees and expenses and other administrative charges with respect to the Bonds. In the event of a redemption from Surplus Tax Collections, the Bonds 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 Bonds, redemption of defeased Bonds shall be scheduled on the basis of mandatory redemption requirements and assuming annual Special Tax Collections in an amount equal to receipts for the most recent twelve-month period.

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

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

(4) Mandatory Sinking Fund Redemption. To the extent not previously redeemed, the Bonds are subject to mandatory sinking fund redemption by lot in such manner as the Trustee shall determine, on February 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:

Bonds Maturing February 1, 2056

<u>Year</u>	<u>Principal Amount</u>
2026	\$ 45,000
2027	55,000
2028	55,000
2029	60,000
2030	60,000
2031	65,000
2032	65,000
2033	70,000
2034	70,000
2035	75,000
2036	80,000
2037	80,000
2038	85,000
2039	90,000
2040	95,000
2041	100,000
2042	100,000
2043	105,000
2044	110,000
2045	115,000
2046	120,000
2047	125,000
2048	130,000
2049	135,000
2050	145,000
2051	150,000
2052	155,000
2053	165,000
2054	170,000
2055	175,000
2056 (maturity)	185,000

In the case of any redemption of 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 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 Bond called for redemption if funds for redemption of such Bond have been deposited with the Trustee as provided in the Authorizing Ordinance.

Notwithstanding the above, so long as the Bonds are issued in book-entry only form, if fewer than all the Bonds are called for redemption, the particular Bonds to be redeemed will be selected pursuant to the procedures established by DTC. So long as the 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 Bonds.**

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

Purposes for Bonds. At the special election held November 5, 2024, there was approved the issuance of bonds in the maximum aggregate principal amount of \$3,235,000 for the purpose of financing all or a portion of the costs of the Improvements, which include the construction of a new city administration building located at 2710 N. McKinley Street, which will contain city offices, offices and amenities for the police department, a sally port, holding area and a police interview room, and

any necessary parking, utility improvements, equipment and furnishings therefor.

The proceeds of the Bonds are estimated to be expended by the City as follows:

SOURCES:	
Principal Amount of Bonds	\$3,235,000
Total Sources	<u>\$3,235,000</u>
USES:	
Improvements	\$3,135,000
Underwriter's Discount	64,700
Costs of Issuance	<u>35,300</u>
Total Uses	<u>\$3,235,000</u>

The payment of Underwriter's discount and the costs of issuing the Bonds relating to the payment of professional fees will be contingent on the Bonds being issued. See **MISCELLANEOUS, Underwriting** for a description of the Underwriter's discount. The City will deposit the net proceeds of the Bonds (principal amount plus any original issue premium, less any original issue discount and less Underwriter's discount and certain costs of issuance of the Bonds) into a construction fund established with the Trustee and designated "2025 Construction Fund" (the "Construction Fund"). Moneys contained in the Construction Fund will be disbursed by the Trustee solely in payment of costs of the Improvements, paying necessary expenses incidental thereto and paying the costs of issuance. Disbursements shall be on the basis of requisitions which shall contain at least the following information: the names of the person, firm or corporation to whom payment is to be made; the amount of the payment; and the purpose by general classification of the payment. For a description of how the net proceeds of the Bonds are to be invested pending use and the provisions governing those investments, see **THE AUTHORIZING ORDINANCE, Investments**.

SECURITY FOR THE BONDS

General. The Bonds are limited tax special obligations of the City secured by the levy of a continuing annual Bond Tax and by a pledge of the Special Tax Collections. Special Tax Collections must be used solely to pay the principal of and interest on the Bonds and to pay Trustee's fees and expenses and other administrative charges. The Bonds are secured under the Authorizing Ordinance. For a summary of the terms of the Authorizing Ordinance, see **THE AUTHORIZING ORDINANCE**.

The rate of the Bond Tax cannot exceed the rate specified on the ballot for the November 5, 2024 election at which the Bonds were approved. The maximum rate specified for the Bonds is 8.5 mills per dollar of assessed value of taxable property in the City. For a discussion of the estimated amount of the Special Tax Collections to be collected in each year, see Computation of Dollar Amount of Bond Tax Levied.

The electors adopted Constitutional Amendment No. 79 at the November 2000 General Election. This Amendment, which became effective January 1, 2001, provides for an annual state credit against ad valorem property tax on a homestead. As directed by the Amendment, the General Assembly has instituted a statewide sales and use tax in the amount of one-half of one percent (0.5%) (previously defined as the "Special State Sales Tax Collections"). The purpose of the statewide sales and use tax is to assure that the tax or millage levied for bonded indebtedness will provide a level of income sufficient to meet current debt service and other expenses requirements. See **SUMMARY OF ARKANSAS AD VALOREM TAX PROCEDURES, Property Tax Relief Trust Fund**.

The Bonds are not secured by any lien on or security interest in any physical properties. There is no debt service reserve for the Bonds.

No Parity Bonds. The City covenants that it will not issue any additional bonds, or incur any additional obligation, secured by a lien on or pledge of the Special Tax Collections.

DESCRIPTION OF THE CITY OF CAMMACK VILLAGE

General. The City is organized under the laws of the State as a city of the second class. The City is located in Pulaski County, Arkansas (the "County") in the central part of the State. The City is an enclave, which is surrounded on all sides by the City of Little Rock, Arkansas ("Little Rock"). It has no commercial properties. It has a current estimated population of 804. The City relies on Little Rock for its water, sewer and fire protection services. The City maintains a police force, which currently employs three police officers.

Transportation. The City is served by U.S. Interstates 30 and 40, U.S. Highways 65, 67, 70 and 167, and State Highways 10, 338, 365 and 367. Union Pacific Railroad Company and Amtrak provide railroad service to Little Rock. The Bill and Hillary Clinton National Airport is in Little Rock and is served by American Airlines, Delta Airlines, Southwest Airlines, United Airlines, Frontier Airlines, and Allegiant Air.

Government. The government of the City operates under the mayor-city council form of government, pursuant to which a mayor is elected for a 4-year term (term expires December 31, 2026) and four city council members are elected for two-year terms (terms expire December 31, 2026). The following are the Mayor and members of the City Council:

<u>Name</u>	<u>Occupation</u>
Cody Kees	Mayor
Ryan O'Malley	Homemaker
Tim Fisk	Speech Therapist
Sawyer Dunigan*	Managing Director, Institutional Equity Sales
Matthew Fuller	Sales

* Sawyer Dunigan is employed at Stephens Inc., the Underwriter. Mr. Dunigan has abstained from all votes related to the issuance of the Bonds.

Population. The following chart sets out population data for the City and the County (source: U.S. Bureau of Census):

<u>Year</u>	<u>City</u>	<u>County</u>
2020	778	399,125
2010	768	382,748
2000	831	361,474
1990	828	349,660
1980	920	340,613

Education. There is one elementary school, Jefferson Elementary, located in the City, which is in the Little Rock School District.

Building Permits. The following table shows new construction in the City, as reflected by building permits issued, at year end:

Residential Construction

<u>Year</u>	<u>Number of Permits</u>	<u>Value</u>
2024	73	\$9,720,800
2023	80	5,661,757
2022	22	3,327,000
2021	20	5,036,135
2020	5	3,219,189

Source: City of Cammack Village; value reflects newly built homes.

Principal Employers. The County’s economy is comprised of a diverse mix of financial, commercial, industrial, government, health and educational sectors. The top 10 employers within the boundaries of the County (except as noted for the MSA) are as follows:

<u>Rank</u>	<u>Employer</u>	<u>Product/Service</u>	<u>Employees</u>
1	State Government (MSA)	Government	34,300
2	Local Government (MSA)	Government	26,800
3	Federal Government (MSA)	Government	10,700
4	University of Arkansas for Medical Sciences	Education/Medical Services	9,115
5	Baptist Health	Medical Services	6,595
6	Amazon	Distribution	4,500
7	Arkansas Blue Cross and Blue Shield	Insurance	3,300
8	Arkansas Children’s Hospital	Medical Services	3,290
9	Little Rock School District	Schools/Education	3,200
10	AT&T	Phone Utility	2,610

Source: Little Rock Regional Chamber of Commerce.

Medical Facilities. The following hospitals are located in Little Rock. Baptist Medical Center, the area’s largest hospital, has an 851-bed capacity. St. Vincent Infirmiry Medical Center is a 615-bed general hospital. The Arkansas Children’s Hospital is a 336-bed facility that administers acute pediatric care to children up to age 21. The Arkansas Heart Hospital is a 112-bed facility specializing in cardiac care. The University of Arkansas for Medical Sciences Medical Center has a 450-bed capacity and is the state’s only academic health center. The Arkansas State Hospital is a 222-bed psychiatric facility. Baptist Health Extended Care Hospital is a 36-bed surgery and general medical care hospital. Baptist Health Rehabilitation Institute is a 120-bed rehabilitation hospital. Cornerstone Specialty Hospitals Little Rock is a 40-bed surgery and general medical care hospital. Pinnacle Pointe Behavioral Healthcare System is a 127-bed psychiatric hospital. The John L. McClellan Memorial Veterans Hospital, located on the University of Arkansas for Medical Sciences Medical Center’s campus, has a 305-bed capacity.

Sources: Arkansas Department of Health; and Central Arkansas Veterans Healthcare System.

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

<u>Year</u>	<u>Per Capita Personal Income</u>
2023	\$65,851
2022	62,244
2021	60,866
2020	55,845
2019	51,353

⁽¹⁾ Source: Bureau of Economic Analysis, United States Department of Commerce; 2024 data is not yet available.

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

<u>Year</u>	<u>Total Personal Income</u>
2023	\$26,341,008,000
2022	24,859,260,000
2021	24,231,232,000
2020	22,297,630,000
2019	20,436,823,000

⁽¹⁾ Source: Bureau of Economic Analysis, United States Department of Commerce; 2024 data is not yet available.

Litigation. There is no litigation pending or threatened against the City that would have a material adverse effect on the financial condition of the City.

FINANCIAL INFORMATION

Computation of Dollar Amount of Bond Tax Levied. The most recent county-wide reassessment of taxable property required by the Arkansas Supreme Court was completed in Pulaski County in 2022. For purposes of Amendment 59, the year in which the reassessment is completed is known as the "Base Year." For a general discussion of the reassessment requirement and its effect on assessed value and the tax rate. See, **SUMMARY OF ARKANSAS AD VALOREM TAX PROCEDURES.**

The Bond Tax pledged to the Bonds is levied at the rate of 8.5 mills. For purposes of this computation it has been assumed that collections of the Bond Tax will remain constant for so long as any of the Bonds remain outstanding. In connection with this assumption, it is assumed that Special State Sales Tax Collections will equal the decrease in collections of the Bond Tax resulting from the Homestead Exemption. See, **SUMMARY OF ARKANSAS AD VALOREM TAX PROCEDURES.** However, if the assessed valuation of the property in the City increases or decreases for any reason, the dollar amount of the Bond Tax actually levied will increase or decrease proportionately as will the Special State Sales Tax Collections.

Assessed Valuation. The following table contains the assessed valuation of real, personal and utility property within the City:

<u>Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Utility Property</u>	<u>Total</u>
2020	\$19,276,205	\$1,941,920	\$284,525	\$21,502,650
2021	20,046,617	2,136,185	306,620	22,489,422
2022	21,810,811	2,566,360	324,430	24,701,601
2023	22,929,168	2,668,240	377,490	25,974,898
2024	24,545,085	2,832,490	406,520	27,784,095

Source: Pulaski County Assessor.

Collection of Taxes. Collections of ad valorem taxes levied by the City (5 mills) are shown in the following table:

<u>Year Ended</u>	<u>Total Tax Levy</u>	<u>Total Collections</u>	<u>Percentage of Total Collections to Tax Levy</u>
2020	\$102,839	\$100,378	97.61%
2021	107,513	102,620	95.45
2022	112,447	110,179	97.98
2023	123,508	118,985	96.34
2024	129,874	126,603	97.48

Note: Property assessments are made, tax rates (millages) are established, and taxes are levied in one year for payment by the taxpayer and collection by local governments the following year. Data is not available to show the current level by year of outstanding delinquent taxes.

Overlapping Ad Valorem Taxes. The ad valorem taxing entities in the State are municipalities, counties, school districts and community college districts. All taxable property located within the boundaries of a taxing entity is subject to taxation by that entity. Thus, property within a municipality is also subject to county ad valorem taxes. Property located within a school district and/or within a community college district is also subject to taxation by that entity or entities. The present rate of ad valorem taxation on taxable property within the City (not including the Bond Tax) is 5 mills. The ad valorem tax entities whose boundaries overlap the City and their ad valorem taxing rates are:

<u>Names of Overlapping Entity</u>	<u>Mills</u>
Pulaski County	10.10
Little Rock School District (LRSD)	46.40

Source: Arkansas Assessment Coordination Department.

DEBT SERVICE REQUIREMENTS

The following tables show amounts required to pay scheduled principal and interest on the Bonds during each year ending February 1. However, the City expects to retire the Bonds earlier than scheduled from Surplus Tax Collections. See **THE BONDS**, Redemption and **PROJECTED MANDATORY REDEMPTION**.

<u>Year</u> <u>(February 1)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2026	\$ 45,000	\$101,037.59	\$146,037.59
2027	55,000	139,562.50	194,562.50
2028	55,000	137,156.26	192,156.26
2029	60,000	134,750.00	194,750.00
2030	60,000	132,125.00	192,125.00
2031	65,000	129,500.00	194,500.00
2032	65,000	126,656.26	191,656.26
2033	70,000	123,812.50	193,812.50
2034	70,000	120,750.00	190,750.00
2035	75,000	117,687.50	192,687.50
2036	80,000	114,406.26	194,406.26
2037	80,000	110,906.26	190,906.26
2038	85,000	107,406.26	192,406.26
2039	90,000	103,687.50	193,687.50
2040	95,000	99,750.00	194,750.00
2041	100,000	95,593.76	195,593.76
2042	100,000	91,218.76	191,218.76
2043	105,000	86,843.76	191,843.76
2044	110,000	82,250.00	192,250.00
2045	115,000	77,437.50	192,437.50
2046	120,000	72,406.26	192,406.26
2047	125,000	67,156.26	192,156.26
2048	130,000	61,687.50	191,687.50
2049	135,000	56,000.00	191,000.00
2050	145,000	50,093.76	195,093.76
2051	150,000	43,750.00	193,750.00
2052	155,000	37,187.50	192,187.50
2053	165,000	30,406.26	195,406.26
2054	170,000	23,187.50	193,187.50
2055	175,000	15,750.00	190,750.00
2056	<u>185,000</u>	<u>8,093.76</u>	<u>193,093.76</u>
Totals:	<u>\$3,235,000</u>	<u>\$2,698,256.47</u>	<u>\$5,933,256.47</u>

DEBT SERVICE COVERAGE

Based on an estimated collection rate of 96.97% of the Bond Tax levied on the taxable property within the City, the Special Tax Collections will provide coverage in excess of annual principal and interest requirements for the Bonds as shown below. (For information concerning the historical rate of tax collections, see **FINANCIAL INFORMATION, Collection of Taxes**. See also **SUMMARY OF ARKANSAS AD VALOREM TAX PROCEDURES, Property Tax Relief Trust Fund**, herein.) The figures set forth below are estimates only, and there can be no assurance that the collection and the collection rate will equal the estimated amounts set forth hereinbelow.

Estimated Special Tax Collections At 100% Collection	\$236,165
County Treasurer's Commission at 2%	(4,723)
Most Recent Five Years Average Total Collection Rate	96.97%
Estimated Special Tax Collections Available for Debt Service	224,429
Maximum Annual Debt Service for the Bonds ⁽¹⁾	195,594
Coverage Ratio	1.15x

⁽¹⁾ Based on a bond year ending February 1.

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PROJECTED MANDATORY REDEMPTION

The tables under the caption **DEBT SERVICE REQUIREMENTS** do not reflect possible redemptions of the Bonds from Surplus Tax Collections. "Surplus Tax Collections" are Special Tax Collections in excess of the amount necessary to make the next two interest payments, the next principal payment, the Trustee's fees and expenses and other administrative charges with respect to the Bonds. In the event of a redemption from Surplus Tax Collections, the Bonds shall be redeemed in inverse order of maturity and by lot within a maturity in such manner as the Trustee shall determine.

Based on a collection rate of 96.97%, the estimated Special Tax Collections will be approximately \$224,429 per year. If such estimate is correct and there is no increase or decrease in such collections or collection rate and scheduled debt service on the Bonds as shown at the caption **DEBT SERVICE REQUIREMENTS** herein, the Bonds would be redeemed prior to maturity as shown below. There can be no assurance that these estimates will be sufficient to provide for the projected redemptions set forth.

<u>Year</u>	<u>Scheduled Principal</u>	<u>Bonds Redeemed Prior to Maturity</u>	<u>Total Principal Retired</u>
2026	\$ 45,000	--	\$45,000
2027	55,000	\$40,000	95,000
2028	55,000	35,000	90,000
2029	60,000	35,000	95,000
2030	60,000	40,000	100,000
2031	65,000	35,000	100,000
2032	65,000	45,000	110,000
2033	70,000	45,000	115,000
2034	70,000	45,000	115,000
2035	75,000	50,000	125,000
2036	80,000	50,000	130,000
2037	80,000	55,000	135,000
2038	85,000	55,000	140,000
2039	90,000	55,000	145,000
2040	95,000	60,000	155,000
2041	100,000	60,000	160,000
2042	100,000	70,000	170,000
2043	105,000	70,000	175,000
2044	110,000	75,000	185,000
2045	115,000	75,000	190,000
2046	120,000	80,000	200,000
2047	125,000	85,000	210,000
2048	130,000	85,000	215,000
2049	35,000	--	35,000
Totals:	<u>\$1,990,000</u>	<u>\$1,245,000</u>	<u>\$3,235,000</u>

SUMMARY OF ARKANSAS AD VALOREM TAX PROCEDURES

The following is a summary of the principal provisions of the Arkansas Constitution and statutes relating to the assessment and collection of real and personal property taxes in the State.

Taxable Property. In general, the Arkansas Constitution subjects all real estate property situated in the State to ad valorem taxation except the following: (1) public property used exclusively for public purposes, (2) churches used as such, (3) cemeteries used exclusively as such, (4) school buildings and apparatus, (5) libraries and grounds used exclusively for school purposes, (6) buildings, grounds, and materials used exclusively for public charity, and (7) items of household furniture and furnishings, clothing, appliances, and other personal property used within the home, if not held for sale, rental, or other commercial or professional use.

The General Assembly may exempt one or more classes of intangible personal property from taxation, tax intangible property at a lower rate, or provide for taxation of intangible personal property on a basis other than ad valorem. Under statutes presently in force, intangible personal property is not subject to ad valorem taxation. Amendment 59 also authorizes the General Assembly to exempt from taxation the first \$20,000 of value of a homestead of a taxpayer 65 years of age or older.

The Arkansas Constitution provides exemptions from ad valorem taxation, with limitations, for textile mills and new manufacturing establishments.

Tangible personal property in transit through the State is not subject to ad valorem taxation. This exemption has been interpreted to include raw materials shipped to Arkansas for inclusion in tangible personal property manufactured, processed, or refined here for shipment outside the State.

Assessment. Each Arkansas county has a county assessor, elected for a four-year term of office. Every year between the first Monday in January and July 1 the assessor is required to assess the value of all real property located in the county and has the authority to list, value and assess all tangible personal property subject to ad valorem taxation located in the county. Under certain circumstances, a professional appraiser or appraisers may be employed for the purpose of assessing all or any portion of the property located in the county.

It is the duty of the assessor to determine and to keep current a correct and pertinent description of each tract of real property in the county and to place a value on each such tract, including any improvements. The assessor must then file with the county clerk, by July 31, an assessment report of all tangible personal property within the county and, by the third Monday of August, of all real property within the county. The assessor must also, by the third Monday of August of each year, report to the Public Service Commission ("PSC") the total assessment of real and tangible personal property in the county and the kind, character, number, and value of property assessed for taxation in the county.

The owner of every vehicle subject to registration in the state must assess the vehicle with the county tax assessor. County tax assessors and collectors are required to forward information identifying vehicles which have been assessed within the time frame required by law and vehicles for which the owners have paid personal property taxes within the time frame required by law to the Arkansas Department of Finance and Administration.

Any property owner may appeal an assessment made by the assessor to the county equalization board, which has the authority to increase or decrease such assessment. From a decision by the board, a property owner or the assessor may appeal to the county court.

Upon complaint made to the Assessment Coordination Division (the "ACD"), a division of the PSC, by the county judge, county assessor, or county equalization board, or upon the ACD's own investigation and motion, and a summary hearing, the ACD may, in its discretion, order a reassessment of all or any part of the taxable property in any county, to be made by the county assessor or by a person or persons to be recommended by the county judge and appointed by the ACD.

Property owned by public utilities and common carriers and "used and/or held for use in the operation of the company..." is assessed for tax purposes by the Tax Division of the Arkansas Public Service Commission. A. C. A. § 26-26-1605 provides that the Tax Division "shall assess the property at its true and full market or actual value" and that all utility property of a company, whether located within or without the State of Arkansas, is to be valued as a unit. Annually, the company files a report with the Tax Division. The Tax Division reviews these reports, along with other reports (such as reports to shareholders, the Federal Communications Commission, the Federal Energy Regulatory Commission and the Interstate Commerce Commission), to determine the value of the property. Valuation is currently made on the basis of a formula, as set forth in A.C.A. § 26-26-1607, with consideration given to (i) original cost less depreciation, replacement cost less depreciation or reconstruction cost less depreciation; (ii) market value of capital stock and funded debt; and (iii) capitalization of income. As provided in A.C.A. § 26-26-1611, once the value of a company's property as a unit is determined, the Tax Division removes the value allocable to out-of-state property and assigns the remainder among Arkansas taxing units on the basis of value within each jurisdiction. The Tax Division certifies the assessment to the county assessor who enters the assessment as certified on the county assessment roll. County officials have no authority to change such assessment.

Reassessment. All other property is assessed by the elected assessor of each Arkansas county (or other official or officials designated by law). This includes both real and tangible personal property. Amendment No. 79 to the Arkansas Constitution requires each county to appraise all market value real estate normally assessed by the county assessor at its full and fair value at a minimum of once every five (5) years.

Amendment No. 79 requires the county assessor (or other official or officials designated by law), after each county-wide reappraisal, to compare the assessed value of each parcel of real property reappraised or reassessed to the prior year's assessed value. If the assessed value of the parcel increased, then the assessed value of that parcel must be adjusted as provided below.

(a) Subject to subsection (c) below, if the parcel is not the homestead and principal place of residence ("homestead") of a taxpayer, then any increase in the assessed value in the first year after reappraisal cannot be greater than 10% (or 5% if the parcel is the taxpayer's homestead) of the assessed value for the previous year. For each year thereafter, the assessed value shall increase by an additional 10% (or 5% if the parcel is the taxpayer's homestead) of the assessed value for the year preceding the first assessment resulting from reappraisal; however, the increase cannot exceed the assessed value determined by the reappraisal prior to adjustment under Amendment No. 79.

For property owned by public utilities and common carriers, any annual increase in the assessed value cannot exceed more than 10% of the assessed value for the previous year. The provisions of this subsection (a) do not apply to newly discovered real property, new construction or substantial improvements to real property.

(b) If a homestead is purchased or constructed on or after January 1, 2001 by a disabled person or by a person over age 65, then that parcel will be assessed based on the lower of the assessed value as of the date of purchase (or construction) or a later assessed value. If a person is disabled or is at least 65 years of age and owns a homestead on January 1, 2001, then the homestead will be assessed based on the lower of the assessed value on January 1, 2001 or a later assessed value. When a person becomes disabled or reaches age 65 on or after January 1, 2001, that person's homestead should thereafter be assessed based on the lower of the assessed value on the person's 65th birthday, on the date the person becomes disabled or a later assessed value. This subsection (b) does not apply to substantial improvements to real property. For real property subject to subsection (c) below, the applicable date in this subsection (b), in lieu of January 1, 2001, is January 1 of the year following the completion of the adjustments to assessed value required in subsection (c).

(c) If, however, there has been no county-wide reappraisal and resulting assessed value of property between January 1, 1986 and December 1, 2000, then real property in that county is adjusted differently. In that case, the assessor (or other official or officials designated by law) compares the

assessed value of each parcel to the assessed value of the parcel for the previous year. If the assessed value of the parcel increases, then the assessed value of the parcel for the year in which the parcel is reappraised or reassessed is adjusted by adding one-third (1/3) of the increase to the assessed value for the year prior to appraisal or reassessment. An additional one-third (1/3) of the increase is added in each of the next two (2) years.

The adjustment contemplated by subsection (c) does not apply to the property of public utilities or common carriers. No adjustment will be made for newly discovered real property, new construction or substantial improvements to real property.

Pulaski County completed its most recent reassessment in 2022. Based on current growth rates, Pulaski County is required to conduct a county-wide reappraisal at least once every five years.

Valuation. Residential property used solely as the principal place of residence by the owner is assessed according to its value as a residence; agricultural land, pasture land, and timber land is assessed according to the productivity of its soil; and residential and commercial land that is vacant is assessed according to the value of its typical use. All other taxable property is assessed according to its current market value, and the General Assembly may establish the methods and procedures for valuation of such property, as long as they are equal and uniform throughout the State.

Assessed value is an amount equal to 20 percent of market value, and the levied millage is applied against the assessed value to determine the tax owed.

Millage Rollback. Amendment 59 to the Arkansas Constitution, as implemented by Act 848 of 1981, as amended (the "Amendment 59 Implementation Act"), directed the General Assembly to limit the effects of any comprehensive county-wide reassessment by providing for adjustment or rollback of millage rates in certain circumstances.

The Amendment 59 Implementation Act provides that the computation of millage rollbacks is to be made separately for each tax source or millage levy (in the case of school districts this requires separate computations for operation and maintenance millage and debt service millage), with the new tax rate for each millage levy to be rounded up to the nearest 1/10 mill. In the case of debt service millage, the tax rate as so adjusted will continue as the continuing annual tax rate until retirement of the bonds to which the tax is pledged. The adjusted rate for operation and maintenance millage is subject to change at each annual school election in accordance with law.

The term "base year" means the year in which a county-wide reassessment is completed and adjusted millage rates first extended for collection in the following year. When a county-wide reappraisal of property for ad valorem tax purposes is conducted over a period of two or more years, the taxes are not assessed on the basis of the reappraised value of the property until all tax property in the county has been reappraised, and the adjustment or rollback of millage is applicable in the year of completion.

Rollback procedures differ for (a) real property, (b) personal property, and (c) all property of public utilities and regulated carriers.

Real Property. If county-wide reassessment results in an increase in value of taxable property in any taxing unit (county, municipality, school district, or community college district) in the base year of ten percent or more over the previous year, then a millage rollback occurs. The millage rollback is designed to assure that taxpayers, as a group, in each taxing unit will pay taxes no greater than ten percent above the taxes paid during the previous year to such taxing unit.

Millage rates applicable to real property are rolled back only one time following any comprehensive, county-wide reassessment.

Personal Property. A separate millage rate is applied to reassessed personal property in order to produce revenues equal to the revenues received from personal property taxes in the base year. As the assessed value of taxable personal property increases, the separate personal property millage rate is reduced annually in order to maintain revenues equal to those for the base year. The tax rate for personal property will increase (at least to the level in effect before the rollback), however, in the event the personal property assessment declines so that a tax rate increase would be necessary to produce revenues equivalent to the base year revenues from personal property. When the revenues from personal property taxes computed on the basis of the current (real property) millage rates equal or exceed revenues from personal property taxes for the base year, the current millage rates applicable to real property will also apply to taxable personal property.

The Arkansas Supreme Court has held that a voted increase in the tax rate is not applicable to personal property prior to equalization.

Property of Public Utility and Regulated Carriers. During the first five years in which taxes are levied on taxable real and personal property or public utilities and regulated carriers as reassessed, the taxes paid equal the greater of (a) the amount of taxes paid on such property in the base year (less adjustments for property disposed of or reductions in the assessed valuation of such property) and (b) the amount of taxes due on such property at millage rates levied in the current year. If in any of the sixth through tenth years after the base year the base year taxes of a public utility or regulated carrier exceed the current year taxes, then the amount of the taxes are decreased in each year by 20 percent of the difference until, in the tenth year and thereafter, the taxpayer pays taxes calculated with current millage rates only. If in any of the first ten years after the base year the current year taxes equal or exceed the base year taxes, the public utility or regulated carrier thereafter pays the current year taxes.

In implementation of Amendment 59, the Amendment 59 Implementation Act provides that if the provisions in the Amendment and the Act relating to the taxing of public utilities and regulated carriers, or any class thereof, are held to be contrary to the Constitution or statutes of the United States or of the State of Arkansas, all utilities and all classes of carriers shall receive the same treatment provided or required under the court order for a particular type of carrier or utility "if deemed necessary to promote equity between similar utilities or class of carriers." Certain regulated carriers (railroads) have successfully challenged Amendment 59, as applied to them, as contrary to federal statutes. The effect of this challenge by the railroads on utilities and on other classes of carriers cannot be predicted at this time.

Bond Protection. As directed by Amendment 59, the Amendment 59 Implementation Act provides that any millage rates rolled back or adjusted pursuant to the Amendment 59 Implementation Act shall be rolled back or adjusted only to a level which will produce at least a level of income sufficient to meet the current requirements of all principal, interest, paying agent fees, reserves, and other requirements of the bond indenture.

Amendment 78. Amendment 78 to the Arkansas Constitution, approved at the 2000 General Election and effective January 1, 2001, authorized cities and counties to form redevelopment districts for the purpose of financing redevelopment projects. The ad valorem taxes levied by any taxing unit (including municipalities) on property in a redevelopment district may be divided so that all or part of the ad valorem taxes levied against any increase in the assessed value of property in the area after approval of the redevelopment plan for the district shall be used to pay any indebtedness incurred for the redevelopment project. Debt service millage approved by voters prior to January 1, 2001, and debt service millage existing at the time of the creation of the redevelopment district are excluded. The increase in total millage rate in the redevelopment district occurring after the creation of such redevelopment district is excluded if such additional millage is pledged for repayment of a specific bond issue.

Amendment 79. Amendment 79 to the Arkansas Constitution, approved at the 2000 General Election and effective January 1, 2001, generally limits increases in the assessed value of taxable real property and requires that such increases be effected over time. The extent of the limitation depends upon whether the property is a taxpayer's homestead used as the taxpayer's principal place of residence.

General Adjustments. With respect to the first assessment following a county-wide reappraisal, Amendment 79 limits any increase in the assessed value of the non-homestead real property to ten percent of the previous year's assessed value. For each year thereafter, the assessed value of such property will be increased by an additional ten percent of the assessed value for the year preceding the first assessment following reappraisal, but shall not exceed the assessed value determined by reappraisal. If the property is taxpayer's homestead, any increase in the assessed value following reappraisal is limited to five percent of the previous year's assessed value. For each year thereafter, the assessed value of such property will increase by an additional five percent of the assessed value for the year prior to the first assessment following reappraisal (not to exceed the value determined by reappraisal).

The adjustment described above will not apply to newly discovered real property, new construction, or substantial improvements to real property.

Property of Public Utilities and Regulated Carriers. Under Amendment 79, any annual increase in the value of utility and carrier real property is limited to ten percent of the assessed value for the previous year.

Special Provisions for Those 65 or Over and Disabled Persons. Amendment 79 allows persons who reach 65 years of age or who become disabled on or after January 1, 2001 to pay ad valorem taxes based on lower assessed values of homestead property (but not substantial improvements to such property) after reaching 65 or after becoming disabled.

Homestead Exemption. Amendment 79 provides for an annual state credit against ad valorem property tax on a homestead in an amount not less than \$300 (but not below zero). The General Assembly implemented this homestead exemption with the passage of Act 1544 of 2001, which provides that, effective with the assessment year 2000 and thereafter, the amount of real property taxes assessed on the homestead of each property owner is reduced by \$300. The homestead exemption has since been increased to \$500. Property owners have until October 31 in each year to certify that their property is subject to this homestead exemption, notwithstanding that taxes are due and payable by October 15.

Property Tax Relief Trust Fund. Following the passage of Amendment 79, the Arkansas General Assembly increased the state sales and use tax from 4.625% to 5.125%. The proceeds of this one half of one percent (0.5%) increase are paid into the State's Property Tax Relief Trust Fund ("PTRTF"). Act 1544 of 2001, implementing the homestead exemption, also provided for annual distributions to each county treasurer from the PTRTF in accordance with the county's proportionate share of the total statewide property tax reduction for that calendar year resulting from the \$500 homestead exemption. County treasurers, in turn, are required to distribute these payments to the taxing entities in the county in proportion to each taxing entity's millage rate.

In addition to the proportionate distribution described in the preceding paragraph, an additional \$2 million is payable each year from the PTRTF to both cities and counties, provided such amounts are remaining in the PTRTF after the proportional distributions made pursuant to Act 1544 of 2001. Such additional funds are distributed to cities and counties pursuant to a population-based formula prescribed by State law.

According to the State Treasurer's Office, the amounts paid out of PTRTF in the State's fiscal years ended June 30, 2014 through 2024, are as follows:

<u>Year</u>	<u>Amount</u>
2014	\$231,930,975.09
2015	234,220,926.36
2016	243,948,710.39
2017	249,017,824.47
2018	257,117,847.77
2019	249,632,948.36
2020	245,958,856.09
2021	246,368,423.81
2022	248,496,142.83
2023	247,827,574.29
2024	286,135,212.11

Bond Protection. Amendment 79 requires the General Assembly to provide procedures for adjusting ad valorem tax rates in such a way that will not interfere with the payment of bonded indebtedness secured by such taxes or millage. Millage rates for real, personal, and public utility and regulated carrier property shall be equal unless adjustment of personal property rates is necessary to pay bonded indebtedness in accordance with an indenture agreement.

Other. Amendment 79 directs the General Assembly to prescribe the method for reassessing real property and to establish the frequency of reassessment, which should occur at least once every five years. Millage rollback will not be affected except to the extent that the adjustments under Amendment 79 are made prior to rollback.

Collection. The sheriff of each county serves as collector of property taxes (except as to certain counties, for which the legislature has separated the offices of the sheriff and tax collector). The City is located in Pulaski County, which has a separate collector. All taxes levied are collected in the calendar year immediately following the year in which levied, except that personal property taxes levied on motor vehicles owned by individuals are collected in the calendar year in which levied.

Property taxes are payable at any time from March 1 through October 15 of each year and are payable in installments at the option of the taxpayer.

Delinquent Taxes. All taxes unpaid after October 15 of any year are considered to be delinquent and delinquent taxpayers are subject to a penalty of ten percent of the taxes due. It is the duty of the tax collector to diligently collect all delinquent personal property taxes, and in the performance of these duties the collector is empowered to distrain and sell at public auction personal property for the purpose of enforcing collection of personal property taxes and to garnish the wages or other money owed to the delinquent taxpayer.

If real property taxes remain unpaid for two years following the date the taxes were due, the land is certified to the Commissioner of State Lands for collection or sale. In the absence of any bid in an amount at least equal to the assessed value of the land, the Commissioner may negotiate a sale. Real property may be redeemed by the taxpayer at a price equal to the taxes due, ten percent interest for each year of delinquency, a ten percent penalty for each year of delinquency, and costs. The right of redemption must be exercised within 30 days after real property is sold.

Remittance of Tax Collections. The county collector is required by law to pay over to the county treasurer, by the fifth day of each month, all funds in the collector's hands belonging to the county or to any municipality or school district located in the county. Upon a certificate of the county clerk, which shall be issued on or before the thirtieth day of each month, the county treasurer is required to transfer to the various taxing bodies, 90 percent of all funds received by the treasurer from the county collector. Upon final settlement, adjustments are made and the balance is distributed upon order of the county court approving the final settlement. Because of administrative difficulties, it is generally

assumed that no substantial portion of annual tax collections is available to the taxing bodies until December of each year.

Miscellaneous. If the assessed value of all classes of taxable property located in the City remains at the same level, without increase or decrease, and the total tax rates applicable to all taxable property in the City remain constant, the annual revenues derived from taxable property will be the same in each year. This would be true of annual revenues available for debt service on the Bonds, as well as other annual revenues of the City (subject in the case of such other revenues to adjustments in the tax rate).

In recent years, initiatives which would reduce or abolish property taxes collected pursuant to the Arkansas Constitution have been approved for submission to the voters of Arkansas; however, to date, no initiatives have been approved for submission to the voters at the next general election.

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. The City will covenant as set forth below in the Authorizing Ordinance.

The Bond Fund. (a) All Special Tax Collections shall be deposited by the City each month into a special fund of the City at the Trustee which is created by the Authorizing Ordinance and designated "Limited Tax General Obligation Capital Improvement 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 and the Trustee's fees and expenses and other administrative charges. Moneys in the Bond Fund shall be used in the following order of priority as and when necessary:

- (i) to pay the interest on the Bonds when due; and
- (ii) to pay the principal of the Bonds when due at maturity or upon mandatory sinking fund redemption; and
- (iii) to pay the Trustee's fees and expenses and other administrative charges when due; and
- (iv) to redeem Bonds prior to maturity.

(b) For purposes of redeeming the Bonds from Surplus Tax Collections, the Trustee shall, on or about December 20 of each year, calculate the amount of Surplus Tax Collections and deposit such amount into 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 Collections. Moneys in the Special Redemption Account shall be used to redeem the Bonds prior to maturity.

(c) When the moneys in the Bond Fund shall be and remain sufficient to pay (i) the principal of all the Bonds then outstanding, (ii) interest on the Bonds until the next interest payment date and (iii) the Trustee's fees and expenses and other administrative charges, there shall be no obligation to make any further payments into the Bond Fund and any Special Tax Collections 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.

Investments. (a) Moneys held for the credit of the Construction Fund 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. The Trustee shall so invest and reinvest pursuant to the direction of the City.

(b) Moneys held for the credit of the Bond Fund 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. The Trustee shall so invest and reinvest pursuant to the direction of the City and in the Trustee's discretion in the absence of any direct instructions from the City.

(c) 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.

(d) "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 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 Bonds to be included in gross income for federal income tax purposes, including any use of proceeds of the sale of the Bonds or Special Tax Collections directly or indirectly in such manner as to cause the 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 in such manner as to cause the 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 Bond Tax and the Bonds, required by the Constitution and laws of the State and by the Authorizing Ordinance, including the levy and collection of the Bond Tax, as therein specified and covenanted, the segregating of the Special Tax Collections and the applying of the Special Tax Collections as provided in the Authorizing Ordinance.

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 10% in principal amount of the Bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the City and officials of the State, 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 10% 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 the Authorizing 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 thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment (1) cash sufficient to make such payment and/or (2) non-callable Government Securities (provided that such deposit will not cause any of the Bonds issued as tax-exempt bonds for federal income tax purposes to be classified as "arbitrage bonds" within the meaning of Section 148 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.

On the payment of any Bonds within the meaning of the Authorizing 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, the Trustee shall take all appropriate action to cause (i) the pledge and lien of the Authorizing Ordinance to be discharged and cancelled and (ii) all moneys held by it pursuant to the Authorizing 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 unless it shall have been requested to do so in writing by the owners of not less than 10% 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 at any time by 60 days' notice in writing to the City and the owners of the Bonds, and the majority in principal amount of the owners of the outstanding Bonds or the City, so long as it is not in default under the Authorizing Ordinance, may at any time, with or without cause, remove the Trustee. In the event of a vacancy in the office of Trustee either by resignation or by removal, the City shall forthwith designate a new Trustee. The Trustee and any successor Trustee shall file a written acceptance and agreement to execute the trusts and duties 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, 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.

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 (i) that the Trustee determines is not to the material prejudice of the owners of the Bonds or (ii) in order to cure any ambiguity or formal defect or omission in the Authorizing Ordinance or any amendment thereto, 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 Special Tax Collections superior to 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 AGREEMENT

During the past five years, the City has had no outstanding obligations for which it has had continuing disclosure obligations.

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

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

Purpose of the Continuing Disclosure Agreement. The Continuing Disclosure Agreement is executed and delivered by the City and the Trustee for the benefit of the Beneficial Owners of the 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 Bond shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

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

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

"Financial Obligation" shall mean a

- (A) debt obligation;
- (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or
- (C) guarantee of obligations described in (A) or (B).

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

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

"MSRB" shall mean the Municipal Securities Rulemaking Board.

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

Provision of Annual Report. (a) The City shall, or cause the Dissemination Agent to, not later than June 30 of each year (or 180 days after the end of the City's fiscal year if the City's fiscal year changes), commencing with the report due June 30, 2026, 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 (defined below) of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date, but, in such event, such Financial Statements shall be submitted within thirty (30) days 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 five 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 in (a) set forth in Content of Annual Report, below) has been provided to the MSRB by the date required in subsection (a), the Trustee shall send a notice to the MSRB.

Content of Annual Report. The City's Annual Report will include (a) information of the type set forth under **FINANCIAL INFORMATION**, Assessed Valuation and Collection of Taxes for the latest calendar year and the preceding four calendar 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 have been submitted to the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. 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. 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.

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

Dissemination Agent. 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.

Amendment; Waiver. 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 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 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 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 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 of 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 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.

LEGAL MATTERS

Legal Proceedings. There is no litigation pending seeking to restrain or enjoin the Bond Tax or the issuance or delivery of the Bonds, or questioning or affecting the legality of the Bond Tax or the Bonds or the proceedings and authority under which the Bonds are to be issued, or questioning the right of

the City to adopt the Authorizing Ordinance or to issue the Bonds or the levy of the Bond Tax and pledge of the Special Tax Collections by the City.

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

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

Also, in the opinion of Bond Counsel, interest on the Bonds under existing law is excludable from gross income for federal income tax purposes under Section 103 of the Code and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the federal alternative minimum tax imposed on certain corporations. 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 Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal income tax purposes. These requirements generally relate to arbitrage, the use of the proceeds of the Bonds and the Improvements. Failure to comply with certain of such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The City has covenanted to comply with all such requirements in the Authorizing Ordinance.

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

Prospective purchasers of the 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 Bonds or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the 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 Bonds as "qualified tax-exempt obligations" and has covenanted not to use the Improvements and the proceeds of the Bonds in a manner which would cause the Bonds to be "private activity bonds" within the meaning of the Code, and it has represented that the City and its subordinate entities do not expect to issue more than \$10,000,000 of such tax-exempt obligations (other than private-activity bonds (excluding from that term "qualified 501(c)(3) bonds" under Section 145 of the Code)) during calendar year 2025.

Prospective purchasers of the 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 Internal Revenue 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.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent holders of the Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any legislative proposals or clarification of the Code or court decisions may affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the 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 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. (the "Underwriter"), the Bonds are being purchased at a price of \$3,170,300 (principal amount less Underwriter's discount of \$64,700). The Agreement provides that the Underwriter will purchase all of the Bonds if any are purchased. The obligation of the Underwriter to accept delivery of the Bonds is subject to various conditions contained in the Agreement, including the absence of pending or threatened litigation questioning the validity of the 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 Bonds to the public initially at the offering prices set forth on the cover page of this Official Statement, which prices may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering price.

Enforceability of Remedies. Rights of the registered owners of the 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 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 CAMMACK VILLAGE, ARKANSAS

By /s/ Cody Kees
Mayor

Dated: As of the Cover Page hereof.