

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 29, 2025

**NEW ISSUE
BOOK-ENTRY ONLY**

RATING: S&P: AA- (stable outlook)

*In the opinion of Friday, Eldredge & Clark, LLP, Little Rock, Arkansas, Bond Counsel, the interest on the Series 2025 Bonds is exempt from State of Arkansas income tax and the Series 2025 Bonds are exempt from property taxation in the State of Arkansas. See **ARKANSAS TAX MATTERS** herein. In the opinion of Ice Miller LLP, Indianapolis, Indiana, Special Tax Counsel, under existing federal statutes, regulations and rulings, interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Series 2025 Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. Such exclusion of interest on the Series 2025 Bonds is conditioned on the continuing compliance with the Tax Covenants (as herein defined). See **FEDERAL TAX MATTERS** herein.*

\$56,535,000*
**CITY WATER AND LIGHT PLANT OF
THE CITY OF JONESBORO (ARKANSAS)
PUBLIC UTILITY SYSTEM
REVENUE BONDS, SERIES 2025**

Dated: Date of Delivery

Due: June 1, as shown on the inside front cover hereof

The Series 2025 Bonds are special obligations only of City Water and Light Plant of the City of Jonesboro ("CWL") and are payable from and secured by a pledge of revenues of CWL's water, wastewater and electric utility system, as described herein. The pledge in favor of the Series 2025 Bonds is on a parity with the pledge in favor of CWL's outstanding Public Utility System Revenue Bonds, Series 2020 and Public Utility System Revenue Bonds, Series 2022.

Interest on the Series 2025 Bonds is payable on June 1 and December 1 of each year, commencing June 1, 2026, and the Series 2025 Bonds mature (on June 1 of each year), bear interest and are priced to yield as shown on the inside front cover hereof.

The Series 2025 Bonds of each maturity will be initially issued as a single registered bond registered in the name of Cede & Co., the nominee of The Depository Trust Company ("DTC"), New York, New York. The Series 2025 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 Series 2025 Bonds will not receive physical delivery of Series 2025 Bonds. Payments of principal of and interest on the Series 2025 Bonds will be made by Centennial Bank, Jonesboro, Arkansas, as the Trustee, directly to Cede & Co., as nominee for DTC, as registered owner of the Series 2025 Bonds, to be subsequently disbursed to DTC Participants and thereafter to the Beneficial Owners of the Series 2025 Bonds, all as further described herein.

The Series 2025 Bonds are offered when, as and if issued, subject to the approval of legality by Friday, Eldredge & Clark, LLP, Little Rock, Arkansas, as Bond Counsel. Certain federal tax matters will be passed upon by Ice Miller LLP, Indianapolis, Indiana, as Special Tax Counsel. It is expected that the Series 2025 Bonds will be available for delivery on or about December 9, 2025, through the facilities of DTC.

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.

Crews&Associates
A First Security Company

This Official Statement is dated _____, 2025.

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

\$56,535,000*
CITY WATER AND LIGHT PLANT OF
THE CITY OF JONESBORO (ARKANSAS)
PUBLIC UTILITY SYSTEM
REVENUE BONDS, SERIES 2025

MATURITY SCHEDULE*

<u>Year</u> <u>(June 1)</u>	<u>Amount</u>	<u>Rate(%)</u>	<u>Yield(%)</u>	<u>Year</u> <u>(June 1)</u>	<u>Amount</u>	<u>Rate(%)</u>	<u>Yield(%)</u>
2026	\$ 890,000			2036	\$2,820,000		
2027	1,800,000			2037	2,965,000		
2028	1,890,000			2038	3,120,000		
2029	1,990,000			2039	3,280,000		
2030	2,090,000			2040	3,445,000		
2031	2,195,000			2041	3,625,000		
2032	2,310,000			2042	3,810,000		
2033	2,430,000			2043	4,005,000		
2034	2,550,000			2044	4,210,000		
2035	2,685,000			2045	4,425,000		

* Preliminary; subject to change.

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

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OFFICIAL STATEMENT

\$56,535,000*

CITY WATER AND LIGHT PLANT OF THE CITY OF JONESBORO (ARKANSAS) PUBLIC UTILITY SYSTEM REVENUE BONDS, SERIES 2025

INTRODUCTORY STATEMENT

This Introduction is subject in all respects to the more complete information contained in this Official Statement. The offering of the Series 2025 Bonds (as hereinafter defined) to potential investors is made only by means of the entire Official Statement, including the cover page hereof and appendices hereto. A full review should be made of the entire Official Statement, as well as the Trust Indenture described herein.

This Official Statement of City Water and Light Plant of the City of Jonesboro ("CWL") is for the purpose of setting forth certain information to all who may become holders of its Public Utility System Revenue Bonds, Series 2025 (the "Series 2025 Bonds") being issued in the aggregate principal amount of \$56,535,000*. The Series 2025 Bonds are being issued for the purpose of financing improvements for the electric facilities of CWL's water, wastewater and electric utility system (the "System"). See **PURPOSE FOR SERIES 2025 BONDS** herein.

The Series 2025 Bonds are payable from and secured by a pledge of revenues derived from the operation of the System ("Revenues"). The pledge of Revenues in favor of the Series 2025 Bonds is on a parity with the pledge in favor of CWL's outstanding Public Utility System Revenue Bonds, Series 2020 and Public Utility System Revenue Bonds, Series 2022 (collectively, the "Parity Bonds"). CWL is authorized to issue other obligations with a pledge of Revenues on a parity with or subordinate to the pledge of Revenues in favor of the Series 2025 Bonds, upon compliance with the conditions set forth in the Indenture. References herein to the "Bonds" include the Series 2025 Bonds and any Additional Bonds (as described herein). See **SECURITY FOR THE SERIES 2025 BONDS** herein.

The Series 2025 Bonds are equally and ratably secured by, and entitled to the protection of, a Trust Indenture dated as of the dated date of the Series 2025 Bonds (the "Indenture") delivered by CWL to Centennial Bank, Jonesboro, Arkansas (the "Trustee").

The Series 2025 Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas (the "State"), particularly Title 14, Chapter 217 of the Arkansas Code of 1987 Annotated (the "Act"). The Bonds are special obligations of CWL payable solely from and secured by a pledge of Revenues.

The Series 2025 Bonds will be initially issued in book-entry form and purchasers of Series 2025 Bonds will not receive certificates representing their interest in the Series 2025 Bonds purchased. See **BOOK-ENTRY ONLY SYSTEM**. The Series 2025 Bonds will contain such other terms and provisions as described herein. See **THE SERIES 2025 BONDS**, Generally.

The Series 2025 Bonds are issuable only as fully registered bonds, without coupons, in the denomination of \$5,000 or integral multiple thereof. Interest is payable June 1, 2026 and semiannually thereafter on each June 1 and December 1. Principal is payable at the principal office of the Trustee in Jonesboro, Arkansas. Interest is payable by the Trustee to the registered owners as of the record date for each interest payment date. The record date for payment of interest on the Series 2025 Bonds shall be the fifteenth day of the calendar month next preceding each interest payment date. A Series 2025 Bond may be transferred, in whole or in part (in integral multiples of \$5,000), but only upon

* Preliminary; subject to change.

delivery of the Series 2025 Bond, together with a written instrument of transfer, to the Trustee. See **THE SERIES 2025 BONDS, Generally.**

The Series 2025 Bonds are subject to optional redemption on and after December 1, 2032. The Series 2025 Bonds must be redeemed from proceeds of the Series 2025 Bonds not needed for the purposes intended. The Trustee shall give at least thirty (30) days notice of redemption. See **THE SERIES 2025 BONDS, Redemption.**

Under existing law and assuming compliance with certain covenants described herein, (i) interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), (ii) interest on the Series 2025 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Series 2025 Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations, (iii) interest on the Series 2025 Bonds is exempt from State income tax and (iv) the Series 2025 Bonds are not subject to property taxes in the State. See **FEDERAL TAX MATTERS** and **ARKANSAS TAX MATTERS.**

It is expected that the Series 2025 Bonds will be available for delivery on or about December 9, 2025, through the facilities of the Depository Trust Company in New York, New York.

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

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of the Indenture and the Continuing Disclosure Agreement summarized herein are available upon request from Stephens Inc., 111 Center Street, Little Rock, Arkansas 72201, Attention: Public Finance or Crews & Associates, Inc., 4007 N Rodney Parham Road, Little Rock, Arkansas 72212, Attention: Public Finance.

PURPOSES OF THE SERIES 2025 BONDS

CWL owns an interest in the Independence Steam Electric Station ("ISES"), a coal-fired electric generation facility located in Independence County, Arkansas, which will cease to burn coal by December 31, 2030. To replace the electric generating capacity lost by the closure of ISES, a combined-cycle gas turbine power plant (the "CCGP") will be constructed in Independence County, Arkansas. CWL will acquire a 15% ownership interest in the CCGP and, as a co-owner, will be responsible for paying its share of the costs of constructing and equipping the CCGP (the "Project"). See **CWL AND THE SYSTEM, Electric System.** The Series 2025 Bonds are being issued for the purpose of (i) financing a portion of the costs of the Project and (ii) paying the costs of issuing the Series 2025 Bonds.

CWL's share of the costs of constructing and equipping the CCGP is estimated to be \$345,000,000. CWL anticipates issuing revenue bonds, including the Series 2025 Bonds, in the total aggregate principal amount of \$250,000,000 to finance the costs of the Project with the remaining costs financed with Revenues. The additional revenue bonds are expected to be issued in multiple series over the next four years.

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SOURCES AND USES OF FUNDS

The sources and uses of proceeds to finance costs of the Project are estimated by CWL as follows:

SOURCES:*

Principal Amount of Bonds	\$56,535,000
Net Original Issue Premium	<u>4,230,496</u>
Total Sources	\$60,765,496

USES:*

Project Costs	\$60,000,000
Costs of Issuance and Underwriters' Discount	<u>765,496</u>
Total Uses	\$60,765,496

The payment of Underwriters' discount and the costs of issuing the Series 2025 Bonds relating to the payment of professional fees will be contingent on the Series 2025 Bonds being issued. See **UNDERWRITING** for a description of the Underwriters' discount. The Underwriters will also be reimbursed certain costs of closing and delivering the Series 2025 Bonds. CWL will deposit the principal amount of the Series 2025 Bonds plus any original issue premium and less Underwriters' discount, any original issue discount, and certain issuance costs into a special fund established with the Trustee designated "2025 Construction Fund" (the "Construction Fund"). Moneys contained in the Construction Fund will be expended for expenses of issuing the Series 2025 Bonds and for the payment of Project costs. Disbursements shall be on the basis of requisitions which shall contain at least the following information: the person to whom payment is being made; the amount of the payment; and a statement to the effect that the disbursement is for a proper expense of or pertaining to the Project or expenses of issuing the Series 2025 Bonds. For a description of how the Series 2025 Bond proceeds are to be invested pending use and the provisions governing those investments, see **THE INDENTURE, Investment of Funds**.

THE SERIES 2025 BONDS

Generally. The Series 2025 Bonds are dated, mature, bear interest and interest is payable on the Series 2025 Bonds as set forth on the inside front cover page hereof.

The Series 2025 Bonds are issuable in the form of registered Series 2025 Bonds without coupons in the denomination of \$5,000 each or any integral multiple thereof, interchangeable in accordance with the provisions of the Indenture. In the event any Series 2025 Bond is mutilated, lost or destroyed, CWL shall, if not then prohibited by law, execute and the Trustee may authenticate a new Series 2025 Bond in accordance with the provisions therefor in the Indenture.

Each Series 2025 Bond is transferable by the registered owner thereof or by his attorney duly authorized in writing at the principal office of the Trustee. Upon such transfer a new fully registered Series 2025 Bond or Bonds of the same maturity, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefor.

There shall be no charge to the transferor or transferee for any transfer, except an amount or amounts sufficient to reimburse CWL and the Trustee for any tax, fee or other governmental charge required to be paid with respect to such transfer. Neither CWL nor the Trustee shall be required to make transfers

* Preliminary; subject to change.

of registration with respect to any Series 2025 Bond or portion thereof called for redemption prior to maturity within thirty (30) days prior to its redemption date.

The person in whose name any Series 2025 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 premium, if any, or interest of any Series 2025 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 Series 2025 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 Series 2025 Bonds or the date fixed for redemption of any Series 2025 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 (and premium, if any) 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 Series 2025 Bonds are subject to optional and extraordinary redemption as follows:

(1) Optional Redemption. The Series 2025 Bonds are subject to redemption at the option of CWL from funds from any source, in whole or in part at any time, on and after December 1, 2032, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date. If fewer than all of the Series 2025 Bonds shall be called for redemption, the particular maturities of the Series 2025 Bonds to be redeemed shall be selected by CWL in its discretion. If fewer than all of the Series 2025 Bonds of any one maturity shall be called for redemption, the particular Series 2025 Bonds or portion thereof to be redeemed from such maturity shall be selected by lot by the Trustee.

(2) Extraordinary Redemption. The Series 2025 Bonds must be redeemed from proceeds of the Series 2025 Bonds not needed for the purposes intended, on any interest payment date, in whole or in part, in inverse order of maturity (and by lot within a maturity in such manner as the Trustee may determine), at a price equal to the principal amount being redeemed plus accrued interest to the redemption date.

The Trustee shall give notice of the call for redemption by first class mail or other standard means, including electronic or facsimile communication, sent not less than thirty (30), nor more than sixty (60), days prior to the date fixed for redemption, to the registered owner of any Series 2025 Bond called for redemption. After the date specified in such call, the Series 2025 Bond or Bonds so called will cease to bear interest provided funds for their payment have been deposited with the Trustee.

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, or its successor, will act as securities depository for the Series 2025 Bonds. The Series 2025 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 Series 2025 Bond certificate for each maturity will be issued in the principal amount of the maturity and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities

transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates.

Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & 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 Series 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025 Bond (referred to herein as "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025 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 Series 2025 Bonds, except in the event that use of the book-entry system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025 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 Series 2025 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 Series 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025 Bonds are credited, which may or may not be the Beneficial Owners. Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices will be sent only to Cede & Co. If fewer than all of the Series 2025 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 Series 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to CWL 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 Series 2025 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 Series 2025 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 CWL or the 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 CWL, 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 Series 2025 Bonds at any time by giving reasonable notice to CWL or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2025 Bonds are required to be printed and delivered. CWL may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2025 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 Underwriters nor CWL make any representation or warranty regarding the accuracy or completeness thereof.

So long as the Series 2025 Bonds are in book-entry only form, Cede & Co., as nominee for DTC, will be treated as the sole owner of the Series 2025 Bonds for all purposes under the Indenture, including receipt of all principal of and interest on the Series 2025 Bonds, receipt of notices, voting and requesting or directing the Trustee to take or not to take, or consenting to, certain actions under the Indenture. CWL 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 Series 2025 Bonds; (c) the delivery or timeliness of delivery by any Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Indenture to be given to owners of Series 2025 Bonds; or (d) other action taken by DTC or Cede & Co. as owner of the Series 2025 Bonds.

SECURITY FOR THE SERIES 2025 BONDS

The Bonds (including the Series 2025 Bonds) are secured by a pledge of Revenues. The pledge of Revenues in favor of the Series 2025 Bonds is on a parity with the pledge of Revenues in favor of the Parity Bonds, any Other Parity Bonds (defined below) (to the extent issued in the future) and any Additional Bonds (to the extent issued in the future).

Additional Bonds. CWL may issue, without the consent of the holders of the Bonds, one or more series of Additional Bonds to finance or refinance costs, expenses and expenditures in connection with acquiring, constructing and equipping betterments and improvements to the System and the expenses of issuing Additional Bonds. The Additional Bonds shall be issued under and subject to the requirements of the Indenture and shall rank on a parity of security in all respects with the Bonds of previously issued series.

Before any Additional Bonds may be issued, there must be delivered to the Trustee (among other things):

(a) A copy, certified by the Secretary of CWL, of the resolution authorizing the issuance of the Additional Bonds;

(b) A certificate of the Chairman of CWL stating that no event of default specified in the Indenture has happened and is continuing;

(c) A certificate of an independent certified public accountant to the effect that "adjusted gross revenues" of the System for the fiscal year immediately preceding the delivery of the Additional Bonds (the "immediately preceding fiscal year") were sufficient in amount:

(i) to pay all operation and maintenance expenses of the System for the immediately preceding fiscal year (exclusive of depreciation, interest and amortization); and

(ii) to leave a balance equal to not less than 110% of the maximum annual principal and interest requirements for (A) the then outstanding Bonds (exclusive of any Bonds that are to be refunded upon the delivery of the Additional Bonds), (B) such Additional Bonds and (C) any then outstanding Parity Bonds and Other Parity Bonds (exclusive of any Parity Bonds or Other Parity Bonds that are to be refunded upon the delivery of the Additional Bonds).

The term "adjusted gross revenues" means:

(1) The Revenues actually received during the immediately preceding fiscal year;
plus

(2) Any additional Revenues (as projected by the accountant executing the certificate as to adjusted gross revenues) that would have been derived from a rate increase actually placed into effect after the beginning of such fiscal year if such rate increase had been in effect throughout the fiscal year; plus

(3) Any additional annual Revenues as projected in a certificate of an independent consulting engineer (on the basis of the then current System rates) to be derived from new customers to be served upon completion of improvements then under construction or to be financed from the proceeds of such Additional Bonds.

Other Parity Bonds. CWL may, in addition to Additional Bonds under the Indenture, issue other bonds with a pledge of Revenues on a parity with the pledge of Revenues in favor of the outstanding Bonds (the "Other Parity Bonds"), upon compliance with the conditions set forth in the Indenture for the issuance of Additional Bonds.

Other Bonds. Nothing in the Indenture shall prohibit CWL from issuing bonds or other obligations of indebtedness other than under the Indenture. Such obligations may be Other Parity Bonds or may be subject and subordinate to the lien, pledge and security interest of the Indenture and to all Bonds then outstanding or thereafter issued. Other obligations issued with a lien, pledge and security interest subordinate to the pledge in favor of the Bonds are collectively referred to herein as the "Subordinate Obligations." See **THE INDENTURE**.

CWL AND THE SYSTEM

Generally. CWL is a consolidated utility district pursuant to the Act and was created as a municipal improvement district pursuant to Act 251 of the Acts of Arkansas of 1921 (the "1921 Act"). The 1921 Act consolidated Water District No. 1, Light District No. 2 and Sewer District No. 3 of the City of Jonesboro, Arkansas (the "City"), each established in 1906, into CWL. As of August 2025, CWL had 204 employees.

CWL has a Board of Directors (the "Board") comprised of 16 members, of which nine are elected by the registered voters of the City (an "Elected Director") and seven are appointed by the Mayor and approved by the City Council (one from each of the City's six wards and one from the Jonesboro School District) ("an Appointed Director"). The current members of the Board are as follows:

<u>Name</u>	<u>Occupation</u>	<u>Term Expires</u>
Guy Patteson, Chairman ⁽¹⁾	Trumann Gin (owner)	2026
Danny McDaniel, Vice Chairman ⁽¹⁾	Ramson's Construction Company (owner)	2027
Danny Honnoll, Secretary ⁽¹⁾	Retired	2027
Steve Cox ⁽¹⁾	Rainwater and Co, LLC (owner)	2026
Brian Fulkerson ⁽¹⁾	Atlas Asphalt (owner)	2028
Ashleigh Givens ⁽²⁾	Compass Church	2026
Russ Hannah ⁽²⁾	Arkansas State University	2026
Gary Harpole ⁽²⁾	Real Estate Developer	2026
Al Heringer ⁽¹⁾	Star Transportation LLC	2026
Jeffrey Higgins ⁽²⁾	J Town Grill (owner)	2027
Deana Osment ⁽¹⁾	Businesswoman	2027
Beverly Parker ⁽¹⁾	Businesswoman	2028
Michael Polk ⁽²⁾	Cadence Bank	2028
Brian Rega ⁽¹⁾	St. Bernard's Village	2028
John Street ⁽²⁾	Street's Appraisal Service (owner)	2028
Lloyd Wofford ⁽²⁾	Engines Inc. (owner)	2027

⁽¹⁾ Elected Director

⁽²⁾ Appointed Director

CWL lies within an area which is considered by a number of seismologists to be subject to major earthquake damage in the event of an earthquake along and in the proximity of the New Madrid Fault. Whether an earthquake might occur while any of the Series 2025 Bonds are outstanding, the extent of damage to properties located within CWL and the effect upon CWL's ability to pay debt service cannot be predicted. Property damage, should an earthquake occur, could result in a reduction in revenues collections of such significance that CWL's ability to pay debt service would be impaired or even eliminated.

Electric System. The electric system serves customers within and, to a very limited extent, outside the corporate boundaries of the City. The electric system obtains its firm power supply from CWL's ownership interests in generating facilities and from contracts for purchases of power, such as hydroelectric generation of the Southwestern Power Administration ("SWPA"). Additionally, to the extent that electric energy is practicably available from other sources on favorable terms, CWL purchases energy from such other sources, while maintaining its firm contractual supply sources. CWL has various contractual transmission arrangements, and power is distributed to customers through a CWL owned distribution system.

In December 2013, CWL entered into an agreement with Midcontinent Independent System Operator ("MISO"). MISO is a non-profit, member based Regional Transmission Organization and an Independent System Operator, regulated by the Federal Energy Regulatory Commission. MISO is the electric grid operator for the central United States and ensures power flows reliably and affordably across 15 states and the Canadian province of Manitoba. MISO does not own generators or transmission lines. However, it coordinates members' assets and manages the flow of electricity. Essentially, MISO facilitates the buying and selling of electricity in its region through the operation of wholesale energy markets. Additionally, MISO partners with stakeholders to plan for the future. CWL's transmission assets, generation facilities, and load are registered with MISO. As a load serving entity in MISO, CWL can serve its load from the MISO market daily as economically advantageous.

CWL owns a 5% interest in the White Bluff Steam Electric Station ("White Bluff"), located near Redfield, Arkansas. White Bluff consists of two 740 MW (nameplate rating) coal-fired generating units. Unit 1 has been in commercial operation since August 1980 and has an 828 MW net capability. Unit 2 began commercial operation in July 1981 and has an 831 MW net capability. CWL also owns a 5% undivided interest in Unit 1 and a 15% undivided interest in Unit 2 of ISES (together with a 10%

interest in the common equipment). ISES consists of two 740 MW (nameplate rating) coal-fired generating units. Unit 1 began commercial operation in January 1983 and has an 836 MW net capability. Unit 2 began commercial operation in December 1984 and has an 842 MW net capability. White Bluff and ISES provide approximately 251 MW of electrical generation for CWL. White Bluff is scheduled to cease the combustion of coal by no later than December 31, 2028, and ISES is scheduled to cease the combustion of coal by no later than December 31, 2030.

To prepare for the White Bluff and ISES cease to burn coal dates, CWL is partnering with Arkansas Electric Cooperative Corporation ("AECC") and other non-Entergy co-owners to construct the CCGP at the ISES site. To make this possible, Entergy Arkansas LLC ("Entergy") and the non-Entergy co-owners have executed necessary documents to transfer ownership of the ISES site, assets and Generator Interconnection to AECC, CWL and other non-Entergy co-owners. In return, the ownership of White Bluff will be transferred to Entergy. This transfer of ownership of White Bluff and ISES will occur no later than the respective cease to burn coal dates. See **ELECTRIC SYSTEM CAPACITY, SUPPLY AND TRANSMISSION AGREEMENTS, Ownership Agreements**.

CWL will be a 15% co-owner in the CCGP. The ownership will be very similar to CWL's arrangement with Entergy for the last four decades at White Bluff and ISES. As a co-owner of the CCGP, CWL will have the ownership of its share of the capacity and energy to serve its customers for the life of the CCGP. The CCGP is anticipated to be roughly 1,500MW and to have a very high efficiency. The CCGP will bring reliability, stability and low cost power to CWL's customers just as White Bluff and ISES have done for the last four decades. Pursuant to an ownership agreement that identifies CWL's ownership interest in the CCGP, AECC will be the co-owners' agent to plan, design, license, permit, construct, operate, maintain, manage fuel, and market the resource in the MISO market. See **ELECTRIC SYSTEM CAPACITY, SUPPLY AND TRANSMISSION AGREEMENTS, Ownership Agreements**.

Network Integrated Transmission Service from MISO provides for the transmission of power from White Bluff and ISES as well as other generation sources within the MISO system. CWL receives power from the bulk electric system through two geographically separate substations. CWL owns five locally sited gas-fired generators with a capacity of approximately 175 MW.

CWL has provided for the firm purchase of 80 MW of capacity and related energy from SWPA. An interconnection with SWPA is the means for delivery of energy from SWPA.

CWL owns and operates two (2) 4.99 MW AC of a local solar facility that began operation in June 2022. Additionally, CWL has a Purchase Power Agreement of 40 MW in Big Cypress Solar, LLC operated by Nextera Energy Resources that began operation in December 2023.

The CWL transmission system consists of approximately 52 miles of lines and poles connecting 16 substations at the 69,000 volt level. These 16 substations consist of 30- 69kV to 13.2kV transformers, ranging from 20MVA to 40MVA. The transmission system is composed of roughly 90% steel poles ranging from H1-H6 construction. The system is operated and maintained by the electric department crews and equipment. CWL's transmission system is registered in MISO. CWL is 1 of 3 transmission owners in MISO in the State. CWL's Annual Transmission Revenue Requirements are calculated by methodology outlined in the Attachment O of the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff.

The CWL distribution system consists of approximately 1,200 miles of lines, poles, transformers and other facilities to serve individual customers. The system consists mainly of overhead distribution lines and feeders and underground distribution lines. The system is operated and maintained by electric department crews and equipment.

CWL's generation portfolio consists of 556 MW of coal, federal hydro, solar, and natural gas generation. CWL's historical electric system annual peak demand and energy requirements for the period 2020 through 2024 are as follows:

<u>Year</u>	<u>System Peak Demand MW</u>	<u>Total Annual Energy Mwh</u>
2020	293	1,427,646
2021	299	1,482,463
2022	309	1,507,501
2023	312	1,452,860
2024	306	1,493,907

Electric Customers. The following table sets forth by customer classification the average number of customers for the years indicated and average price per kWh for 2024 for electric service:

<u>Classifications</u>	<u>Average Number of Customers</u>					<u>2024 Average Bill</u>	<u>2024 Average Price per kWh (cents)</u>
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>		
Residential	35,013	34,591	34,116	33,670	33,019	\$ 79.38	6.63
Commercial	5,617	5,595	5,569	5,472	5,399	325.87	6.77
Industrial	38	38	35	34	34	63,702.86	5.08

Charges for electric service consist of a fixed monthly charge for residential and small commercial customers and a demand charge for industrial and large commercial customers, plus, in each case, charges for actual usage.

The energy sales to customers by retail customer classes for 2020 through 2024 are shown below.

<u>Classifications</u>	<u>Energy Sales to Customers (in kWh)</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Residential	502,990,070	488,129,317	516,373,951	510,920,553	476,632,592
Commercial	321,898,406	317,491,944	329,314,100	323,716,028	309,938,883
Industrial	577,644,220	558,577,780	556,052,126	558,678,220	533,466,020
Security Lighting	2,087,024	2,163,137	2,143,661	1,900,924	5,268,051

The following table shows the peak demand and annual revenues for the year 2024 for CWL's five largest power customers. These customers represent approximately 14.75% of 2024 electric revenues from sales to customers.

Largest Power Customers of CWL

<u>Customer</u>	<u>2024 Peak Demand (kW)</u>	<u>2024 Annual Revenue</u>
1. Anchor Packaging	11,164	\$3,820,768
2. Riceland Foods	12,075	3,429,238
3. Arkansas State University	9,437	2,756,910
4. Frito-Lay	7,577	2,410,937
5. Post Cereal	7,182	2,326,434

Free and Discounted Services. CWL provides free electric, water, and wastewater services to the City. In 2024, the approximate direct cost value of street lights and other electric, water, and wastewater services furnished to the City was \$3,491,603.

CWL provides 12,000 kWh of free electricity to the Jonesboro School District. Additional electric, water and wastewater services are provided to the Jonesboro School District at CWL's cost. CWL also provides electric, water and wastewater services to the Nettleton and Valley View School Districts at CWL's cost. The approximate direct cost value of these free and discounted services for 2024 was \$24,414.

Electric Rates. CWL's electric rates are based on quantity of use, and range from 3.05 cents/kWh to 5.95 cents/kWh, with a minimum charge of \$7.00 per month for residential customers and from 4.50 cents/kWh to 6.35 cents/kWh, with a minimum charge of \$8.65 per month, for commercial customers. For customers with maximum demands exceeding 100 KW, there is a monthly demand charge of \$4.45 /KW of maximum fifteen-minute intervals measured maximum KW demand per month. The energy charge is 2.85 cent/kWh. CWL's electric rates include an Energy Adjustment Clause (EAC) to address fluctuations in market and wholesale energy cost.

Water System. The water system operates within and, to a limited extent, outside the corporate boundaries of the City. The water supply is obtained from 32 deep wells which can supply an aggregate of approximately 44.7 million gallons per day. Water is treated at four (4) in-city treatment plants and five (5) rural treatment facilities, which are only used during high usage periods. The in-city plants utilize aeration, chlorination, fluoridation, as well as phosphate and sodium hydroxide addition. The rural stations utilize chlorination, as well as phosphate and sodium hydroxide addition.

The water main system consists of over 1,300 miles of 2" to 24" pipe from which service lines extend to customer connections.

The following table sets forth the daily average of water pumped and the maximum amount pumped in a day for the years 2020 through 2024:

<u>Water Pumped</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Daily Average (gallons)	15,799,226	15,621,887	15,916,548	15,283,107	14,554,985
Maximum Day (gallons)	25,208,000	26,030,000	29,253,000	24,940,000	24,455,000

Water Customers. The following table sets forth the average number of customers, annual consumption per customer and the average customer price per 1,000 gallons for 2020 through 2024:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Average Number of Customers	39,074	38,704	38,320	37,902	37,421
Annual Consumption per Customer (in gallons)	125,581	125,254	128,742	123,452	120,897
Average Price per 1,000 Gallons of Water (in dollars)	\$2.86	\$2.78	\$2.59	\$2.46	\$2.42

Charges for water service consist of a monthly meter charge based on meter size and additional charges based on usage.

CWL's five largest water customers, by amounts billed for service in 2024, were as follows:

<u>Customer</u>	<u>Annual Amount Billed</u>
1. Frito-Lay	\$492,125
2. Nestle	303,286
3. Nice Pak	160,346
4. Riceland Foods	149,713
5. Post Cereal	127,129

Water Rates. CWL's current monthly water rates range, generally, from \$2.57 per 1,000 gallons to \$1.80 per 1,000 gallons (for usage over 200,000 gallons) for customers located within the City. The minimum bill is based on meter size and ranges from \$7.48 per month to \$462.15 per month (for a ten-inch meter). The rate for customers located outside the City is 1.2 times the City rate.

Wastewater System. The wastewater system operates within the corporate limits of the City. Wastewater is collected through an interconnected pipe system consisting of over 450 miles of 4" to 42" lines and 26 lift stations which pump the wastewater to CWL's two treatment facilities. These

treatment facilities provide primary and secondary treatment with a combined design capacity of 18.55 million gallons per day and a maximum hydraulic capacity of over 53 million gallons per day. In addition, CWL has an industrial pretreatment program. The facilities treat an average of approximately 10.2 million gallons per day.

After treatment, liquid effluent is discharged into local waterways and solids are distributed over land owned by CWL. Discharges from the treatment facilities are below the limitations prescribed by CWL's current NPDES discharge permits. The permit for CWL's Eastside treatment facility expires on October 31, 2029. The permit for CWL's Westside treatment facility expires on March 31, 2028. The biosolids application to land is governed by CWL's No Discharge Water Permit. The permit for CWL's Eastside treatment facility expires on June 30, 2028. The permit for CWL's Westside treatment facility expires on May 31, 2027.

Wastewater Customers. The following table sets forth the average number of wastewater customers for years 2020 through 2024:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Average Number of Customers	26,383	26,034	25,753	25,456	25,101

CWL's five largest wastewater customers, by amounts billed for service in 2024 were as follows:

<u>Customer</u>	<u>Annual Amount Billed</u>
1. Nestle	\$1,105,272
2. Frito-Lay	836,515
3. Post Cereal	494,777
4. Riceland Foods	244,894
5. Unilever	203,392

Wastewater Rates. Rates for wastewater service are generally based on metered water service with additional charges to industrial users based on the concentration of BOD's (Biological Oxygen Demand) and suspended solids.

Rate Setting. Rates for services of the System are set by the Board and may be changed as frequently as necessary. CWL's rates are not subject to regulation or approval by the Arkansas Public Service Commission or any other governmental body.

Litigation. CWL currently has no material lawsuits or regulatory proceedings pending against it.

ELECTRIC SYSTEM CAPACITY, SUPPLY AND TRANSMISSION AGREEMENTS

Ownership Agreements. CWL owns interests in White Bluff and ISES, and will own an interest in the CCGP, under respective Ownership Agreements (the "Ownership Agreements") among the various parties thereto.

White Bluff Ownership Agreement. White Bluff is owned by Entergy, AECC, CWL, the City of Conway, Arkansas ("Conway") and the City of West Memphis, Arkansas ("West Memphis"). AECC, CWL, Conway and West Memphis are collectively referred to with reference to White Bluff as the "Participants." Each Participant is required to pay its ownership share of additions, repairs or replacements to or retirements at White Bluff. Payments are to be made monthly based on notification by Entergy of the nature and amounts of the costs incurred.

ISES Ownership Agreement. ISES is owned by Entergy (including interests owned by affiliated corporations), AECC, CWL, Conway, West Memphis, the City of Osceola, Arkansas ("Osceola") and East Texas Electric Cooperative, Inc. ("ETEC"). AECC, CWL, Conway, West Memphis, Osceola and ETEC are collectively referred to with reference to ISES as the "Participants."

Each Participant is required to pay its ownership share of additions, repairs or replacements to or retirements at ISES. Payments are to be made monthly based on notification by Entergy of the nature and amounts of the costs incurred.

CCGP Ownership Agreement. The land on which the CCGP will be constructed (the "Property") is presently owned by seven (7) co-owners as tenants-in-common holding respective undivided interests in the Property. Under applicable law each co-tenant has a legal right to occupy the entire property co-owned and may even make improvements without the consent of the other co-tenants. Each co-tenant also has a right to seek a partition of its interest in the Property, as described in more particular detail below. In any partition a co-tenant who makes improvements will be indemnified for them. All of the co-owners are parties to the Independence Steam Electric Station Ownership Agreement dated July 31, 1979, as subsequently amended (the "ISES Ownership Agreement"), which governs the ownership of ISES, which is located on land adjacent to the Property. Pursuant to the ISES Ownership Agreement, the co-owners have agreed to the use of the property for the operation of ISES and waived their respective rights to seek a partition of the Property until ISES is retired from commercial service, which is anticipated to be December 31, 2030.

Upon completion, the CCGP is expected to be owned by five (5) co-owners (AECC, CWL, Conway, West Memphis and ETEC (collectively, the "CCGP Participants")) pursuant to an ownership agreement which shall govern the ownership of the CCGP (the "CCGP Ownership Agreement"). The form of the CCGP Ownership Agreement authorizes the use of the Property for purposes of the construction and operation of the CCGP and includes a waiver by each party of its respective right to seek a partition of the Property until the CCGP is retired from commercial service. Two (2) present co-owners, who collectively hold an interest in the Property of less than one percent (1%), are not anticipated to participate in the CCGP as parties to the CCGP Ownership Agreement (the "Non-Participants"). AECC, as the operator of the CCGP, has entered into an agreement to purchase one (1) Non-Participant's ownership interest in the Property. This purchase is anticipated to close in the first quarter of 2026. AECC is in negotiations with the other Non-Participant for the acquisition of the Non-Participant's ownership interest in the Property. However, the consummation of this transaction cannot be assured and it is possible one or more co-owners may not have consented to the use of the Property for the CCGP or be subject to any waiver of the right to partition upon the retirement of ISES from commercial service.

Under applicable State law the CCGP Participants, as co-tenants of the Property, have the right to construct and develop the CCGP upon the Property without the consent of the Non-Participants even if a Non-Participant retains an undivided interest. Therefore, the CCGP Participants are within their legal rights to construct and operate the CCGP on the Property without the consent of the Non-Participants. However, any Non-Participant would hold the right to seek partition upon the retirement of ISES.

Applicable State law governing partition, codified at Title 18, Chapter 60, Subchapter 4 of the Arkansas Code of 1987 Annotated, affords any person having an interest in land held in tenancy-in-common the right to seek a partition of such property through division or sale. Upon a co-owner's filing of a petition for partition in the Circuit Court of the county in which the land is located, the court may appoint commissioners to make partition of the land according to the respective rights and interests of the co-owners of the land. The commissioners shall make a report to the court as to how the land shall be divided, or alternatively, that the land cannot be divided without great prejudice to the owners. The court may confirm the report of the commissioners, or, for good cause, set aside the report and appoint new commissioners to proceed in the same manner. Upon the court's confirmation of a commissioners' report, the land shall be either divided among the owners or sold in accordance with such report. Applicable law also provides that if any co-tenant has made improvements on the land such co-tenant will be indemnified either by having the part of the land on which the improvements are located allotted to such co-tenant or by receiving compensation for them.

It is possible that despite the development of the CCGP a Non-Participant would hold a right to seek partition of the Property. The action would result in the CCGP Participants receiving the portion of the Property on which the CCGP is located or a sale, with the CCGP Participants receiving compensation for the CCGP.

Pursuant to the CCGP Ownership Agreement, each CCGP Participant is required to pay its ownership share of the costs of constructing and equipping the CCGP. Upon completion of the CCGP, each CCGP Participant will be required to pay its ownership share of additions, repairs or replacements to or retirements at the CCGP with such payments made monthly based on notifications by AECC of the nature and extent and amounts of the costs incurred.

The CCGP Ownership Agreement provides that unless waived in writing by each party, obtaining all requisite governmental and regulatory approvals of its execution, delivery, and performance is a condition precedent to the respective obligations of the parties to the CCGP Ownership Agreement.

AECC anticipates applying to the Arkansas Public Service Commission (the "APSC") for a Certificate of Environmental Compatibility and Public Need ("CECPN") pursuant to Title 23, Chapter 18, Subchapter 5 of the Arkansas Code of 1987 Annotated before the end of 2025. The APSC must issue a decision on the application within six (6) months of the application. AECC is a public utility regulated by the APSC and must seek approval of the CECPN prior to construction of the CCGP, unless exempted. Among other things, the CECPN is necessary to vest AECC with the power of eminent domain to the extent such power is necessary to secure rights of way for the construction of the natural gas lateral pipeline intended to supply fuel to the CCGP and to enable AECC to secure and demonstrate site control for the CCGP.

Operating Agreements. White Bluff and ISES are, and the CCGP will be, operated in accordance with respective Operating Agreements (the "Operating Agreements") among the owners of the plants.

White Bluff Operating Agreement. Operation; Payment of Operating Costs. Entergy has sole authority to manage, control, maintain and operate White Bluff. Entergy and the Participants shall discharge all obligations under the Operating Agreement in a prudent manner and in accordance with good utility practices.

Entergy and each Participant shall be responsible for a proportionate share of Operating Costs equal to its respective ownership share. The Participants are to pay Entergy for all kWh generated at White Bluff for their respective accounts (or assumed to be generated at White Bluff for billing purposes) on the basis of actual fuel costs at White Bluff and the heat rate (assuming operation at 60% loading during summer test conditions) of its units.

"Operating Costs" consist of all operation and maintenance expenses, other than fuel or financing costs, incurred by Entergy in respect of White Bluff.

The Participants are also to pay to Entergy in each year their respective proportionate shares of additional amounts representing otherwise unrecovered administrative expenses of Entergy.

Fuel. Entergy shall furnish, or cause to be furnished, the fuel supply for White Bluff. Participants shall advance to Entergy their respective ownership shares percentage of the cost of coal in inventory and pay an additional amount, based on a formula, per kWh for all kWh generated (or assumed to be generated for billing purposes) for the Participant's account.

Cost of Construction. Each Participant is responsible, on a monthly basis, for its proportionate share of the cost of additions, repairs, replacements and retirements incurred during the previous month.

Energy. Entergy and each Participant shall be entitled to its proportionate share of the net generating capacity and energy of White Bluff at any given time. Entergy shall have sole authority for

the hourly scheduling and dispatching of White Bluff generation in accordance with Entergy standard scheduling and dispatching procedures.

Termination. The operating agreement shall terminate when White Bluff is retired from commercial operation, or such date as may mutually be agreed upon by the parties. White Bluff is scheduled to cease the combustion of coal by no later than December 31, 2028.

Non-Payment. In the event that any Participant at any time fails to make any payment when due to Entergy under the Operating Agreement, Entergy shall have right to give written notice of such failure to such Participant and in the event such failure continues for a period of 30 days after the giving of such notice, to withhold and use, without charge as if it were its own, such Participant's proportionate share of the capacity and energy from White Bluff until such payment has been made but with appropriate credit being given to such Participant in respect of its ownership of White Bluff for use of such capacity and energy. If such credit exceeds the payment due Entergy, Entergy will pay such Participant monthly for the difference thereof. If such overdue payments due Entergy exceed such credits, Entergy shall have a right to receive interest on the difference thereof during the period such payment was due. Such Participant shall also indemnify and hold Entergy and the other Participants harmless from and against any and all losses, costs, damages and expenses arising out of or resulting from such Participant's failure to make such overdue payments when due.

Insurance. Entergy shall maintain insurance in such amount and with such deductibles or self-insurance features as is consistent with Entergy's customary practices. Entergy may self-insure such risks as is consistent with its customary practices.

ISES Operating Agreement. Operation; Payment of Operating Costs. Entergy has sole authority to manage, control, maintain and operate ISES. Entergy and the Participants shall discharge all obligations under the Operating Agreement in a prudent manner and in accordance with good utility practices.

Entergy and each Participant shall be responsible for a proportionate share of Operating Costs equal to its respective ownership share. The Participants are to pay Entergy for all kWh generated at ISES for their respective accounts (or assumed to be generated at ISES for billing purposes) on the basis of actual fuel costs at ISES and the heat rate (assuming operation at 60% loading during summer test conditions) of its units.

"Operating Costs" consist of all operation and maintenance expenses, other than fuel or financing costs, incurred by Entergy in respect of ISES.

The Participants are also to pay to Entergy in each year their respective proportionate shares of additional amounts representing otherwise unrecovered administrative expenses of Entergy.

Cost of Construction. Each Participant is responsible, on a monthly basis, for its proportionate share of the cost of additions, repairs, replacements and retirements incurred during the previous month.

Fuel. Entergy shall furnish, or cause to be furnished, the fuel supply for ISES. The Participants shall advance to Entergy their respective ownership shares percentages of the cost of coal in inventory and pay an additional amount, based on a formula, per kWh for all kWh generated (or assumed to be generated for billing purposes) for the Participant's account.

Energy. Entergy and each Participant shall be entitled to its proportionate share of the net generating capacity and energy of ISES at any given time. Entergy shall have sole authority for the hourly scheduling and dispatching of ISES generation in accordance with Entergy standard scheduling and dispatching procedures.

Termination. The Operating Agreement shall terminate when ISES is retired from commercial operation, or such other date as may mutually be agreed upon by the parties. ISES is scheduled to cease the combustion of coal by no later than December 31, 2030.

Non-Payment. In the event that any Participant at any time fails to make any payment when due to Entergy under the Operating Agreement, Entergy shall have right to give written notice of such failure to such Participant and in the event such failure continues for a period of 30 days after the giving of such notice, to withhold and use, without charge as if it were its own, such Participant's proportionate share of the capacity and energy from ISES until such payment has been made but with appropriate credit being given to such Participant in respect of its ownership of ISES for use of such capacity and energy. If such credit exceeds the payment due Entergy, Entergy will pay such Participant monthly for the difference thereof. If such overdue payments due Entergy exceed such credits, Entergy shall have a right to receive interest on the difference thereof during the period such payment was due. Such Participant shall also indemnify and hold Entergy and the other Participants harmless from and against any and all losses, costs, damages and expenses arising out of or resulting from such Participant's failure to make such overdue payments when due.

Insurance. Entergy shall maintain insurance in such amount and with such deductibles or self-insurance features as is consistent with Entergy's customary practices. Entergy may self-insure such risks as is consistent with its customary practices.

CCGP Operating Agreement. Prior to completion of the CCGP, AECC and the other co-owners will negotiate and finalize the operating and marketing agreement for the CCGP, which is expected to appoint AECC as operator and marketing agent with the terms and conditions substantially similar to those contained in the Operating Agreement for ISES as discussed herein. Exceptions will be to account for the different fuel source (natural gas vs. coal) and such other terms and conditions as may be agreed upon by all parties.

Payment Obligations. The obligations of CWL under the Ownership Agreements and the Operating Agreements are payable solely from revenues from its electric system or proceeds of financings. However, the failure to pay due to insufficiency of revenues or financing proceeds does not excuse such non-payment. CWL has agreed to fix and maintain electric rates at levels sufficient to enable it to carry out its financial obligations under such agreements.

Peaking Power Agreement. CWL and SWPA entered into a Power Sales Agreement effective as of June 1, 1996 (the "Peaking Power Agreement") which extended and modified arrangements between such parties which have been in effect since 1986. Under the Peaking Power Agreement, CWL is allotted 80 MW of hydro-peaking capacity and an annual maximum of 1,200 kWh of energy per kW of capacity. In addition to the annual maximum, CWL is limited to 200 kWh/kW for any one month and 600 kWh/kW for any four consecutive months. The capacity and energy charges under the Peaking Power Agreement are subject to change and to the right of CWL to discontinue purchases of peaking power in the event of such a change. The Peaking Power Agreement is effective until March 31, 2029 but CWL expects to extend the term of the Peaking Power Agreement before its termination date.

An amendatory agreement was entered into on June 29, 2018 to establish terms under which CWL will self-supply 40,000 kW of its peaking energy, allowing SWPA to purchase the peaking energy self-supplied and the associated peaking self supply capacity from CWL. The terms of this amendment terminate on May 2026. CWL expects to extend the term of this agreement before its termination date.

Another amendatory agreement was entered into on May 31, 2023 to establish terms under which CWL will self-supply an additional 40,000 kW of its peaking energy, allowing SWPA to purchase the peaking energy self-supplied and the associated peaking self supply capacity from CWL. The terms of this amendment terminate on November 2025. CWL expects to extend the term of this agreement before its termination date.

In addition to the firm arrangements, the Peaking Power Agreement provides CWL with the opportunity to purchase supplemental peaking energy and other excess energy which SWPA may have available from its hydroelectric sources.

CWL and Tenaska Power Services entered into an agreement on March 25, 2025 to sell Zonal Resource Credits ("ZRCs") in MISO Local Resource Zone 8. CWL is selling 47.90 ZRCs per month from September 1, 2025 to November 30, 2025.

CWL and Benton Utilities (City of Benton, Arkansas) entered into an agreement on March 10, 2025 to sell ZRCs in MISO Local Resource Zone 8. CWL is selling 13 ZRCs per month from September 1, 2025 to November 30, 2025; 13 ZRCs per month from December 1, 2025 to February 28, 2026; and 19 ZRCs per month from March 1, 2026 to May 31, 2026.

**CITY OF JONESBORO, ARKANSAS
AND CRAIGHEAD COUNTY**

Location. The City of Jonesboro is located in Craighead County, Arkansas (the "County"), which is in the northeast of the State. The City is situated approximately 130 miles northeast of Little Rock, Arkansas and 71 miles northwest of Memphis, Tennessee.

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

<u>Year</u>	<u>City</u>	<u>County</u>
1970	27,050	52,068
1980	31,530	63,239
1990	46,535	68,956
2000	55,515	82,148
2010	67,263	96,443
2020	78,576	111,231

Medical Facilities. The City is served by two hospitals, St. Bernard's Medical Center, which has 440 licensed beds, and NEA Baptist Memorial Hospital, which has 228 licensed beds.

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Major Employers. The following are the major employers located in or near the City (200 or more employees):

<u>Employer</u>	<u>Industry</u>	<u>Number of Employees</u>
St. Bernards Healthcare	Healthcare	4,328
Arkansas State University	Education	2,820
NEA Baptist Health System	Healthcare	2,200
Hytrol Conveyor Company	Manufacturing	1,412
Walmart Super Centers	Retail	1,275
Frito-Lay, Inc.	Manufacturing	1,050
Jonesboro Public Schools	Education	840
Nestle Prepared Foods Company	Manufacturing	730
City of Jonesboro	Government	550
Nettleton Public Schools	Education	550
Nice-Pak Products, Inc.	Manufacturing	500
Ritter Communications	Telecommunication	450
Great Dane Trailers	Manufacturing	440
Riceland Foods, Inc.	Manufacturing	420
Unilever	Manufacturing	415
FMH Conveyors	Manufacturing	350
Valley View Public Schools	Education	347
Brookland Public Schools	Education	302
Encompass Health Rehabilitation Hospital	Healthcare	302
ABB Group	Manufacturing	300
Craighead County	Government	299
Camfil APC	Manufacturing	297
Westside Consolidated School District	Education	259
Jonesboro Human Development Center	Healthcare	250
Arkansas Glass Container Corporation	Manufacturing	235
TrinityRail Maintenance Service, Inc.	Manufacturing	228
Anchor Packaging	Manufacturing	220
Post Consumer Brands	Manufacturing	204
Tiger Correctional Services	Community Services	200

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

<u>Year</u>	<u>Per Capita Personal Income</u>
2019	\$38,554
2020	42,274
2021	47,006
2022	47,688
2023	49,625

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

<u>Year</u>	<u>Total Personal Income</u>
2019	\$4,245,099,000
2020	4,718,600,000
2021	5,254,999,000
2022	5,382,209,000
2023	5,656,936,000

⁽¹⁾ Source: Bureau of Economic Analysis, United States Department of Commerce.

Unemployment Data. Set forth below are the annual average unemployment rates for the City, the County and the State since 2020, according to the Arkansas Department of Workforce Services:

<u>Year</u>	<u>City</u>	<u>Annual Average Unemployment Rate (%)</u>		<u>State</u>
		<u>County</u>		
2021	3.6	3.4		4.0
2022	2.8	2.8		3.2
2023	2.9	2.8		3.1
2024	3.3	3.1		3.5
2025	4.3*	4.1*		4.3*

* Preliminary as of July 2025

FINANCIAL INFORMATION

Set forth in Appendix A to this Official Statement are the audited financial statements of CWL for the fiscal years ended December 31, 2024 and December 31, 2023. These financial statements were prepared in accordance with accounting principles generally accepted in the United State and were audited in accordance with auditing standards generally accepted in the United States. These financial statements should be read in their entirety, together with any notes and supplemental information affixed thereto.

The following table has been developed from CWL's financial statements for the fiscal years ended December 31, 2020 through 2024.

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating Revenues	\$127,572,508	\$121,457,375	\$149,983,516	\$120,447,014	\$100,389,430
Operating Expenses	(116,948,234)	(114,557,049)	(143,749,156)	(115,111,959)	(96,297,261)
Plus Depreciation	<u>20,420,993</u>	<u>18,384,544</u>	<u>17,025,443</u>	<u>19,282,446</u>	<u>18,486,948</u>
Revenues Available for Debt Service	\$31,045,267	\$25,284,870	\$23,259,803	\$24,617,501	\$22,579,117

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DEBT SERVICE REQUIREMENTS

Set forth below are the debt service requirements for the Series 2025 Bonds during each final year ending December 31:

<u>Year</u> <u>(Ending December 31)</u>	Series 2025 Bond <u>Principal*</u>	Series 2025 Bond <u>Interest</u>	Total <u>Debt Service</u>
2026	\$ 890,000		
2027	1,800,000		
2028	1,890,000		
2029	1,990,000		
2030	2,090,000		
2031	2,195,000		
2032	2,310,000		
2033	2,430,000		
2034	2,550,000		
2035	2,685,000		
2036	2,820,000		
2037	2,965,000		
2038	3,120,000		
2039	3,280,000		
2040	3,445,000		
2041	3,625,000		
2042	3,810,000		
2043	4,005,000		
2044	4,210,000		
2045	4,425,000		
TOTALS	\$56,535,000		

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* Preliminary; subject to change.

Set forth below are the debt service requirements for the Series 2025 Bonds and the Parity Bonds during each fiscal year ending December 31.

Year (Ending December 31)	Series 2025 Bonds Debt Service	Parity Bonds Debt Service	Total Debt Service
2025		\$4,977,325	
2026		4,970,950	
2027		4,971,950	
2028		4,969,825	
2029		4,969,200	
2030		4,964,700	
2031		4,975,900	
2032		4,974,100	
2033		4,970,800	
2034		4,965,800	
2035		4,968,700	
2036		3,004,200	
2037		2,998,800	
2038		--	
2039		--	
2040		--	
2041		--	
2042		--	
2043		--	
2044		--	
2045		--	
TOTALS		\$60,682,250	

DEBT SERVICE COVERAGE

The following table shows the funds available for debt service, the amount of maximum annual debt service for the Series 2025 Bonds and the Parity Bonds, and the extent to which debt service on the Series 2025 Bonds is covered by such funds:

Revenues Available for Debt Service (A) ⁽¹⁾	\$31,045,267
Maximum Annual Debt Service Requirements on the Series 2025 Bonds and the Parity Bonds (B) ⁽²⁾	9,510,350
Debt Service Coverage (A/B)	3.26X

⁽¹⁾Based on audited financial statements of CWL for the fiscal year ended December 31, 2024.

⁽²⁾Using a year ending December 31. Assuming an average coupon rate of 5.00% on the Series 2025 Bonds

THE INDENTURE

The following, in addition to information contained above under **THE SERIES 2025 BONDS** and **SECURITY FOR THE SERIES 2025 BONDS** summarizes certain provisions of the Indenture from CWL to the Trustee, to which document in its entirety reference is made for the detailed provisions thereof.

Rate Covenant. (a) CWL covenants that it will fix, charge and collect rates, fees and charges for services furnished by the System which shall produce total Revenues in each fiscal year sufficient to (1) pay the operation, repair and maintenance expenses (excluding depreciation expenses) of the

System, (2) make all required deposits to any debt service reserve funds, and (3) leave a balance equal to 110% of the maximum annual debt service requirement for all outstanding Bonds, Parity Bonds and Other Parity Bonds.

(b) CWL covenants that it will revise the rates, fees and charges from time to time as necessary to comply with its covenant described in (a).

(c) If CWL should fail to comply with its rate covenant, it must undertake a study of the rate revisions necessary to again be in compliance. The study must be completed and filed with the Trustee not later than the 15th day of the sixth month of the following fiscal year. Revised rates are to be put into effect not later than the 15th day of the sixth month of the fiscal year following the fiscal year in which the study is made. CWL will not be in default for the year in which the rate study is made and the then next year provided that total Revenues are sufficient to make the payments and deposits required and leave a balance equal to 100% of debt service in those years for all outstanding Bonds, Parity Bonds and Other Parity Bonds.

Revenue Fund. All Revenues shall be paid upon receipt into a special fund designated "Revenue Fund." There shall be paid from the Revenue Fund the monthly Operating Expenses (as defined below) of the System. Fixed annual charges, such as insurance premiums and the cost of major repair and maintenance expenses, may be computed and set up on an annual basis and a portion of the total amount thereof may be paid each month. CWL shall retain in the Revenue Fund an amount equal to at least 1/6 of the Operating Expenses budgeted for the current Fiscal Year. "Operating Expenses" mean all necessary and ordinary expenses of operating and maintaining the System, excluding depreciation and payments of debt service.

Bond Fund. (a) There is created a special fund to be designated "2025 Indenture Bond Fund" (the "Bond Fund") for the purpose of paying debt service on all Bonds.

(b) After providing for Operating Expenses as described above, there shall be paid from the Revenue Fund into the Bond Fund, simultaneously with the deposit into the bond funds heretofore established for payment of debt service on the Parity Bonds and with any deposit made to pay debt service on Other Parity Bonds, an amount equal to the sum of:

(1) one-sixth (1/6) of the next installment of interest on the outstanding Bonds (the required payments for the months after delivery, and before the first interest payment date, of any series of Bonds to be adjusted if necessary, so that the deposits made will be sufficient to cover the interest due);

(2) one-twelfth (1/12) of the installment of principal due on the outstanding Bonds during the then next twelve months (whether at maturity or upon mandatory redemption prior to maturity); provided, however, the monthly deposits under this paragraph for the months after delivery, and before the first principal payment date, of any series of Bonds shall be adjusted if necessary so that the deposits made will be sufficient to cover the principal due. The additional deposits required in the event of the issuance of Additional Bonds need not commence until the time necessary to accumulate the first principal maturity of the Additional Bonds in twelve monthly installments.

With respect to Bonds the interest on or principal of which is payable more frequently than semiannually or annually, respectively, monthly deposits shall be in equal amounts sufficient to assure that amounts due for such interest or principal shall be deposited in the Bond Fund on or before the dates on which such payments are due.

(c) CWL shall receive a credit against required monthly deposits into the Bond Fund for any moneys placed into the Bond Fund other than pursuant to the obligations described in paragraph (b).

(d) If for any reason the funds in the Bond Fund shall at any time be insufficient to meet any required payment, then the amount of any such deficiency shall be paid immediately from the Revenue Fund into the Bond Fund.

(e) When the moneys in the Bond Fund shall be and remain sufficient to pay the principal of and interest on all outstanding Bonds when due at maturity or at redemption prior to maturity, there shall be no obligation to make any further payments into the Bond Fund.

(f) The moneys in the Bond Fund shall be used solely for the payment of the principal of and interest on the Bonds and for no other purpose except as specifically authorized.

Subordinate Bond Funds. After making the deposits referred to above, there shall be deposited into the bond fund for any Subordinate Obligations (the "Subordinate Bond Funds") the required amounts.

Parity Bonds and Other Parity Bonds Payments. If there are insufficient moneys in the Revenue Fund to make the monthly payments into the Bond Fund and make monthly installments with respect to outstanding Parity Bonds and Other Parity Bonds (and any debt service reserves therefor), CWL shall make payments from the Revenue Fund with respect to the Bonds and outstanding Parity Bonds and Other Parity Bonds pro rata based upon the outstanding principal amount of the Bonds and outstanding Parity Bonds and Other Parity Bonds.

Revenue Fund Surplus. Any surplus remaining in the Revenue Fund on the first business day of each month, after making all payments into the above funds which are required in such month, may be used for any lawful purpose.

Depositories of Funds. The Bond Fund and the Construction Fund shall be established with and maintained by the Trustee. The Revenue Fund shall be established in such banks or trust companies as are from time to time designated by CWL, provided each must be a member of the Federal Deposit Insurance Corporation.

Nonpresentment of Bonds. In the event any Bonds shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at a date fixed for redemption thereof, if there shall have been deposited with the Trustee for the purpose, or left in trust if previously so deposited, funds sufficient to pay the principal thereof, together with all interest unpaid and due thereon, to the date of maturity thereof, or to the date fixed for redemption thereof, as the case may be, for the benefit of the holder thereof, all liability of CWL to the holder thereof for the payment of the principal thereof and interest thereon shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the holder of the Bond, who shall thereafter be restricted exclusively to such fund or funds, for any claim of whatever nature on his part under the Indenture or on, or with respect to, such Bond.

Any moneys so held for a period of 2 1/2 years shall become the property of CWL and shall be paid over to CWL, free of any rights of the holder of such Bond.

The Trustee. The permissive right of the Trustee to do things enumerated in the Indenture shall not be construed as a duty of the Trustee and the Trustee shall be answerable only for its own negligence or willful default.

The Trustee shall not be required to take notice or be deemed to have notice of any default except failure by CWL to make or cause to be made any of the payments to be made to the Trustee unless the Trustee shall be specifically notified in writing of such default by CWL or by the holders of at least ten percent (10%) in aggregate principal amount of Bonds outstanding under the Indenture (of all series but not necessarily of each series), and all notices or other instruments required by the Indenture to be delivered to the Trustee, must, in order to be effective, be delivered at the office of the Trustee, and, in

the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid.

The Trustee and any successor trustee may at any time resign by giving written notice to CWL. Such resignation shall take effect upon the appointment of a successor trustee by CWL.

The Trustee may be removed at any time by CWL or by any instrument or concurrent instruments in writing delivered to the Trustee and to CWL and signed by the owners of a majority in aggregate principal amount of Bonds outstanding.

In case the Trustee shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be designated by CWL.

Investment of Funds. Moneys held for the credit of any fund or account may be invested and reinvested by CWL or, in the case of the Bond Fund and the Construction Fund as directed by CWL, 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 held for the credit of the particular fund shall be required for the purposes intended.

"Permitted Investments" are defined to mean:

(a) bonds, notes and other evidences of indebtedness to which is pledged the full faith and credit of, or which are unconditionally guaranteed as to payment of principal and interest by, any state or other political subdivision, the interest which is exempt from federal income tax, and which carry a rating of at least "AAA" by a nationally recognized rating agency;

(b) direct or fully guaranteed obligations of the United States of America ("Government Obligations");

(c) federal funds, bankers' acceptances (having maturities of not more than 365 days), savings accounts, demand deposits and certificates of deposit (i) of any bank the long-term obligations of which (or, in the case of the principal bank in a bank holding company, long-term debt obligations of the bank holding company) are rated by a nationally recognized rating agency at a rating equivalent to or higher than "A" and which bank or association is insured by the Federal Deposit Insurance Corporation or (ii) fully insured by the Federal Deposit Insurance Corporation;

(d) Money market mutual funds consisting of Government Obligations and registered with the Securities and Exchange Commission and meeting the requirements of Rule 2a-7 under the Investment Company Act of 1940; and

(e) Other investments permitted by law.

Each investment shall be deemed at all times to be part of the fund for which the investment was made and any profit and income realized from such investments shall be credited to the fund and any loss charged to the fund.

Supplemental Indentures. CWL and the Trustee may without the approval of any Bondholder, enter into indentures supplemental to the Indenture (a) to cure any ambiguity, defect or omission in the Indenture or any supplement thereto, (b) to confer additional rights, remedies, powers and authority upon the Trustee for the benefit of the holders of the Bonds, (c) in connection with the issuance of Additional Bonds pursuant to the provisions of the Indenture, or (d) to make any modification determined by the Trustee, in its discretion, not to be to the material prejudice of the holders of the Bonds.

All other modifications and changes to the Indenture require the consent of the holders of not less than two-thirds (2/3) of the principal amount of the outstanding Bonds, except for the following amendments which shall require 100% of the principal amount of the outstanding Bonds, (i) an extension of the maturity of the principal of or the interest on any Bond, (ii) a reduction in the principal amount of any Bond or the rate of interest thereon, (iii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, (iv) the creation of a lien upon the System or a pledge of Revenues, except as permitted by the Indenture, or (v) a reduction in the aggregate principal amount of the Bonds required for consent to a supplement to the Indenture.

Events of Default. Under the Indenture, an event of default shall mean any one or more of the following events:

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

(b) Default in the due and punctual payment of any moneys required to be paid to the Trustee for deposit into the Bond Fund;

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

(d) Default in the performance or observance of any other of the covenants, agreements or conditions on CWL's part in the Indenture, or in the Bonds, in the Parity Bonds or in Other Parity Bonds or in any document securing any Parity Bonds or Other Parity Bonds contained, and the continuance thereof for a period of sixty (60) days after written notice to CWL by the Trustee or by the holders of not less than ten percent (10%) in aggregate principal amount of Bonds outstanding; and

(e) Any other "event of default" as defined in any Parity Bond or any Other Parity Bond or a document securing any Parity Bond or Other Parity Bond.

Remedies of Default. (a) *Acceleration.* Upon the occurrence of an event of default, the Trustee may, and upon the written request of the holders of twenty-five percent (25%) in aggregate principal amount of Bonds outstanding under the Indenture (regardless of series), shall, by notice in writing delivered to CWL, declare the principal of all Bonds then outstanding under the Indenture and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

(b) *Right of Entry.* Upon the occurrence of any event of default, the Trustee may, and upon the written request of the holders of twenty-five percent (25%) in aggregate principal amount of Bonds outstanding under the Indenture shall, demand of CWL to surrender, and CWL shall forthwith surrender to it the actual possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of, all or any part of the System with the books, papers and accounts of CWL pertaining thereto and to hold, operate and manage the same, and from time to time to make all needful repairs and improvements as by the Trustee shall be deemed wise. The Trustee, with or without such permission, may collect, receive and sequester the revenues, earnings, income, products and profits therefrom and out of the same and any moneys received from any receiver of any part thereof pay, and/or set up proper reserves for the payment of, all proper costs and expenses of so taking, holding and managing the same, including reasonable compensation to the Trustee, its agents and counsel, and any charges of the Trustee under the Indenture, and all taxes, assessments and other charges prior to the lien of the Indenture, and all expenses of such repairs and improvements, and apply the remainder of the money so received by the Trustee in accordance with the applicable provisions of the Indenture. Whenever principal of and interest on the Bonds shall have been paid and all other amounts owed under the Indenture shall have been paid and no event of default is continuing, the Trustee shall surrender possession to CWL, its successors or assigns; the same right of entry, however, to exist upon any subsequent event of default.

While in possession of the System, the Trustee shall render annually to the registered owners a summarized statement of income and expenditures in connection therewith.

(c) *Other Remedies.* Upon the occurrence of an event of default the Trustee may, as an alternative, proceed either after entry or without entry, to pursue any available remedy by suit at law or equity to enforce the payment of the principal of and interest on the Bonds then outstanding under the Indenture, including, without limitation, receivership and mandamus.

If an event of default shall have occurred, and if it shall have been requested so to do by the holders of ten percent (10%) in aggregate principal amount of Bonds outstanding under the Indenture and shall have been indemnified as provided in the Indenture, the Trustee shall be obliged to exercise such one or more of the rights and powers conferred upon it by the Indenture as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Bondholders.

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

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

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

(d) *Bondholders May Direct Proceedings.* (i) The holders of a majority in aggregate principal amount of Bonds outstanding under the Indenture shall have the right, at any time, by any instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture; provided that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

(ii) Notwithstanding anything set forth in the Indenture, the holder or holders of all outstanding Parity Bonds and Other Parity Bonds may institute any action or exercise any remedy available at law or in equity to enforce the terms of the Bonds or the Indenture, provided that any such action or remedy shall be instituted and maintained for the benefit of the holders of all Bonds, without distinction or priority.

(e) *Receiver.* Upon the occurrence of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders under the Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the System and of the Revenues pending such proceedings with such powers as the court making such appointment shall confer.

(f) *Application of Moneys.* (i) Subject to the provisions of subsection (ii) below, available moneys shall be applied by the Trustee as follows:

(1) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

First: to the payment to the persons entitled thereto of all installments of interest then due, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege;

Second: to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege; and

Third: to the payment of the interest on and the principal of the Bonds, and to the redemption of Bonds, all in accordance with the provisions of the Indenture.

(2) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

(3) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of the Indenture, then, subject to the provisions of paragraph (2) above in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (1) above.

(ii) Notwithstanding anything set forth in the Indenture, any proceedings under *Application of Moneys* shall be for the benefit of the holders of the Bonds and any outstanding Parity Bonds and Other Parity Bonds, without distinction or priority.

(g) *Limitation of Bondholder Rights.* Subject to the provisions of (d)(ii) above, no holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy under the Indenture, unless a default has occurred of which the Trustee has been notified as provided in the Indenture or of which it is deemed to have notice, nor unless such default shall have become an event of default and the holders of ten percent (10%) in aggregate principal amount of Bonds outstanding under the Indenture shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in the Indenture nor unless the Trustee shall thereafter fail or refuse to exercise the powers granted, or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are declared in every such case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of the Indenture, and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy.

(h) *Waivers by Trustee.* Subject to the provisions of (d)(ii) above, the Trustee may in its discretion waive any event of default under the Indenture and its consequences and rescind any declaration or maturity of principal, and shall do so upon the written request of the holders of fifty percent (50%) in principal amount of all Bonds outstanding under the Indenture (of all series but not

necessarily of each series); provided, however, that there shall not be waived (i) any event of default in the payment of principal of any Bonds issued under the Indenture and outstanding under the Indenture at the date of maturity specified therein or (ii) any default in the payment of the interest or of deposits into the Bond Fund unless prior to the waiver or rescission all arrears of interest, with interest at the rate borne by the Bonds in respect of which such default shall have occurred on overdue installments of interest or all arrears of Bond Fund payments, as the case may be, and all expenses of the Trustee shall have been paid or provided for and in case of any such waiver or rescission or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Trustee, CWL and the Bondholders shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver or rescission shall extend to any subsequent or other default or impair any right consequent thereon.

Maintenance and Repair. CWL covenants that it will at all times cause the System to be maintained, preserved and kept in good condition, repair and working order, and that it will from time to time cause to be made all needed repairs, replacements, additional, betterments and improvements so that the operation and business pertaining to the System shall be fully maintained.

Books and Records. CWL covenants that so long as any Bonds shall be outstanding, it will keep, or cause to be kept, proper books of record and account, in which full, true and correct entries will be made of all dealings or transactions of and in relation to the System and Revenues. CWL agrees to have the books of record and account audited by an independent certified public accountant at the end of each fiscal year and to furnish a copy of the audit report to the Trustee within 180 days after the end of the fiscal year; provided, however, that if such audit is not available by such date, CWL will furnish the audit to the Trustee within 60 days after receipt thereof.

CWL further covenants that all books and documents pertaining to the System and the Revenues shall at all times be open to the inspection of such accountants or agents as the Trustee may from time to time designate.

Disposition and Encumbrance of System. CWL covenants that it will not sell or otherwise dispose of the System and that it will not encumber the same or any part thereof, or its interest therein or create or permit to be created any charge or lien on its Revenues and income except as may be expressly authorized in the Indenture; provided, however, CWL may, from time to time, sell, exchange or otherwise dispose of any properties or release, relinquish or extinguish any interest therein which is not needed or serves no useful purpose in connection with the maintenance and efficient operation of the System, and the proceeds thereof shall be applied to the replacement of the properties so sold or disposed of, if replacement is necessary or desirable, or shall be transferred to the Revenue Fund, as CWL may determine.

Insurance. CWL covenants that at all times while any Bonds are outstanding, it will at all times insure and keep insured to the full insurable value thereof in a responsible insurance company or companies authorized and qualified under the laws of the State to assume the risk thereof all insurable improvements on and constituting part of the System, at any time and from time to time, by fire and extended coverage insurance. The insurance policies are to carry a clause making them payable to the Trustee as its interest may appear, and are either to be placed in the custody of the Trustee or satisfactory evidence of said insurance shall be filed with the Trustee.

Discharge of Lien. The Bonds of any series shall be deemed to have been paid for purposes of the Indenture if (a) there has been deposited with the Trustee in trust either moneys in an amount, or Government Obligations the principal of and interest on which will, together with any moneys held by the Trustee at the same time and available for such purpose pursuant to the Indenture, without further investment or reinvestment of either the principal amounts thereof or the interest earnings thereon, provide amounts which will be sufficient to pay when due the principal, interest, and premium, if any, to become due and payable on or prior to the respective redemption dates or maturity dates of such Bonds, and (b) in case any of such Bonds are to be redeemed on any date prior to their maturity, notice

of such redemption shall have been duly given or arrangements satisfactory to the Trustee shall have been made for the giving of such notice.

FEDERAL TAX MATTERS

In the opinion of Ice Miller LLP, Indianapolis, Indiana, Special Tax Counsel ("Special Tax Counsel"), under existing federal statutes, regulations and rulings, interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes pursuant to 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 Series 2025 Bonds may be taken into account for the purposes of computing the alternative minimum tax imposed on certain corporations. This opinion relates only to the exclusion from gross income of interest on the Series 2025 Bonds for federal income tax purposes under Section 103 of the Code and is conditioned on continuing compliance by CWL with the Tax Covenants (as herein defined). Failure to comply with the Tax Covenants could cause interest on the Series 2025 Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to the date of issue. The form of opinion of Special Tax Counsel is attached hereto as Appendix B.

The Code imposes certain requirements that must be met subsequent to the issuance of the Series 2025 Bonds as a condition to the exclusion from gross income of interest on the Series 2025 Bonds for federal income tax purposes. CWL will covenant not to take any action within its power and control, nor fail to take any action within its power and control, with respect to the Series 2025 Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Series 2025 Bonds pursuant to Section 103 of the Code (collectively, the "Tax Covenants"). The Indenture and certain certificates and agreements to be delivered on the date of delivery of the Series 2025 Bonds establish procedures under which compliance with the requirements of the Code can be met.

Although Special Tax Counsel has rendered the opinion on federal tax matters above, the accrual or receipt of interest on the Series 2025 Bonds may otherwise affect a bondholder's federal income tax liability with respect to the Series 2025 Bonds. The nature and extent of these other tax consequences will depend upon the bondholder's particular tax status and a bondholder's other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Series 2025 Bonds. Special Tax Counsel expresses no opinion regarding any other tax consequences. Prospective purchasers of the Series 2025 Bonds should consult their own tax advisors with regard to the other tax consequences of owning the Series 2025 Bonds.

Original Issue Premium Bonds. The initial offering prices of the Series 2025 Bonds maturing on _____ (the "Premium Bonds") are greater than the principal amount payable at maturity or any call date. As a result, the Premium Bonds will be considered to be issued with an amortizable bond premium (the "Bond Premium"). An owner who acquires a Premium Bond in the initial public offering of the Series 2025 Bonds will be required to adjust the owner's basis in the Premium Bond downward as a result of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. Such adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Premium Bonds, including sale, redemption or payment at maturity. The amount of amortizable Bond Premium will be computed on the basis of the taxpayer's yield to maturity with compounding at the end of each accrual period. Rules for determining (i) yield, (ii) the amount of amortizable Bond Premium and (iii) the amount amortizable in a particular year are set forth in Section 171(b) of the Code and the related regulations. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a)(2) of the Code, but amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning Premium Bonds. Owners of the Premium Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of

Bond Premium upon the sale or other disposition of such Premium Bonds and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

Special rules governing the treatment of Bond Premium, which are applicable to dealers in tax-exempt securities, are found in Section 75 of the Code. Dealers in tax-exempt securities are urged to consult their tax advisors concerning treatment of Bond Premium.

Original Issue Discount Bonds. The initial offering prices of the Series 2025 Bonds maturing on _____ (the "Discount Bonds") are less than the principal amount payable at maturity or any call date. As a result, the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering price of the Discount Bonds, as set forth on the inside cover page of this Official Statement (assuming it is the first price at which a substantial amount of that maturity is sold) (the "Issue Price for such maturity"), and the amount payable at maturity for the Discount Bonds will be treated as "original issue discount." A taxpayer who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity and holds such Discount Bond to maturity may treat the full amount of original issue discount as interest which is excludable from the gross income of the owner of that Discount Bond for federal income tax purposes and will not, under present federal income tax law, realize taxable capital gain upon payment of the Discount Bond at maturity.

The original issue discount on each of the Discount Bonds is treated as accruing daily over the term of such Discount Bond on the basis of the yield to maturity determined on the basis of compounding at the end of each six-month period ending on June 1 and December 1 (with straight line interpolation between compounding dates).

Section 1288 of the Code provides, with respect to tax-exempt obligations such as the Discount Bonds, that the amount of original issue discount accruing each period will be added to the owner's tax basis for the Discount Bonds. Such adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale, redemption or payment at maturity). Owners of Discount Bonds who dispose of Discount Bonds prior to maturity should consult their tax advisors concerning the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bonds prior to maturity.

The original issue discount that accrues in each year to an owner of a Discount Bond may result in certain collateral federal income tax consequences. Owners of Discount Bonds should be aware that the accrual of original issue discount in each year may result in a tax liability from these collateral tax consequences even though the owners of such Discount Bonds will not receive a corresponding cash payment until a later date.

Owners who purchase Discount Bonds in the initial public offering but at a price different from the Issue Price for such maturity should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of subsequent purchasers of bonds such as the Discount Bonds. Owners who do not purchase Discount Bonds in the initial offering should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Owners of Discount Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discount Bonds. It is possible under the applicable provisions governing the determination of state or local income taxes accrued interest on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year.

ARKANSAS TAX MATTERS

In the opinion of Friday, Eldredge & Clark, LLP, Little Rock, Arkansas, Bond Counsel ("Bond Counsel"), under existing law, interest on the Series 2025 Bonds is exempt from State income tax, and the Series 2025 Bonds are exempt from property taxes in the State. The form of opinion of Bond Counsel is attached hereto as Appendix C.

CONTINUING DISCLOSURE AGREEMENT

Past Compliance. In the past five years, CWL has been a party to continuing disclosure agreements in connection with the Parity Bonds. CWL has been obligated to file certain information with the Municipal Securities Rulemaking Board (the "MSRB") on its Electronic Municipal Market Access system ("EMMA") within the time periods set forth in the agreements. CWL has been in compliance with its outstanding disclosure obligations in all material respects over the past five years.

Generally. CWL will enter into a Continuing Disclosure Agreement with respect to the Series 2025 Bonds. Set forth below is a summary of certain portions of the Continuing Disclosure Agreement. This summary does not purport to be comprehensive and reference is made to the full text of the Continuing Disclosure Agreement for a complete description of its provisions.

Purpose of the Continuing Disclosure Agreement. The Continuing Disclosure Agreement will be executed and delivered by CWL and the Trustee for the benefit of the Beneficial Owners of the Series 2025 Bonds and in order to assist the Underwriters in complying with the Securities and Exchange Commission, Rule 15c2-12(b)(5).

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

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

"Beneficial Owner" of a Series 2025 Bond shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of the Series 2025 Bond (including persons holding Series 2025 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 CWL 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 District.

"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 Reports. (a) CWL shall, or shall cause the Dissemination Agent to, not later than 180 days after the end of CWL's fiscal year (presently December 31) commencing with the report after the end of the 2025 fiscal year, provide to the MSRB, through its continuing disclosure service portal provided through EMMA at <http://www.emma.msrb.org> or any similar system acceptable to the Securities and Exchange Commission, an Annual Report which is consistent with the requirements of the Continuing Disclosure Agreement. The Annual Report shall be in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB. Each Annual Report may be submitted as a single document or as separate documents comprising a package and may cross reference other information as provided in the Continuing Disclosure Agreement; provided that the audited financial statements of CWL 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 audited financial statements shall be submitted within sixty (60) days after receipt thereof by CWL. If the fiscal year of CWL changes, it shall give notice of such change in the manner as for a Listed Event.

(b) Not later than fifteen (15) days prior to the date specified in subsection (a) for providing each Annual Report to the MSRB, CWL shall provide the Annual Report to the Dissemination Agent and the Trustee for the issue (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 CWL and the Dissemination Agent to determine if CWL is in compliance with the first sentence of this subsection (b).

(c) If the Trustee is unable to verify that an Annual Report (containing the information required in (1) under Content of Annual Reports, 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 Reports. Each of the Annual Reports shall contain or incorporate by reference the following:

(1) Information of the type set forth in this Official Statement under the caption **CWL AND THE SYSTEM, Electric Customers, Water Customers and Wastewater Customers**; and

(2) The annual audit of CWL prepared in accordance with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America.

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

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

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security.
7. Modifications to rights of security holders, if material.
8. 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), CWL shall promptly notify the Dissemination Agent (if other than CWL) 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, CWL 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 Obligations. CWL's obligations under the Continuing Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all the affected Series 2025 Bonds.

Dissemination Agents. CWL may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under a Continuing Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. A Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by CWL pursuant to a 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 a Continuing Disclosure Agreement, CWL 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 Series 2025 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 Series 2025 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 affected Series 2025 Bonds in the same manner as provided in the Indenture for the affected Series 2025 Bonds for amendments to the Indenture with the consent of Beneficial Owners, or (ii) does not, in the opinion of the Trustee, materially impair the interests of the Beneficial Owners of the Series 2025 Bonds.

In the event of any amendment or waiver of a provision of the Continuing Disclosure Agreement, CWL shall describe such amendment in the next Annual Report with respect to that issue, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by CWL. 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 CWL 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 CWL 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, CWL 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 CWL or the Trustee to comply with any provision of the Continuing Disclosure Agreement, the Trustee, CWL or any Beneficial Owner may (and the Trustee, at the request of the Underwriters, or the Beneficial Owners of at least 25% aggregate principal amount of outstanding Series 2025 Bonds, shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause CWL or the Trustee, as the case may be, to comply with its obligations under the Continuing Disclosure Agreement. A default under the Continuing Disclosure Agreement shall not be deemed a default under the Indenture, and the sole remedy under a Continuing Disclosure Agreement in the event of any failure of CWL or the Trustee to comply with the Continuing Disclosure Agreement shall be an action to compel performance.

Duties of Trustees and Dissemination Agents and Rights of Indemnity. The Dissemination Agent (if other than a 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 CWL 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 CWL, the Trustee for the affected issue, the Dissemination Agent, the Underwriters and the Beneficial Owners of the affected Series 2025 Bonds and shall create no rights in any other person or entity.

UNDERWRITING

Stephens Inc. and Crews & Associates, Inc., the Underwriters, have agreed, subject to certain conditions precedent, to purchase the Series 2025 Bonds from CWL at a purchase price of \$_____ (principal amount _____ net original issue _____ of \$_____ less Underwriters' discount of \$_____). The Underwriters are committed to purchase all of the Series 2025 Bonds if any are purchased.

The Series 2025 Bonds are being purchased by the Underwriters for reoffering in the normal course of the Underwriters' business activities. The Underwriters may offer and sell the Series 2025 Bonds to certain dealers (including dealers depositing Series 2025 Bonds into investment accounts) and others at prices lower than the offering price stated on the cover page hereof. After the initial public offering, the public offering price may be changed from time to time by the Underwriters.

LEGAL MATTERS

Legal Opinions. Legal matters incident to the authorization and issuance of the Series 2025 Bonds are subject to the unqualified approving opinion of Bond Counsel, the form of which is attached hereto as Appendix C.

Bond Counsel will not be responsible in any manner for matters addressed in the opinion of Special Tax Counsel and, likewise, Special Tax Counsel will not be responsible in any manner for matters addressed in the opinion of Bond Counsel. Moreover, Bond Counsel and Special Tax Counsel have no joint responsibility with respect to the Series 2025 Bonds or the proceedings relating to the Series 2025 Bonds. Bond Counsel will be solely responsible for its opinion and Special Tax Counsel will be solely responsible for its opinion. Bond Counsel's and Special Tax Counsel's fees for services rendered with respect to the sale of the Series 2025 Bonds are contingent upon the issuance and delivery of the Series 2025 Bonds.

Legal Proceedings. There is no litigation pending seeking to restrain or enjoin the issuance or delivery of the Series 2025 Bonds, or questioning or affecting the legality of the Series 2025 Bonds or the proceedings and authority under which the Series 2025 Bonds are to be issued, or questioning the right of CWL to execute and deliver the Indenture or to issue the Series 2025 Bonds.

RATING

S&P Global Ratings ("S&P") is expected to assign its municipal bond rating of "AA- (stable outlook)" to the Series 2025 Bonds. Any explanation of such rating may only be obtained from S&P. Generally, rating agencies base their ratings upon information and materials supplied to them and on their own investigations, studies and assumptions. There is no assurance that such rating, once assigned, will remain for any given period of time or that it will not be lowered or withdrawn entirely by the rating agency if in its judgment circumstances so warrant. Any such downward change or withdrawal of the rating assigned to the Series 2025 Bonds by S&P may have an adverse effect on the market price of the Series 2025 Bonds. The Underwriters and CWL have undertaken no responsibility after issuance of the Series 2025 Bonds to assure the maintenance of the rating or to oppose any such revision or withdrawal.

MISCELLANEOUS

Enforceability of Remedies. Rights of the registered owners of the Series 2025 Bonds and the enforceability of the remedies available under the Indenture may depend on judicial action and may be subject to the valid exercise of the constitutional powers of the United States of America and of the sovereign police powers of the State or other governmental units having jurisdiction, and to the application of federal bankruptcy laws or other debtor relief or moratorium laws in general. Therefore, enforcement of those remedies may be delayed or limited, or the remedies may be modified or unavailable, subject to the exercise of judicial discretion in accordance with general principles of equity. Bond Counsel expresses no opinion as to any effect upon any right, title, interest or relationship created by or arising under the Indenture resulting from the application of state or federal bankruptcy, insolvency, reorganization, moratorium or similar debtor relief laws affecting creditors' rights which are presently or may from time to time be in effect.

Information in the Official Statement. Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. This Official Statement is not to be construed as a contract or agreement between CWL and the purchasers or owners of any of the Series 2025 Bonds.

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

The execution and delivery of this Official Statement has been authorized by CWL.

CITY WATER AND LIGHT PLANT OF THE
CITY OF JONESBORO

By _____
Chairman

Dated: As of the Cover Page hereof.

