

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.

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 11, 2023

NEW ISSUE  
BOOK-ENTRY ONLY

RATING: Moody's : A3

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

**\$8,990,000\***  
**CITY OF WEST MEMPHIS, ARKANSAS**  
**NET CASINO GAMING RECEIPTS TAX BONDS**  
**SERIES 2023**

Dated: Date of Delivery

Due: December 1, as shown below

The Bonds are special obligations of the City of West Memphis, Arkansas (the "City"). Principal of and interest on the Bonds are payable from a pledge of the City's share of collections of the net casino gaming receipts tax levied under Amendment No. 100 to the Arkansas Constitution. Interest on the Bonds is payable semiannually on June 1 and December 1 in each year, commencing June 1, 2024, and the Bonds mature (on December 1 of each year), bear interest and are priced to yield as follows:

**MATURITY SCHEDULE\***

\$4,590,000 Serial Bonds

<u>Year</u>	<u>Amount</u>	<u>Rate (%)</u>	<u>Yield (%)</u>	<u>Year</u>	<u>Amount</u>	<u>Rate (%)</u>	<u>Yield (%)</u>
2025	\$415,000			2030	\$530,000		
2026	440,000			2031	560,000		
2027	460,000			2032	585,000		
2028	480,000			2033	615,000		
2029	505,000						

\$4,400,000 \_\_\_\_\_ % Term Bonds Due December 1, 2039 to Yield \_\_\_\_\_ %

The 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 Bonds will be available for purchase in book-entry form only, in denominations of \$5,000 or any integral multiple thereof. Except in limited circumstances described herein, purchasers of the Bonds will not receive physical delivery of Bonds. Payments of principal of and interest on the Bonds will be made by Bank OZK, Little Rock, Arkansas, as the Trustee, directly to Cede & Co., as nominee for DTC, as registered owner of the Bonds, to be subsequently disbursed to DTC Participants and thereafter to the Beneficial Owners of the Bonds, all as further described herein.

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

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

Stephens Inc.

Dated: \_\_\_\_\_, 2023

\* Preliminary; subject to change.

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

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## OFFICIAL STATEMENT

**\$8,990,000\***  
**CITY OF WEST MEMPHIS, ARKANSAS**  
**NET CASINO GAMING RECEIPTS TAX BONDS**  
**SERIES 2023**

### INTRODUCTION TO OFFICIAL STATEMENT

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

This Official Statement of the City of West Memphis, Arkansas (the "City") is furnished in connection with the offering by the City of its \$8,990,000\* principal amount of Net Casino Gaming Receipts Tax Bonds, Series 2023 (the "Bonds"). The Bonds are being issued for the purpose of financing all or a portion of the costs of park and recreational facilities and improvements (the "Improvements") and paying expenses of issuing the Bonds.

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

The Bonds are not general obligations of the City but are special obligations payable solely from the City's share of collections of the net casino gaming receipts tax levied under Amendment No. 100 to the Arkansas Constitution (the "Tax"). See **THE TAX** and **THE BONDS, Security**. The issuance of the Bonds and the pledging of the City's share of collections of the Tax (the "Pledged Revenues") to the payment of the principal of and interest on the Bonds was approved at a special election held on December 10, 2019. The Bonds are being issued pursuant to and in full compliance with Amendment 62 and the Authorizing Legislation and Ordinance No. \_\_\_\_\_ of the City, adopted on \_\_\_\_\_, 2023 (the "Authorizing Ordinance"). See **THE AUTHORIZING ORDINANCE**.

**The City cannot predict with certainty the expected amount of Pledged Revenues to be received and, therefore, there can be no assurances that Pledged Revenues will be sufficient to pay the principal of and interest on the Bonds. See THE TAX, Future Pledged Revenues.**

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

The Bonds are issuable only as fully registered bonds, without coupons, in the denomination of \$5,000 or any integral multiple thereof. Interest is payable June 1, 2024, and semiannually thereafter on each June 1 and December 1. Principal is payable at the principal office of Bank OZK, Little Rock, Arkansas, as trustee and paying agent for the Bonds (the "Trustee"). Interest is payable by the Trustee by check or draft to the registered owners as of the record date for each interest payment date. The record date for payment of interest on the Bonds shall be the fifteenth day of the calendar month next preceding each interest payment date. A Bond may be transferred, in whole or in part (in integral multiples of \$5,000), but only upon delivery of the Bond, together with a written instrument of transfer, to the Trustee. See **THE BONDS, Generally**.

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\* Preliminary; subject to change.

The Bonds are subject to extraordinary redemption from proceeds of the Bonds not needed for the purposes intended and are subject to optional redemption on and after December 1, 2030. The Bonds maturing on December 1, 2039\* are subject to mandatory sinking fund redemption as described herein. The Trustee shall give notice of redemption at least thirty (30) days prior to the redemption date. See **THE BONDS**, Redemption.

The City has reserved the right in the Authorizing Ordinance to issue additional bonds on a parity of security with the Bonds ("Additional Parity Bonds"). See **THE AUTHORIZING ORDINANCE**, Additional Bonds.

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

It is expected that the Bonds will be available for delivery on or about November 30, 2023, through the facilities of The Depository Trust Company in New York, New York.

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

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

## **THE BONDS**

Book-Entry Only System. The Depository Trust Company ("DTC"), New York, New York, or its successor, will act as securities depository for the Bonds. The Bonds will each be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate 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](http://www.dtcc.com).

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\* Preliminary; subject to change.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each 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 Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

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

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

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

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

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

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

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

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

Each 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 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.

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

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

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

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

(1) Optional Redemption. The Bonds are subject to redemption at the option of the City from funds from any source, on and after December 1, 2030, in whole or in part at any time, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date. If fewer than all of the Bonds shall be called for redemption, the particular maturities to be redeemed shall be selected by the City in its

discretion. If fewer than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portion thereof to be redeemed from such maturity shall be selected by lot by the Trustee.

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

(3) Mandatory Sinking Fund Redemption.\* To the extent not previously redeemed, the Bonds maturing on December 1, 2039 are subject to mandatory sinking fund redemption by lot in such manner as the Trustee shall determine, on December 1 in the years and in the amounts set forth below, at a redemption price equal to the principal amount being redeemed plus accrued interest to the date of redemption:

Bonds Maturing December 1, 2039

Year (December 1)	Principal Amount
2034	\$645,000
2035	680,000
2036	715,000
2037	750,000
2038	785,000
2039 (maturity)	825,000

In case any outstanding Bond is in a denomination greater than \$5,000, each \$5,000 of face value of such Bond shall be treated as a separate Bond of the denomination of \$5,000.

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

Purposes for Bonds. The Bonds are being issued to finance all or a portion of the costs of the Improvements and to pay expenses of issuing the Bonds. The Improvements are expected to be completed by June 15, 2025.

The Improvements consist of the acquisition, construction, furnishing and equipping of park and recreational facilities and improvements (i) in Tilden Rodgers Park, including particularly, without limitation, improvements to the baseball fields, softball fields and tennis courts, a splash pad and playground equipment, (ii) in Worthington Park, including particularly, without limitation, a splash pad and (iii) in Franklin Park, including particularly, without limitation, a splash pad and any necessary land acquisition and parking, landscaping, signage, concession, road and utility improvements related thereto.

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\* Preliminary; subject to change.

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

SOURCES:\*

Principal Amount of Bonds	\$8,990,000
Net Original Issue Premium	<u>58,523</u>
Total Sources	\$9,048,523

USES:\*

Costs of Improvements	\$8,775,000
Costs of Issuance and Underwriter's Discount	<u>273,523</u>
Total Uses	\$9,048,523

The payment of Underwriter's discount and the fee of Bond Counsel will be contingent on the Bonds being issued. See **MISCELLANEOUS, Underwriting** for a description of the Underwriter's discount. The City will deposit the net proceeds of the Bonds (principal amount plus any original issue premium less any original issue discount, Underwriter's discount and certain issuance costs) into a special fund established with the Trustee and designated "2023 Parks Construction Fund" (the "Construction Fund"). Moneys contained in the Construction Fund will be disbursed in payment of costs of the Improvements, paying necessary expenses incidental thereto and paying expenses of issuing the Bonds. Disbursements shall be on the basis of requisitions which shall contain at least the following information: the person to whom payment is being made; the amount of the payment; and the purpose by general classification of the payment. For a description of how the Bond proceeds are to be invested pending use and the provisions governing those investments, see **THE AUTHORIZING ORDINANCE, Investments**.

**Security.** The Bonds are not general obligations of the City but are special obligations, secured by a first and prior pledge of the Pledged Revenues. Pledged Revenues will be used to pay the principal of and interest on the Bonds and Additional Parity Bonds, to pay Trustee's and administrative fees and expenses, to fund and maintain a debt service reserve and to pay any arbitrage rebate due under Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code"). Pledged Revenues not needed for such purposes shall be released from the pledge in favor of the Bonds and Additional Parity Bonds and may be used by the City for any lawful purpose.

The Bonds are secured under the Authorizing Ordinance. For a summary of the terms of the Authorizing Ordinance, see **THE AUTHORIZING ORDINANCE**. The City may issue Additional Parity Bonds. See **THE AUTHORIZING ORDINANCE, Additional Bonds**.

A debt service reserve will be maintained in the Bond Fund in an amount equal to one-half of the maximum annual debt service requirement on the Bonds and any Additional Parity Bonds. See **THE AUTHORIZING ORDINANCE, The Bond Fund**. The debt service reserve will initially be funded with Pledged Revenues. The debt service reserve is expected to be fully funded in November 2024.

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## THE CITY AND THE COUNTY

Location. The City is located in Crittenden County (the "County") in eastern Arkansas. The City is located approximately 128 miles east of Little Rock, Arkansas and is just west 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	26,070	48,106
1980	28,138	49,499
1990	28,259	49,939
2000	27,666	50,866
2010	26,245	50,902
2020	24,520	48,163
2022*	23,795	47,061

\*Estimate as of July 1, 2022

Transportation. The City is served by U.S. Highway No. 70 and Interstates 40 and 55. Several motor freight carriers make shipments from the City to major cities across the United States. Memphis International Airport, located 20 miles away, offers commercial flights.

Government. The government of the City operates under the mayor-city council form of government. The current Mayor and member of the City Council are as follows:

<u>Name</u>	<u>Occupation</u>	<u>Term Expires</u>
Marco McClendon	Mayor	December 31, 2026
James Holt, Sr.	Retired	December 31, 2026
Willis Mondy	Semi-Retired General Contractor	December 31, 2024
Charles Wheeless	Retired	December 31, 2026
Lorraine Mohammed	Administrative Assistant	December 31, 2026
Helen Harris	Director, Helens Residential Care	December 31, 2026
Tracy Catt	Guaranty Loan and Real Estate	December 31, 2024
Melanie Hutchinson	Unemployed	December 31, 2024
Wayne Croom	Retired	December 31, 2024
David Murray	Part-Time Teacher	December 31, 2024
Gheric Bruce	Education	December 31, 2026

Medical Facilities. The City is served by Baptist Memorial Hospital - Crittenden, with approximately eleven licensed beds.

Financial Institutions. The City is served by branches of Evolve Bank & Trust, Fidelity Bank, Premier Bank of Arkansas, Regions Bank and Truist Bank.

Education. Primary and secondary education for the City's inhabitants are provided by a public school system. Arkansas State University Mid-South is located in the City. Rhodes College, University of Memphis and Christian Brothers University are each located in nearby Memphis, Tennessee.

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Economy. Set forth below are the characteristics of the major employers in the City:

<u>Employer</u>	<u>Service or Product</u>	<u>Number of Employees</u>
Schneider National Carriers	Logistics	1,100
West Memphis School District	Education	800
Hino Motors	Manufacturer	800
Southland Casino	Entertainment	645
City of West Memphis	Government	300
Robert Bosch Power Tool	Retail Merchandise Distribution Center	300
ASU Mid-South	Education	257
Awesome Products	Household Cleaners	250
Carvana	Distribution	215
Federal Express Ground	Logistics	200
State Side Steel	Chain Fence Manufacturer	150
Coca Cola Consolidated	Beverage Manufacturer	145
Langston Bag Company	Paper Bag Manufacturer	131
Sediver	Glass Insulators	75
West Memphis Steel	Steel Coil Processing	65

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

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

<u>Year</u>	<u>Per Capita Personal Income</u>
2017	\$35,813
2018	36,421
2019	37,978
2020	41,598
2021	45,416

Total personal income estimates for the County are as follows<sup>(1)</sup>:

<u>Year</u>	<u>Total Personal Income</u>
2017	\$1,755,900,000
2018	1,774,873,000
2019	1,835,466,000
2020	1,999,481,000
2021	2,158,375,000

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

Set forth below are the annual average unemployment rates for the County and the State since 2018 according to the Arkansas Department of Workforce Services:

<u>Year</u>	<u>Annual Average Unemployment Rate (%)</u>	
	<u>County</u>	<u>State</u>
2018	4.3	3.7
2019	4.2	3.5
2020	8.5	6.2
2021	5.5	4.1
2022	4.0	3.3
2023*	4.2	3.3

\*Preliminary as of August, 2023

### **THE TAX**

Generally. (a) The Tax is levied by Amendment No. 100 to the Arkansas Constitution ("Amendment No. 100"), which was approved by the voters at the 2018 general election. Casinos and casino gaming are authorized in the State as provided in Amendment No. 100. The Arkansas Racing Commission administers and regulates casino licenses, including their issuance and renewal, administers and enforces the provisions of Amendment No. 100 relating to casino licensees, and adopts rules necessary to carry out the purposes of Amendment No. 100 and perform its duties thereunder. Pursuant to Amendment No. 100, the Arkansas Racing Commission is authorized to issue four casino licenses, one each in Crittenden County, Garland County, Jefferson County and Pope County. There are casinos currently operating in Crittenden County, Garland County and Jefferson County.

(b) For each fiscal year, a casino licensee's "net casino gaming receipts" (defined as gross receipts from casino gaming less amounts paid out or reserved as winnings to casino patrons) are subject to a net casino gaming receipts tax (the Tax) as follows:

- (1) 13% on the first \$150,000,000 of net casino gaming receipts or any part thereof;
- (2) 20% on net casino gaming receipts exceeding \$150,000,001 or any part thereof.

Pursuant to rules of the Arkansas Gaming Commission, the Tax to be paid by each casino licensee must be reported under oath and paid on a monthly basis on or before the twentieth day of each month to the Secretary of the Arkansas Department of Finance and Administration (the "Secretary"). All Tax collections received by the Secretary are deposited with the State Treasurer.

The Secretary performs all functions incidental to the administration, payment and collection of the Tax. All other regulatory authority over licensing and other matters not relating to the administration, payment and collection of the Tax remains with the Arkansas Racing Commission.

(c) The Tax is distributed as follows:

- (1) 55% to the Arkansas General Revenue Fund;
- (2) 17.5% to the Arkansas Racing Commission for deposit into the Arkansas Racing Commission Purse and Awards Fund to be used only for purses for live horse racing and greyhound racing by the franchise holders, as the case may be (the "17.5% Revenues"), and then to be apportioned as set forth in section (e) below;
- (3) 8% to the county in which the casino is located; and

- (4) 19.5% to the city or town in which the casino is located, provided that the casino is not located within a city or town, then the 19.5% dedicated to the city or town shall go to the county in which the casino is located.

(d) On the last day of each month, the State Treasurer transfers the 17.5% Revenues to the Arkansas Racing Commission to be distributed to the franchise holders as follows: for the period prior to January 1, 2024, 60% shall be distributed to the franchise holder operating a franchise to conduct horse racing, and 40% shall be distributed to the franchise holder operating a franchise to conduct greyhound racing; and for each calendar year thereafter, pro rata to the franchise holders based upon the total respective amounts of each franchise holder's pari-mutuel wagering handle during each respective immediately preceding calendar year from wagers placed on and off-track on the franchise holder's live races (horse or greyhound, as the case may be) conducted at the franchise holder's licensed premises.

(e) On the last day of each month, the State Treasurer transfers the other percentage allocations made in section (c) above to the designated entities. All Pledged Revenues shall be remitted by the State Treasurer to the Trustee monthly for deposit into the Revenue Fund. See **THE AUTHORIZING ORDINANCE, The Revenue Fund.**

Southland Casino. Southland Casino Hotel ("Southland") is located just off Interstate 40 in the City. Southland's all new casino floor spans two and a half football fields in length and offers more than 2,400 slot machines, 50 live table games and sports betting. A brand new, high-rise hotel features 300 rooms.

Historical Pledged Revenues. Pledged Revenues were first received by the City in June 2019 and have been as follows:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
January	N/A	\$ 549,427.12	\$ 455,598.59	\$ 530,892.18	\$ 626,168.79
February	N/A	568,604.79	481,354.58	587,225.93	732,954.30
March	N/A	574,924.16	568,837.62	498,115.02	1,024,039.00
April	N/A	953,791.02	465,995.21	811,477.10	1,056,743.41
May	N/A	547,133.53	1,181,755.38	1,005,413.17	1,225,305.51
June	\$ 39,176.67	N/A*	1,174,810.26	976,797.90	1,136,290.74
July	44,718.18	283,872.22	802,089.02	981,405.36	1,090,838.57
August	45,810.96	592,037.35	635,370.45	870,448.02	1,022,798.79
September	551,123.05	512,890.17	499,238.42	655,633.49	727,921.55
October	557,495.06	500,640.08	535,440.94	620,794.78	N/A
November	510,827.46	508,064.50	542,297.73	652,469.41	N/A
December	528,804.32	504,077.54	574,091.31	654,678.18	N/A
<b>Total</b>	<b>\$2,277,955.70</b>	<b>\$6,095,462.48</b>	<b>\$7,916,879.51</b>	<b>\$8,845,350.54</b>	<b>\$8,643,060.66</b>

\*Reflects the closure of Southland during the COVID-19 pandemic.

Pledged Revenues for the twelve-month periods ended September 30 have been as follows:

<u>Period</u>	<u>Pledged Revenues</u>
October 1, 2019 - September 30, 2020	\$ 6,179,807.20
October 1, 2020 - September 30, 2021	7,777,831.65
October 1, 2021 - September 30, 2022	8,569,238.15
October 1, 2022 - September 30, 2023	10,571,003.03

Future Pledged Revenues. Pledged Revenues will be contingent upon the continued operation of Southland in the City. Southland is privately owned and the City has no control over its operations. Also, the amount of Pledged Revenues is dependent on the amount of gross receipts from casino gaming at Southland. A lower amount of casino activity by patrons at Southland will cause a decrease in the Pledged Revenues. The City

cannot predict with certainty the expected amount of Pledged Revenues to be received and, therefore, there can be no assurance that Pledged Revenues will be sufficient to pay the principal of and interest on the Bonds.

### THE AUTHORIZING ORDINANCE

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

The Revenue Fund. The Trustee shall deposit all Pledged Revenues as and when received into a special fund of the City in the Trustee which is created by the Authorizing Ordinance and designated "Net Casino Gaming Receipts Tax Revenue Fund" (the "Revenue Fund"). There is created in the Revenue Fund the following accounts: Bond Account and Surplus Revenues Account. Monthly Pledged Revenues shall be disbursed as follows: (a) the amount necessary to make the transfers set forth in (1) through (4) of the next paragraph shall be deposited into the Bond Account and (b) the balance shall be deposited into the Surplus Revenues Account.

Moneys in the Bond Account shall, within five (5) days of receipt, be transferred to the following accounts each month, in the following order of priority:

- (1) into the Expense Account in the Bond Fund, the Trustee's fees and expenses and other administrative charges next due and any arbitrage rebate due the United States Treasury under Section 148(f) of the Code; and
- (2) into the Debt Service Account in the Bond Fund, 1/6 of the interest on the Bonds next due; and
- (3) into the Debt Service Account in the Bond Fund, 1/12 of the principal of the Bonds next due at maturity or upon mandatory sinking fund redemption; and
- (4) into the Debt Service Reserve Account in the Bond Fund, (a) \$36,500\* after the bonds offered hereby are issued until the required level (as hereinafter defined) is reached and (b) after the Debt Service Reserve Account has been fully funded to the required level after issuance of the bonds offered hereby, the amount which may be necessary to increase the Debt Service Reserve Account to the required level; and
- (5) any remaining amounts shall be used to cover any deficiency in the monthly transfers required by (1) through (4) above for any previous month or deposited into the Surplus Revenues Account.

Notwithstanding the above, (a) monthly transfers into the Debt Service Account in the Bond Fund required by (3) above shall not commence until November 2024 and (b) in the event that Additional Parity Bonds are issued, the transfer required by (4) above shall include an amount not less than 1/12 of the amount necessary to increase the Debt Service Reserve Account to the required level in the event that the increase to the Debt Service Reserve Account is not funded with the proceeds of such Additional Parity Bonds.

The deposits made into the Debt Service Account in the Bond Fund shall be reduced in order to take into account as a credit (1) interest earnings on moneys in the Debt Service Account and (2) transfers from the Debt Service Reserve Account.

Moneys in the Surplus Revenues Account in the Revenue Fund shall be paid to the City and used for any lawful purpose for which Pledged Revenues may be used. Such payments shall be made to the City within five (5) days after moneys are deposited into the Surplus Revenues Account.

The Bond Fund. There is created by the Authorizing Ordinance a special fund of the City in the Trustee which is designated "Net Casino Gaming Receipts Tax Bond Fund" (the "Bond Fund") for the purpose of providing funds for the payment of principal of and interest on the Bonds as they become due at maturity or at redemption

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\* Preliminary; subject to change.

prior to maturity, Trustee's fees and expenses and other administrative charges and any arbitrage rebate. There shall be established in the Bond Fund the following accounts into which moneys from the Revenue Fund shall be deposited monthly: Debt Service Account and Expense Account. Moneys in the following Bond Fund accounts shall be used on each interest payment date in the following order of priority as and when necessary:

- (1) to pay the Trustee's fees and expenses and other administrative charges then due - Expense Account; and
- (2) to pay the interest on the Bonds then due - Debt Service Account; and
- (3) to pay the principal of the Bonds then due at maturity or upon mandatory sinking fund redemption- Debt Service Account.

In addition, moneys in the Expense Account in the Bond Fund shall be used to pay, when due, any arbitrage rebate due under Section 148(f) of the Code.

There shall also be established in the Bond Fund a Debt Service Reserve Account which shall be maintained in an amount equal to one-half of the maximum annual debt service requirement on the Bonds (the "required level"). Moneys in the Debt Service Reserve Account shall be used to make the payments described in clauses (2) and (3) above if moneys in the Debt Service Account in the Bond Fund are not otherwise sufficient for that purpose. Moneys in the Debt Service Reserve Account over and above the required level shall be immediately transferred from the Debt Service Reserve Account into the Debt Service Account in the Bond Fund.

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

Investments. (a) Moneys held for the credit of the Construction Fund shall be invested and reinvested at the direction of the City, and in the Trustee's discretion in the absence of any direct instruction from the City, in Permitted Investments or other investments from time to time permitted by State law which shall mature, or which shall be subject to redemption by the holder thereof, at the option of such holder, not later than the date or dates when such money will be required for the purposes intended.

(b) Moneys held for the credit of the Debt Service Reserve Account shall be invested and reinvested at the direction of the City, and in the Trustee's discretion in the absence of any direct instruction from the City, in Permitted Investments, which shall mature, or which shall be subject to redemption by the holder thereof, at the option of such holder, not later than seven (7) years after the date of investment or the final maturity date of the outstanding Bonds, whichever is earlier.

(c) Moneys held for the credit of the Revenue Fund and the Bond Fund (other than the Debt Service Reserve Account) shall be invested and reinvested at the direction of the City, and in the Trustee's discretion in the absence of any direct instruction from the City, in Permitted Investments, which shall mature, or which shall be subject to redemption by the holder thereof at the option of the holder, not later than the date or dates on which the money shall be required for the payment of the principal of and interest on the Bonds when due.

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

(e) "Permitted Investments" are defined as (i) direct or fully guaranteed obligations of the United States of America ("Government Securities"), (ii) direct obligations of an agency, instrumentality or government-sponsored enterprise created by an act of the United States Congress and authorized to issue securities or evidences of indebtedness, regardless of whether the securities or evidences of indebtedness are guaranteed for repayment by the United States Government, (iii) certificates of deposit or demand deposits of

banks, including the Trustee, which are insured by the Federal Deposit Insurance Corporation ("FDIC") or, if in excess of insurance coverage, collateralized by Government Securities or other securities authorized by State law to secure public funds or (iv) money market funds invested exclusively in Government Securities and the obligations described in (ii) above.

Certain Covenants. The City covenants that:

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

(b) It will not use or permit the use of the Improvements or the proceeds of the Bonds in such manner as to cause the Bonds to be private activity bonds within the meaning of Section 141 of the Code.

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

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

Defaults and Remedies. If there be any default in the payment of the principal of and interest on the Bonds, or if the City defaults in the performance of any covenant contained in the Authorizing Ordinance, the Trustee may, and upon the written request of the owners of not less than 10% in principal amount of the Bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the City and officials of the State, under the Authorizing Ordinance, to take any action or obtain any proper relief in law or equity available under the Constitution and laws of the State.

No owner of any Bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or in law for the protection or enforcement of any right under the Authorizing Ordinance or under the Constitution and laws of the State unless such owner previously shall have given to the Trustee written notice of the default on account of which such suit, action or proceeding is to be taken, and unless the owners of not less than 10% in principal amount of the Bonds then outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted by the Constitution and laws of the State, or to institute such action, suit or proceeding in its name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the cost, expense and liabilities to be incurred therein or thereby and the Trustee shall have refused or neglected to comply with such request within a reasonable time, and such notification, request and offer of indemnity are in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trust of the Authorizing Ordinance or to any other remedy thereunder. No one or more owners of the Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Authorizing Ordinance, or to enforce any right thereunder except in the manner therein provided, that all proceedings at law or in equity shall be instituted, had and maintained in the manner therein provided and for the benefit of all owners of the outstanding Bonds, and any individual rights of action or other right given to one or more of such owners by law are restricted by the Authorizing Ordinance to the rights and remedies therein detailed.

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

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

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

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

Defeasance. The Bonds shall be deemed paid when there has been deposited with the Trustee in the Bond Fund an amount sufficient to pay the principal or redemption price of and interest on the Bonds to the date of maturity or redemption. The Bonds shall also be deemed paid if there shall be irrevocably deposited with the Trustee (1) cash fully insured by the FDIC and/or fully collateralized with direct obligations of the United States of America ("Defeasance Securities") sufficient to make such payment and/or (2) Defeasance Securities (provided that such deposit will not affect the tax exempt status of the interest on any of the Bonds or cause any of the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code) maturing as to principal and interest in such amounts and at such times as will provide sufficient moneys to make such payments, and all necessary and proper fees, compensation and expenses of the Trustee with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee.

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

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

Additional Bonds. The City covenants that it will not issue any bonds, or incur any obligation, secured by a lien on or pledge of the Pledged Revenues, except as hereinafter provided. The City may issue Additional Parity Bonds so long as the City has received Pledged Revenues for a twelve-month period that ends not less than 30 and not more than 90 days prior to the date that the Additional Parity Bonds are authorized by the City Council to be issued, in an amount equal to or in excess of 185% of the maximum annual debt service requirement for the Bonds, any outstanding Additional Parity Bonds and the Additional Parity Bonds proposed to be issued.

The City may issue bonds or incur obligations secured by a lien on and pledge of Pledged Revenues subordinate to the lien and pledge in favor of the Bonds.

The Trustee. The Trustee shall be responsible for the exercise of good faith and ordinary prudence in the execution of its trusts and duties. The recitals in the Authorizing Ordinance and in the Bonds are the recitals of the City and not of the Trustee. The Trustee shall not be required to take any action unless it shall have been requested to do so in writing by the owners of not less than 10% in principal amount of Bonds then outstanding and shall have been offered reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby. The Trustee may resign at any time by 60 days' notice in writing to the City and the owners of the Bonds, and the majority in principal amount of the owners of the outstanding Bonds or the City, so long as it is not in default under the Authorizing Ordinance, may at any time, with or without cause, remove the Trustee. In the event of a vacancy in the office of Trustee, either by resignation or by removal, the City shall forthwith designate a new Trustee. The Trustee and any successor Trustee shall file a written acceptance and agreement to execute the trusts and duties imposed upon it by the Authorizing Ordinance, but only upon the terms and conditions set forth in the Authorizing Ordinance and subject to the provisions of the Authorizing Ordinance, to all of which the respective owners of the Bonds agree. Such written acceptance shall

be filed with the City, and a copy thereof shall be placed in the bond transcript. Any successor Trustee shall have all the powers herein granted to the original Trustee.

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

### **CONTINUING DISCLOSURE AGREEMENT**

Past Compliance. In the past five years, the City has been a party to certain continuing disclosure agreements in connection with three outstanding bond issues. The City 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. The City has reviewed its past compliance with such agreements. While the City has not made a determination as to materiality, the following constitutes a non-exhaustive summary of the City's review of compliance with continuing disclosure obligations over the past five years.

One of the continuing disclosure agreements obligates the City to file the audited financial statements of the City (the "City Audit") and one continuing disclosure agreement obligates the City to file the audited financial statements of the City's municipal airport, which audited financial statements are part of the City Audit. The City Audit for the fiscal years ended December 31, 2018, 2020 and 2021 have been timely filed. The City Audit for the fiscal year ended December 31, 2019 was filed 73 days late. The City Audit for the fiscal year ended December 31, 2022 is not yet available.

Two continuing disclosure agreements require the City to file the audited financial statements of the City's water, sewer and electric system (the "System"). The audited financial statements of the System for the fiscal years ended December 31, 2020 and 2022 have been timely filed. The audited financial statements of the System for the fiscal years ended December 31, 2018, 2019 and 2021 were filed late (330 days late, 273 days late and 222 days late, respectively).

One of the continuing disclosure agreements requires the City to disclose certain statistical information related to the System in annual reports that are filed with the MSRB. The annual reports for the fiscal years ended December 31, 2021 and 2022 were timely filed and included all of the required statistical information. No previous annual report was required to be filed.

One of the continuing disclosure agreements requires the City to disclose certain statistical information related to the operation of its municipal airport. The annual reports for the fiscal years ended December 31, 2018, 2019, 2020, 2021 and 2022 were timely filed and included all of the required statistical information.

One of the continuing disclosure agreements requires the City to disclose certain statistical information related to the City and the amount of franchise fee revenues received by the City. The annual report for the fiscal year ended December 31, 2018 was timely filed and included all of the required statistical information. No subsequent annual report was required to be filed.

The City's continuing disclosure agreement also obligated the City to file a notice of the occurrence of any event listed in Securities and Exchange Commission, Rule 15c2-12(b)(5). All required notices of such events were timely filed in the past five years.

Notices concerning the City's failure to comply with its continuing disclosure obligations as summarized above were not filed on EMMA.

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

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

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

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

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

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

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

"Financial Obligation" shall mean a

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

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

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

"MSRB" shall mean the Municipal Securities Rulemaking Board.

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

Provision of Annual Report. (a) The City shall, or shall cause the Dissemination Agent to, not later than one hundred eighty (180) days after the end of the City's fiscal year (presently December 31), commencing with the report after the end of the 2023 fiscal year, provide to the MSRB, through its continuing disclosure service portal provided through EMMA at <http://www.emma.msrb.org> or any similar system acceptable to the Securities and Exchange Commission, an Annual Report which is consistent with the requirements of the Continuing Disclosure Agreement. The Annual Report shall be in electronic format as prescribed by the MSRB and shall

be accompanied by identifying information as prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in the Continuing Disclosure Agreement; provided that the Financial Statements (as defined below) may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date, but, in such event, such Financial Statements shall be submitted within thirty (30) days after receipt thereof by the City. If the City's fiscal year changes, it shall give notice of such change in the manner as for a Listed Event.

(b) Not later than fifteen (15) days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the City shall provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). If by such date, the Trustee has not received a copy of the Annual Report, the Trustee shall contact the City and the Dissemination Agent to determine if the City is in compliance with the first sentence of this subsection (b).

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

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

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

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

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

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

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.

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

7. 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 City.
13. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, 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 City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, 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 City, any of which reflect financial difficulties.

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

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

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

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

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

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

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

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

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

Additional Information. Nothing in the Continuing Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in the Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by the Continuing Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by the Continuing Disclosure Agreement, the City shall have no obligation under the Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

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

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

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

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## DEBT SERVICE COVERAGE

Set forth below is debt service coverage information for the Bonds. In arriving at the estimate of annual Pledged Revenues for this calculation, the City examined Pledged Revenues for the twelve-month period ended September 30, 2023.

Actual Pledged Receipts will depend upon, among other things, the level of casino gaming activity at Southland. The figure set forth below is only an estimate and there can be no assurance that actual Pledged Revenues will equal the estimate shown below. See **THE TAX**, Future Pledged Revenues.

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

Estimated Pledged Revenues Available for Debt Service (A)	\$10,571,003
Maximum Annual Debt Service (B) <sup>(1)</sup>	868,750
Debt Service Coverage(A/B)	12.17X

<sup>(1)</sup>Assuming an average coupon rate of 5% on the Bonds.

## DEBT SERVICE REQUIREMENTS

The following table shows amounts required to pay scheduled principal and interest on the Bonds during each year:

<u>Year</u>	<u>Bond Principal*</u>	<u>Bond Interest</u>	<u>Total Debt Service</u>
2024	--		
2025	\$ 415,000		
2026	440,000		
2027	460,000		
2028	480,000		
2029	505,000		
2030	530,000		
2031	560,000		
2032	585,000		
2033	615,000		
2034	645,000		
2035	680,000		
2036	715,000		
2037	750,000		
2038	785,000		
2039	825,000		
Totals:	\$8,990,000		

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\* Preliminary; subject to change.

## LEGAL MATTERS

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

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

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

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

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

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

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

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

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days which are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to the product of (i) the yield of maturity for such Discount Bond (determined

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

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

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

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent holders of the Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any legislative proposals or clarification of the Code or court decisions may affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any proposed or enacted federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

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

#### MISCELLANEOUS

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

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

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

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

Rating. Moody's Investors Service Inc. ("Moody's") has assigned a rating of "A3" to the Bonds. Any explanation of such rating may only be obtained from Moody's. 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 Bonds by Moody's may have an adverse effect on the market price of the Bonds. Neither the Underwriter nor the City have undertaken any responsibility after issuance of the Bonds to assure the maintenance of the rating or to oppose any such revision or withdrawal.

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

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

The execution of this Official Statement has been duly authorized by the City.

CITY OF WEST MEMPHIS, ARKANSAS

By \_\_\_\_\_  
Mayor

Dated: As of the Cover Page hereof.