BILL 2019-68

Second & Final Reading

Agenda Item

TO: Mayor and City Council

FROM: Carmen Weigand, Director of Finance; and Zachary Johnson, Director of Utilities

DATE: December 16, 2019

RE: MPUA Financing

Purpose

Staff has been working with MPUA and their municipal finance program to secure funding for the Animal Control Facility. We were able to secure a quote from Central Bank of the Midwest for a 10 year variable rate, starting at 3.85% for the first 5 years. We submitted this option to the Finance Committee and received their approval. This ordinance will authorize the City to enter into the Lease-Purchase transaction.

Recommendation

Staff recommends the following ordinance be passed and approved allowing the City to utilize funds made available through the MPUA Municipal Finance Program and the Central Bank of the Midwest for the construction of the Animal Control Facility.

Bill 2019-68

ORDINANCE AUTHORIZING THE CITY OF CAMERON, MISSOURI, TO ENTER INTO A LEASE-PURCHASE TRANSACTION FOR CERTAIN PUBLIC IMPROVEMENTS AND AUTHORIZING AND APPROVING CERTAIN ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF SAID LEASE-PURCHASE TRANSACTION

WHEREAS, the City of Cameron, Missouri (the "Lessee"), desires to provide for certain public improvements, consisting of the acquisition, construction and equipping of an approximately 2,184 square foot animal care facility (the "Project"), and for the leasing by the Lessee of the Project with an option to purchase; and

WHEREAS, after considering various financial alternatives for providing funds to pay the costs of the Project, the Lessee hereby determines that it is in the Lessee's best financial interest to provide for the acquisition, construction and equipping of the Project through the lease-purchase arrangement described in this Ordinance; and

WHEREAS, in order to accomplish the foregoing, it is necessary and desirable for the Lessee to take the following actions:

1. Enter into a Lease-Purchase Agreement (the "Lease"), substantially in the form attached hereto as **Exhibit A**, with Central Bank of the Midwest, a state chartered banking institution organized and existing under the laws of the State of Missouri (the "Lessor"), as lessor, and the Missouri Association of Municipal Utilities, as administrator (the "Administrator"), pursuant to which the Lessee will lease, as lessee, the Project from the Lessor, as lessor, with an option to purchase, for a lease term not to exceed 10 years and two months and for Base Rentals with aggregate principal components of Base Rentals not to exceed $600,000 and interest components of Base Rentals to be computed as described in the Lease;

2. Enter into an Escrow Agreement (the "Escrow Agreement"), substantially in the form attached hereto as **Exhibit B**, among the Lessee, the Lessor, the Administrator and UMB Bank, N.A., as escrow agent (the "Escrow Agent"); and

3. Enter into a Tax Compliance Agreement (the "Tax Agreement"), substantially in the form attached hereto as **Exhibit C**, with the Escrow Agent, setting forth certain representations, facts, expectations, terms and conditions relating to the use and investment of the proceeds of the Lease in order to establish and maintain the exclusion of the interest portion of Base Rentals under the Lease from gross income for federal income tax purposes and in order to provide guidance for complying with the arbitrage rebate provisions of the Internal Revenue Code upon the terms and conditions as set forth in the Tax Agreement.

SECOND & FINAL

(the Lease, the Escrow Agreement and the Tax Agreement are referred to herein as the "Lessee Documents").

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CAMERON, MISSOURI, AS FOLLOWS:

Section 1. Approval of Lessee Documents. The Lessee Documents are hereby approved in substantially the forms submitted to and reviewed by the governing body on the date hereof, with such changes therein and final payment terms as shall be approved by the Mayor of the Lessee, such officer's execution thereof to be conclusive evidence of the approval thereof.

Section 2. Appropriation of Base Rent. The City hereby appropriates up to $47,500 to pay the Base Rent coming due during the current fiscal year.

Section 3. Further Authority. The Lessee shall, and the officials and agents of the Lessee are hereby authorized and directed to, take such action, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the Lessee with respect to the Lessee Documents and the Project.

Section 4. The Mayor is hereby authorized and directed to execute and deliver the Lessee Documents on behalf of and as the act and deed of the Lessee.

Section 5. The City Clerk is directed to attest to the Mayor's signature.

Section 6. Effective Date. This Ordinance shall be in full force and effect from and after its passage and approval.

Read and passed on first reading this 2nd day of December, 2019.
Read and passed on second reading and final reading this 16th day of December, 2019.

_____
Mayor Darlene Breckenridge

ATTEST:

_____
City Clerk

SECOND & FINAL

Exhibit A

LEASE-PURCHASE AGREEMENT

LESSOR:	**Central Bank of the Midwest** **609 NE 291 Highway** **Lee's Summit, Missouri 64086**
LESSEE:	**City of Cameron, Missouri** **205 N. Main Street** **Cameron, Missouri 64429**
ADMINISTRATOR:	**Missouri Association of Municipal Utilities** **1808 I-70 Drive SW** **Columbia, Missouri 65203**
DATE OF LEASE:	**December 19, 2019**
PRINCIPAL AMOUNT:	**$600,000**
COMMENCEMENT DATE:	**December 19, 2019**
TERMINATION DATE:	**January 1, 2030**

(Unless earlier terminated as provided herein)

LESSEE'S FISCAL YEAR: October 1 through September 30

MISSOURI ASSOCIATION OF MUNICIPAL UTILITIES LEASE-PURCHASE PROGRAM

This Lease-Purchase Agreement (the "Lease") constitutes a Security Agreement under the Missouri Uniform Commercial Code.

FOR PURPOSES OF (A) PERFECTION OF AN INTEREST IN THIS LEASE UNDER ARTICLE 9 OF THE UCC, ONLY THE LEASE MARKED "ORIGINAL 1 OF 3" ON THE EXECUTION PAGE HEREOF SHALL CONSTITUTE CHATTEL PAPER UNDER THE UCC AND (B) SALE OR TRANSFER OF THIS LEASE, ONLY THE LEASE MARKED "ORIGINAL 1 OF 3" ON THE EXECUTION PAGE HEREOF SHALL BE TRANSFERABLE OR ASSIGNABLE, AND THE SALE, TRANSFER OR ASSIGNMENT OF ANY OTHER LEASE SHALL BE INEFFECTIVE TO TRANSFER ANY RIGHT, TITLE AND INTEREST IN THIS LEASE.

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LEASE-PURCHASE AGREEMENT

This Lease-Purchase Agreement (this "Lease"), dated the date shown on the cover page hereof, by and among the Lessor shown on the cover page hereof (the "Lessor"), as lessor hereunder, the Lessee shown on the cover page hereof (the "Lessee"), as lessee hereunder, a political subdivision validly existing under the constitution, statutes and laws of the State, and the Missouri Association of Municipal Utilities (the "Administrator") for purposes of administering the Program, as defined herein.

RECITALS

1. The Governing Body (as defined herein) of the Lessee has the power to enter into lease-purchase agreements in order to provide for the use of property for public purposes.

2. The Governing Body has previously determined, and hereby further determines, that the Lessee is in need of the Project, as defined herein.

3. The Governing Body has determined and hereby determines that it is in the best interests of the Lessee that the Lessee and the Lessor enter into this Lease for the leasing by the Lessee from the Lessor of the Project under the Program (as defined herein).

4. The execution, delivery and performance of this Lease by the Lessee have been authorized, approved and directed by the Governing Body by the Authorizing Ordinance (as defined herein).

5. The execution, delivery and performance of this Lease by the Lessor have been authorized, approved and directed by all necessary and appropriate action of the Lessor.

6. The Lessor desires to lease the Project to the Lessee, and the Lessee desires to lease the Project from the Lessor, pursuant to the terms and conditions and for the purposes set forth herein, all in accordance with the administration of the Program by the Administrator.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

Section 1. <u>Defined Terms; Rules of Construction</u>.

(a) In addition to the terms defined elsewhere in this Lease, the following terms have the meanings given below unless the context clearly requires otherwise:

"Additional Rent" means the aggregate of (a) any expenses (including attorneys' fees and expenses) of the Lessor in defending an action or proceeding in connection with this Lease or in enforcing the provisions of this Lease and (b) any taxes or any other expenses, including, but not limited to, licenses, permits, state and local sales and use or ownership taxes or property taxes and recording fees and/or other fees which the Lessor is expressly required to pay as a result of or in connection with this Lease.

"Administrator" means the Missouri Association of Municipal Utilities, a Missouri nonprofit corporation, and its successors and assigns.

"Administrator's Fees" means the fees and expenses of the Administrator in administering this Lease.

"Authorizing Ordinance" means the resolution or ordinance passed by the Governing Body authorizing this Lease, the Base Lease and the Tax Agreement.

"Base Lease" means the Base Lease dated as of the date hereof between the Lessee, as lessor, and the Lessor, as lessee, whereby any portion of the Project constituting real property is leased to the Lessor. If no Base Lease is executed and delivered in connection with this Lease, references to the Base Lease shall be disregarded.

"Base Rent" means the Lease Payments payable by the Lessee hereunder, including the Administrator's Fees, the Principal Components and Interest Components, specified in **Exhibit B**.

"Code" means the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code herein will be deemed to include the United States Treasury Regulations proposed or in effect with respect thereto and applicable to this Lease or the use of the proceeds thereof.

"Commencement Date" means the Commencement Date shown on the cover page hereto, which is the date when the term of this Lease and the Lessee's obligation to pay Base Rent commences.

"Disbursing Agent" means UMB Bank, N.A., in its capacity as Disbursing Agent pursuant to the Program Administration Agreement, and its successors and assigns.

"Escrow Agent" means UMB Bank, N.A., in its capacity as Escrow Agent under any Escrow Agreement, and its successors or assigns. At any time that no Escrow Agreement is required to be in effect in connection with this Lease, references to the Escrow Agent shall be disregarded.

"Escrow Agreement" means the Escrow Agreement dated the date hereof among the Lessor, the Lessee, the Administrator and the Escrow Agent entered into pursuant to **Section 3(b)** or **Section 17**. At any time that no Escrow Agreement is required to be in effect in connection with this Lease, references to the Escrow Agreement shall be disregarded.

"Event of Default" means any Event of Default described in **Section 23**.

"Event of Nonappropriation" means an event described in **Section 8**.

"Fiscal Year" means the 12-month period ending on the date specified as the end of Lessee's fiscal year on the cover page of this Lease.

"Governing Body" means the Board of Aldermen of the Lessee.

"Initial Rate Period" means the period commencing on the Commencement Date and ending on December 31, 2024.

"Interest Component" means the interest component of a Lease Payment identified as such in **Exhibit B**.

"Interest Rate" means for the Initial Rate Period, 3.85% per annum, and for each Reset Rate Period, means a per annum rate equal to 2.47% plus 80% of the 5-year Treasury rate as of the business day prior to the Reset Date, but in no event will the Interest Rate exceed the maximum rate allowed by law.

"Late Payment Rate" means 10% per annum.

"Lease" means this Lease-Purchase Agreement as the same may be amended or supplemented from time to time.

"Lease Payments" means the sum of the Base Rent and Additional Rent due at or during a stated time.

"Lease Term" means the term of this Lease as established by **Section 5**.

"Lessee" means the Lessee identified on the cover page hereto, its successors and assigns.

"Lessee Representative" means the person or persons at the time designated to act on behalf of the Lessee for the purpose of performing any act under this Lease by a written certificate furnished to the Lessor and the Trustee containing the specimen signature of such person or persons and signed by an authorized official of the Lessee.

"Lessor" means the Lessor identified on the cover page hereto, its successors and assigns.

"Permitted Encumbrances" means, as of any particular time, (a) liens for taxes and assessments not then delinquent or liens which may remain unpaid pursuant to **Section 14**; (b) this Lease; (c) the Base Lease; (d) utility, access and other easements and rights of way, restrictions and exceptions which do not, as expressed in an opinion of counsel acceptable to the Lessor, interfere with or impair the title to or the use and enjoyment of the Project; (e) any financing statements filed to perfect security interests created or permitted by this Lease, (f) any liens, mortgages, security interests and other encumbrances that are subject and subordinate in all respects to the liens, mortgages and security interests of this Lease and the Base Lease and that are approved in writing by the Lessor, (g) such minor defects, irregularities, encumbrances and clouds on title as normally exist with respect to property of the general character of the Project and as do not, as expressed in an opinion of counsel acceptable to the Lessor, materially impair title to or the use and enjoyment of the Project, and (h) any other liens or encumbrances to which the Lessor and the Lessee consent in writing.

"Principal Component" means the principal component of a Lease Payment identified as such in **Exhibit B**.

"Program" means the Missouri Association of Municipal Utilities Lease-Purchase Program established by the Administrator to provide a vehicle for the economical financing or refinancing of the acquisition, construction and installation of various public projects by municipalities and other political subdivisions and public agencies in the State.

"Program Administration Agreement" means the Program Administration Agreement dated as of April 20, 2018, by and among the Lessor, the Disbursing Agent and the Administrator, as the same may be supplemented or amended from time to time.

"Project" means the property leased to the Lessee under this Lease, the Project Costs of which are financed or refinanced, or the Project Costs of which are reimbursed hereunder, as more particularly described in **Exhibit A** and any property acquired in replacement or substitution therefor, or in the improvement or modification thereof, pursuant to **Sections 11, 12, 13** or **17**, less any property released from this Lease pursuant to **Section 13** or damaged, destroyed or condemned as provided in **Section 17**.

"Project Costs" means all or any part of the cost of acquisition, construction and installation of all land, buildings, structures, machinery and equipment; finance charges; extensions, enlargements, additions, replacements, renovations and improvements; engineering, financial and legal services

(including costs of issuance in connection with the execution and delivery of this Lease); plans, specifications, studies, surveys, estimates of cost of revenue, administrative expenses, expenses necessary or incidental to determining the feasibility or practicability of constructing, installing and acquiring the Project; and such other expenses as the Lessor determines may be necessary or incidental to the construction, installation and acquisition of the Project, the financing of such acquisition, construction and installation, and interest during the acquisition, construction or installation and the placing of the Project in service.

"Project Fund" means the Project Fund established with the Escrow Agent pursuant to **Section 3(b)** and as further set forth in the Escrow Agreement.

"Purchase Price" means, as of any Purchase Date, the amount set forth in **Exhibit B**, which the Lessee may pay to purchase the Project.

"Purchase Date" means any Payment Date listed in **Exhibit B** on which the Lessee elects to purchase the Project pursuant to **Section 20**.

"Reset Date" means January 1, 2025.

"Reset Rate Period" means the five-year period beginning January 1, 2025 and ending on (a) the Termination Date or (b) the date that the Lease is paid in full, whether at the Termination Date or by prepayment.

"State" means the State of Missouri.

"Tax Agreement" means the Tax Compliance Agreement dated December 19, 2019, between the Lessee and the Escrow Agreement.

"Taxable Interest Rate" means the interest rate that is equal to then applicable Interest Rate divided by the difference between one and the highest marginal corporate income tax rate then in effect (i.e., one minus that highest marginal corporate income rate then in effect).

"Termination Date" means the Termination Date shown on the cover page hereto.

"UCC" means the Uniform Commercial Code as adopted and in effect in the State.

(b) References to sections or exhibits, unless otherwise indicated, are to sections of or exhibits to this Lease.

(c) The words "herein," "hereof," "hereunder," and "herewith," and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or other subdivision.

(d) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(e) The headings used in this Lease are for convenience of reference only and shall not define or limit the provisions hereof.

(f) Words in the singular include the plural and vice versa.

(g) Whenever an item or items are listed after the word "include" or "including," that listing is not intended to be a listing that excludes items not listed.

(h) If the Project does not involve construction, all references to construction shall be disregarded.

(i) If no Base Lease is executed and delivered in connection with this Lease, references to the Base Lease shall be disregarded.

(j) If no Escrow Agreement is executed and delivered in connection with this Lease, references to an Escrow Agreement, Escrow Agent or Project Fund shall be disregarded.

Section 2. Lease of the Project. The Lessor hereby demises, leases and lets to the Lessee, and the Lessee rents, leases and hires from the Lessor, the Project in accordance with the provisions of this Lease, to have and to hold for the Lease Term. All leasehold rights granted to the Lessee by the Lessor under this Lease shall vest in the Lessee, without any further action on the part of the Lessor.

To secure all of its obligations hereunder, the Lessee hereby (a) grants to the Lessor a first and prior security interest in any and all right, title and interest of the Lessee in the portions of the Project paid for with proceeds of the Lease that constitute personal property and in all additions, attachments, accessions, and substitutions thereto, and on any proceeds therefrom, (b) authorizes the Lessor or the Administrator to file financing statements evidencing such security interest, and (c) agrees to execute and deliver all certificates of title and other instruments necessary or appropriate to evidence such security interest.

The Lessee hereby declares its current need for the Project and further determines and declares its expectations that the Project will (so long as it is subject to the terms hereof) adequately serve the needs for which it is being acquired throughout the Lease Term. The Lessee hereby determines and declares that, to the best of its knowledge, the period during which the Lessee has an option to purchase the Project (that is, the maximum term of this Lease) does not exceed the useful life of the Project. In addition, the Lessor and the Lessee declare that it is in their mutual interest for this Lease to be administered by the Administrator.

Section 3. Funds to Be Provided by the Lessor. On the Commencement Date, the Lessor shall deliver an amount equal to the aggregate amount of the original Principal Component of this Lease as follows:

(a) If the acquisition, construction and installation of the Project has been completed as evidenced by a final acceptance certificate of the Lessee delivered to the Lessor and the Administrator, that amount shall be delivered as directed in writing by the Lessee to (i) pay or to reimburse the Lessee for Project Costs and (ii) pay certain costs of issuance in connection with the execution and delivery of this Lease.

(b) Otherwise, the Lessor, the Lessee and the Administrator shall enter into an Escrow Agreement with the Escrow Agent establishing a Project Fund, and the Lessor shall deliver that amount to the Escrow Agent for deposit in the Project Fund.

Section 4. Acquisition, Construction and Installation of the Project. Unless the acquisition, construction and installation of the Project has been completed on or before the Commencement Date as evidenced by a certificate of the Lessee delivered to the Lessor and the Administrator:

(a) The Lessee will make, execute, acknowledge and transact any and all contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and in general do all things which may be necessary or proper, all for the acquisition, construction and installation of the Project. The acquisition, construction and installation of the Project will be in accordance with the acquisition or construction documents approved by the Lessee, subject to reasonable change orders or any other reasonable changes approved by the Lessee so long as such changes do not cause the Project to be used for purposes other than the lawful governmental purposes of the Lessee. The Lessee shall remain liable to any vendor or contractor in respect of its duties and obligations in accordance with each such contract or order and shall bear the risk of loss with respect to any loss or claim relating to any item of the Project covered thereby, and the Lessor shall not assume any such liability or risk of loss.

(b) The Lessee will acquire, construct and install the Project through the application of moneys in the Project Fund and will use its best efforts to complete the acquisition, construction and installation of the Project by the "Estimated Date of Completion of the Project" shown on **Exhibit A.** If for any reason the acquisition, construction, and installation of the Project is not completed by that date, there will be no resulting liability on the part of the Lessor and no Event of Default hereunder, and there will be no diminution in or postponement of the Lease Payments required to be paid by the Lessee during the Lease Term.

(c) If the amount available in the Project Fund is insufficient to pay the entire cost of acquiring, constructing and installing the Project, the Lessee either (i) will make such modifications to or deletions from the plans and specifications for the Project as will permit the Project to be acquired, constructed and installed from the amounts available therefor in the Project Fund or (ii) will complete the acquisition, construction and installation of the Project from whatever sources of funds are legally available to the Lessee for that purpose (and will deposit or cause to be deposited those funds in the Project Fund).

(d) When the acquisition, construction and installation of the Project have been completed, the Lessee will deliver a certificate to the Lessor, the Disbursing Agent and the Administrator stating that acquisition, construction and installation of the Project have been completed, the date thereof and, except for amounts estimated by the Lessee to be necessary for payment of any Project Costs not then due and payable, all Project Costs have been paid. If the accounting of the Project Fund by the Lessor shows that funds in the Project Fund will remain unexpended for Project Costs, the unexpended funds in the Project Fund will be applied in the manner described in the Escrow Agreement. At any time that moneys are so transferred, **Exhibit B** will be amended to (i) deduct from the aggregate unpaid Principal Components an amount equal to the amount of moneys so transferred and (ii) reamortize Base Rentals so that the reduced unpaid Principal Components are repaid on the same basis as originally calculated.

Section 5. <u>Lease Term; Lessee's Annual Right to Terminate</u>. The term of this Lease will be the period commencing on the Commencement Date and terminating on the earliest to occur of: (i) the end of the Fiscal Year immediately succeeding an Event of Nonappropriation unless the Event of Nonappropriation is cured; (ii) the occurrence of an Event of Default and termination of this Lease as provided in **Section 24**; (iii) the Lessee's exercise of its option to purchase the Project pursuant to **Section 20** and payment of the Purchase Price; or (iv) the Termination Date.

Termination of the Lease Term will terminate all obligations of the Lessee to pay Lease Payments, except the payment of all Lease Payments accrued to the date of termination of this Lease, and will terminate the Lessee's rights to use, possess or occupy the Project (unless a conveyance of the Project to the Lessee has occurred).

If the Lessee determines, for any reason, to exercise its annual right to terminate this Lease, effective on the first day of the ensuing Fiscal Year, the Lessee must give written notice to such effect to the Lessor and the Administrator not later than 30 days before that effective date; provided that a failure to give such notice will not constitute an Event of Default nor prevent the Lessee from terminating this Lease nor result in any liability on the part of the Lessee (except for the payment of all Lease Payments accrued prior to the termination of this Lease). The exercise by the Lessee of its annual option to terminate this Lease will be conclusively determined by the occurrence of an Event of Nonappropriation as provided in **Section 8**. Unless and until terminated as provided above, the Lease Term will continue in effect from Fiscal Year to Fiscal Year. The Lessee's obligations under this Lease will be subject to the Lessee's annual right to terminate this Lease and will not constitute a mandatory charge or requirement in any future Fiscal Year. No provision of this Lease will be construed as creating a general obligation or other indebtedness of the Lessee within the meaning of any constitutional, charter or statutory debt limitation.

Section 6. Base Rent. Subject to **Sections 5** and **8**, the Lessee shall pay Base Rent in the amounts and at the times set forth in **Exhibit B**. **Exhibit B** may be amended at any time to reamortize the Principal Components if (a) moneys are transferred from the Project Fund upon completion of the Project or (b) the Lessee prepays a portion of the unpaid Principal Components as provided in **Section 20**. **Exhibit B** will be revised on the Reset Date to reflect the Interest Rate applicable for the Reset Rate Period.

If **Exhibit B** is to be modified, the Administrator will send a revised **Exhibit B** (identified by date or other means) to the Lessee and Lessor via facsimile or electronic mail. Said amendment will become effective and will for all purposes become a part of this Lease and will reflect Base Rent to be paid by the Lessee for subsequent periods (unless **Exhibit B** is further amended as provided in this Section) upon the earlier of the acknowledgment thereof by the Lessee or automatically on the next payment date set forth in the revised **Exhibit B**.

The Lessee will pay Additional Rent within 15 days after a written request therefor is mailed to the Lessee by or on behalf of the Lessor.

Any Lease Payment that is not paid when due shall bear interest thereon at the Late Payment Rate to the extent permitted by law. To the extent the Lessor advances any funds for the payment of any amounts due hereunder or to cure any Event of Default, the Lessee shall immediately reimburse the Lessor therefor with interest accrued on such amount at the Late Payment Rate to the extent permitted by law. Amounts due pursuant to this paragraph will be deemed to be Additional Rent due and payable when incurred and without further written demand therefor.

Each Lease Payment will be applied to amounts then due and payable (a) first to the Interest Component of Base Rent, (b) second to the portion of the Principal Component then due, (c) third to Additional Rent, and (d) fourth to the components of Base Rent that are not Interest Component or Principal Component (and pro-rata between the Administrative Fee, the fees due to the Disbursing Agent and any fees due to the Escrow Agent if insufficient to pay all such fees).

This Lease will be deemed and construed to be a "net lease," and the Lessee will pay absolutely net during the Lease Term, the Lease Payments and all other payments required hereunder, free of any deductions, and without abatement, deduction or set-off (other than credits against Lease Payments expressly provided for in this Lease). Notwithstanding any dispute between the Lessee and the Lessor or a dispute between the Lessee and any Project-related vendors or contractors, the Lessee shall make all Lease Payments when due and shall not withhold any Lease Payments pending final resolution of such

dispute nor shall the Lessee assert any right of set-off or counterclaim against its obligations to make such payments required under this Lease.

Lease Payments shall be payable to the Disbursing Agent, on behalf of the Lessor, at such place as the Disbursing Agent may from time to time designate in writing, as initially set forth in **Exhibit B** hereto, or as otherwise agreed to by the Disbursing Agent and the Lessee for the electronic transfer of payments.

Section 7. Actions Relating to Tax Exemption of Interest Components.

(a) The Lessor and the Lessee each will restrict the use of moneys realized under this Lease or otherwise in connection with the financing of the Project in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time of entering into this Lease, so that there will not exist at any time any obligation in connection with this Lease or the Project that constitutes an obligation the interest on which is includable in gross income for federal income tax purposes or constitutes an "arbitrage bond" under Section 148 of the Code. Any officer of the Lessor or the Lessee having responsibility with respect to the execution and delivery of this Lease shall, alone or in conjunction with any other officer, employee or agent of or consultant to the Lessor or the Lessee, give an appropriate certificate of the Lessor or the Lessee pursuant to Sections 103 and 148 of the Code, setting forth the reasonable expectations of the Lessor or the Lessee on the date of entering into this Lease regarding this Lease and the use of those moneys. The Lessee agrees to complete and file or cause to be completed and filed in a timely manner an information reporting return on IRS Form 8038-G with respect to this Lease as required by the Code.

(b) The Lessee will not use the Project, or permit the Project to be used, in such a manner as would result in the loss of the exclusion from gross income for federal income tax purposes of the Interest Components afforded under Section 103(a) of the Code.

(c) The Lessor will take all action required to maintain exclusion from gross income for federal income tax purposes afforded under Section 103(a) of the Code of the Interest Components.

(d) If the Lessee takes any action or fails to take any action that results in the Interest Components being finally determined by the Internal Revenue Service or a court of competent jurisdiction to be includible in gross income for federal income tax purposes, the Interest Components shall be recalculated at a rate equal to the Taxable Interest Rate from the date that the Interest Components are determined to be includable in gross income for federal income tax purposes and the Interest Components on **Exhibit B** shall be amended accordingly. As soon as practical after receipt of a statement from the Lessor itemizing such amounts, the Lessee shall pay to the Lessor any increased Interest Component allocable to Lease Payments that have become due, plus any penalties and interest payable by the Lessor as a result of such loss of the tax-exempt status of the Interest Components.

(e) The Lessee will comply with the Escrow Agreement and the Tax Agreement.

Section 8. Authority and Authorization; Nonappropriation by the Lessee. The Lessee represents, covenants and warrants that: (a) the Lessee is a political subdivision of the State, duly organized and validly existing under and by virtue of the laws of the State; (b) the execution, delivery and performance by the Lessee of this Lease have been duly authorized by all necessary action on the part of the Lessee; and (c) this Lease, the Escrow Agreement and the Tax Agreement constitute legal, valid and binding obligations of the Lessee enforceable in accordance with their respective terms, subject to any applicable bankruptcy, insolvency, moratorium, reorganization or other laws or equitable principles of general application affecting remedies or creditors' rights. The Lessee agrees and warrants that:

(i) subject to its rights under **Section 5** and this Section it will do or cause to be done all things necessary to preserve and keep this Lease, the Escrow Agreement and the Tax Agreement in full force and effect; (ii) it has complied with all requirements applicable to it, and has taken all steps for approval of this Lease, the Escrow Agreement and the Tax Agreement as valid obligations on its part; and (iii) sufficient funds are appropriated to pay all amounts due under this Lease for the current Fiscal Year.

If the Lessee fails, for any reason, to duly enact by at least 30 days before the end of the then current Fiscal Year an appropriation authorization for the ensuing Fiscal Year which includes amounts required to pay all Lease Payments to become due during that Fiscal Year, or on any earlier date on which the Lessor receives notice from the Lessee that this Lease will be terminated, an Event of Nonappropriation will be deemed to have occurred.

If an Event of Nonappropriation occurs, the Lessee will not be obligated to make Lease Payments or any other payments provided for herein beyond the amounts specifically appropriated by the Lessee for the Fiscal Year during which such Event of Nonappropriation occurs; provided that, the Lessee will continue to be liable for Lease Payments allocable to any period during which the Lessee continues to use, occupy or retain possession of the Project.

The Lessee will vacate and/or surrender the Project to the Lessor by the first day of the Fiscal Year following an Event of Nonappropriation. The surrender of any movable personal property comprising a portion of the Project will consist of delivering such property to the Lessor at a site within the jurisdiction of the Lessee selected by the Lessor.

Upon the occurrence of an Event of Nonappropriation, all amounts on deposit in the Project Fund will be applied as provided in **Section 4**. After the expiration of the Fiscal Year during which an Event of Nonappropriation occurs, the Lessor may proceed to repossess and liquidate or release or otherwise dispose of the Project or any portion thereof and may take one or any combination of steps described in **Section 24**.

Section 9. Title.

(a) The Lessee will retain title to the Project during the Lease Term, subject to the Lessor's rights under this Lease and the Base Lease. The Base Lease, this Lease or any other appropriate documents may be filed or recorded to evidence the parties' respective interests in the Project. Title to any equipment, furnishings, vehicles and other personal property included in the Project shall immediately and without any action by the Lessee vest in the Lessor and the Lessee shall immediately surrender possession of the Project to the Lessor upon (i) any termination of this Lease without the Lessee exercising its option to purchase the Project pursuant to **Section 20** or (ii) the occurrence of an Event of Default or an Event of Nonappropriation. In any of such cases, the Lessee will execute such instruments and do such things as the Lessor reasonably requests and as may be required by law in order to effect such transfer.

(b) The Lessee will during the Lease Term peaceably and quietly have and hold and enjoy the Project without suit, trouble or hindrance from the Lessor, except as expressly required or permitted by this Lease. The Lessor will, at the request of the Lessee and at the cost of the Lessee, join and cooperate fully in any legal action regarding the Project, and the Lessee may, at its own expense, join in any legal action affecting the Project.

(c) The Lessor's interest in the Project shall pass to the Lessee without cost upon (i) the Lessee's exercise of the Purchase Option granted in **Section 20**, or (ii) the complete payment and

performance by the Lessee of all of its obligations during the Lease Term if the Lease Term extends to the Termination Date.

Section 10. Sale or Assignment by the Lessee. The Lessee will not sell, lease, assign, transfer, pledge, grant a security interest in or otherwise dispose of all or any of the Project or this Lease or any interest therein, except for Permitted Encumbrances, without the Lessor's prior written consent.

Section 11. Use; Maintenance and Repair.

(a) The Lessee will: (i) use the Project in a careful manner for the use contemplated by this Lease and the applicable laws of the State with respect to public property; (ii) comply with all laws, insurance policies and regulations relating to the use and maintenance of the Project; and (iii) pay all costs, claims, damages, fees and charges arising out of its possession, use or maintenance of the Project.

(b) The Lessee, at its expense, will: (i) keep the Project in good condition and furnish all parts, mechanisms and devices required therefor, and (ii) obtain and maintain any governmental licenses and permits required for ownership of the Project.

(c) The Lessee will maintain, or by contract provide for the proper maintenance of, the Project in accordance with this **Section 11** during the Lease Term.

(d) The Lessor will not impair the Lessee's abilities to maintain the Project during the Lease Term.

Section 12. Alterations. Following completion of the Project, the Lessee will not make any alterations, additions, substitutions or replacements to the Project that would have a material adverse effect on either the nature of the Project or the functionality or value of the Project. Any alterations, additions or improvements to the Project and any substitutions or replacements, shall be and be considered to constitute a part of the Project.

The Lessee may also install machinery, equipment and other tangible property in or on the Project; provided that such machinery, equipment and other tangible property which becomes permanently affixed to the Project will be subject to this Lease if the Lessor reasonably determines that the Project would be damaged or impaired by the removal of such machinery, equipment or other tangible property.

Section 13. Replacement and Substitution of Equipment. The Lessee will not be under any obligation to renew, repair or replace any inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary equipment. In any instance where the Lessee determines that any equipment has become inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary, the Lessee may remove that equipment from the Project and sell, trade-in, exchange or otherwise dispose of it as a whole or in part without any responsibility or accountability to the Lessor or any assignee of the Lessor therefor, provided that the Lessee will either:

(a) Substitute (by direct payment of the costs thereof or by designating as equipment, machinery or other personal property, other than property included as part of the Project pursuant to **Section 11.2**) and install anywhere in or on the Project, other equipment, machinery or related property having equal or greater value and utility (but not necessarily having the same function) in the operation of the Project; or

(b) Not make any such substitution and installation, provided that the Lessee will pay to the Lessor (i) in the case of the sale of any of that equipment to anyone other than itself, or in the case of the scrapping thereof, as a prepayment of Base Rentals for application as agreed to by the Lessor and the Lessee, the net proceeds from the sale or the scrap value thereof, as the case may be, (ii) in the case of the trade-in of that equipment for other machinery, equipment or related property not to be installed in or on the Project, for application as agreed to by the Lessor and the Lessee, the amount of the credit received by it in the trade-in and (iii) in the case of the sale of any of that equipment to the Lessee, or in the case of any other disposition thereof, the amount equal to the original cost thereof paid out of the Project Fund.

The removal from the Project of any portion of the equipment pursuant to this Section will not entitle the Lessee to any postponement, abatement or diminution of the Base Rentals or Additional Rentals required to be paid under **Section 6.1**.

The Lessee will promptly report in writing to the Lessor each removal, substitution, sale or other disposition under this Section and will pay to the Lessor all amounts required by **Section 13(b)** promptly after any subsequent sale, scrapping, trade-in or other disposition requiring such payment. All substituted machinery, equipment or related property installed pursuant to this Section will be free of all liens and encumbrances (other than Permitted Encumbrances) and will become a part of the Project. The Lessee will not remove, or permit the removal of, any of the equipment from the Project except in accordance with this Section. At the Lessee's expense, the Lessor and its assignees will cooperate with the Lessee in implementing the Lessee's rights to dispose of equipment pursuant to this Section and will execute any and all conveyances, releases or other documents necessary or appropriate in connection therewith.

Section 14. Taxes, Other Governmental Charges and Utility Charges. If the Project or any portion thereof is, for any reason, deemed subject to taxation, assessments or charges lawfully made by any governmental body, the Lessee will, during the Lease Term, pay all such taxes, assessments and governmental charges when due. With respect to special assessments or other governmental charges which may be lawfully paid in installments over a period of years, the Lessee will be obligated to provide only for such installments as are required to be paid during the then current Fiscal Year. The Lessee will not allow any liens for taxes, assessments or governmental charges with respect to the Project or any portion thereof to become delinquent (including any taxes levied upon the Project or any portion thereof which, if not paid, will become a charge on the rentals and receipts from the Project or any portion thereof, or any interest therein, including the interest of the Lessor or the rentals and revenues derived therefrom or hereunder). The Lessee will also pay, as the same respectively become due, all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance and upkeep of the Project.

The Lessee may, at the expense and in the name of the Lessee, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments, utility or other charges so contested to remain unpaid during the period of the contest and any appeal therefrom unless the Lessor notifies the Lessee that, in the opinion of counsel acceptable to the Lessor (whose fees and expenses shall be paid by the Lessee), by nonpayment of any such items the security afforded pursuant to this Lease may be materially endangered or the Project or any portion thereof will be subject to loss or forfeiture, or the Lessor will be subject to liability, in which event those taxes, assessments, utility or other charges will be paid forthwith.

Section 15. Location; Inspection. The Lessor will be entitled to enter upon the Project or elsewhere during reasonable business hours to inspect or observe the use of the Project.

Section 16. Liens and Encumbrances. Except for Permitted Encumbrances, the Lessee and the Lessor shall keep the Project free and clear of all liens and encumbrances.

Section 17. Risk of Loss; Damage; Destruction. The Lessee assumes all risk of loss or damage to the Project from any cause whatsoever. No loss of or damage to, or appropriation by governmental authorities of, or defect in or unfitness or obsolescence of, the Project will relieve the Lessee of the obligation under this Lease. The Lessee will promptly repair or replace any portions of Project lost, destroyed, damaged or appropriated which are necessary to maintain the Project in sound operating condition so that at all times during the Lease Term the Project will be able to carry out its intended functions.

The net proceeds of any insurance policies, performance bonds, condemnation awards or net proceeds received as a consequence of default or breach of warranty under a construction contract or other contract relating to the Project will be deposited in the Project Fund, if received before the completion of the Project, or, if received thereafter, will be deposited in a separate account established by the Escrow Agent pursuant to the Escrow Agreement that the Lessor, the Lessee and the Administrator shall enter into with the Escrow Agent and will be applied in the same manner described in **Section 4**. The balance remaining after repair, restoration, modification, improvement or replacement of the Project has been completed will be applied to satisfy payment of Lease Payments.

Section 18. Insurance. The Lessee, at its expense, will cause casualty and property damage insurance with a company or self insurance fund acceptable to the Lessor to be carried and maintained with respect to the Project in an amount equal to the unpaid Principal Components or the replacement cost (excluding land and foundations) of the Project, if less than such Principal Components. Any casualty and property damage insurance policy required by this Section will name the Lessor and the Administrator as additional named insureds and loss payees (for application as provided in **Section 17**). The requirement for casualty and property damage insurance shall not effective until the Lessee has an insurable interest in the Project. Until such time, the Lessee may meet this requirement by causing a builder's risk or other similar insurance policy to cover the Project.

The Lessee will cause public liability insurance to be carried and maintained with a company or self-insurance fund reasonably acceptable to the Lessor with respect to the Project in such amount as is reasonably acceptable to the Lessor. Any public liability insurance policy required by this Section will name the Lessor and the Administrator as additional named insureds.

The Lessee, at its expense, and only if a Base Lease is executed, will obtain a leasehold policy of title insurance insuring the leasehold interest under the Base Lease of the Lessor in an amount equal to the aggregate amount of the Principal Components and subject only to such exceptions as shall be acceptable to the Lessor, with such endorsements and affirmative coverages as may be reasonably required by the Lessor, including endorsements respecting zoning and access to public roads, and otherwise in form and substance satisfactory to the Lessor and issued by a company acceptable to the Lessor and authorized to issue such insurance in the State.

The Lessee shall cause the Administrator to be furnished annually with evidence of the insurance required by this Section and, if requested by the Administrator, copies of the policies of insurance required by this Section.

Section 19. Financial Reports; Budgets; Inspection. The Lessee will provide the Lessor and the Administrator with a copy of the Lessee's annual audited financial report within 220 days of its Fiscal Year end; provided that, if its audited financial report is not available by such date, the Lessee will provide a compilation of its financial information in form and content acceptable to the Lessor. The

Lessee will immediately notify the Lessor, the Disbursing Agent and the Administrator of any Event of Default or Event of Nonappropriation or any circumstance or event that, with the passage of time or the giving of notice or both, would qualify as an Event of Default. The Lessee shall file a copy of its annual budget with the Lessor and the Administrator upon adoption. The Lessor, the Administrator and their respective authorized representatives shall at any time during normal business hours after reasonable notice to the Lessee have the right to enter the premises where the Project may be located for the purpose of inspecting and examining the Project and its condition, use, and operation and the books and records of the Lessee.

Section 20. Purchase Option; Partial Prepayment; Determination of Fair Purchase Price.

(a) The Lessee, upon 30 days prior written notice to the Lessor and the Administrator, shall have the right to purchase the Project in whole, but not in part, on any Purchase Date by paying to the Lessor all Lease Payments then due together with the Purchase Price relating to that Purchase Date.

(b) Notwithstanding subparagraph (a) above, the Lessee may prepay the Principal Components in part, at any time, upon giving written notice to the Lessor at least 30 days before the prepayment date (unless shorter notice is satisfactory to the Lessor), at the prepayment price equal to 100% of the Principal Component of Rental Payments being so prepaid plus the Interest Component of Rental Payments accrued thereon to such prepayment date. The Principal Component of Lease Payments prepaid pursuant to the provisions of this subparagraph will be in integral multiples of $0.01 and will be credited in such order of stated payment dates as is determined by the Lessee. Upon any partial prepayment, the amount of each Interest Component of Lease Payments coming due thereafter will be reduced by the amount of such Interest Component attributable to such prepaid Principal Component determined by applying the annual interest rate corresponding to such prepaid Principal Component as shown on **Exhibit B**. Upon a partial prepayment pursuant to pursuant this subsection, the Lessor shall revise **Exhibit B** to reflect the partial prepayment and send a revised copy of **Exhibit B** via facsimile or electronic mail to the Lessee.

Section 21. Release and Indemnification Covenants.

(a) The Lessor, the Disbursing Agent and the Administrator shall not be liable for and, to the extent permitted by law, the Lessee releases the Lessor, the Disbursing Agent and the Administrator from and agrees to indemnify and save the Lessor, the Disbursing Agent and the Administrator (each, an "Indemnitee") harmless against and from any or all claims, by or on behalf of any person, firm, corporation or other legal entity, and all liabilities, obligations, losses and damages whatsoever, regardless of the cause thereof and the expenses, penalties and fees in connection therewith (including counsel fees and expenses), arising from or as a result of the operation, ordering, ownership, acquisition, construction, use, condition, delivery, rejection, storage, return or management of the Project during the Lease Term, or the entering into of this Lease or any other document or instrument relating thereto (collectively, "Indemnified Claims"), including, but not limited to: (i) any condition of the Project; (ii) any act of negligence of the Lessee or of any of the agents, contractors or employees or any violation of law by the Lessee or breach of any covenant or warranty by the Lessee hereunder; (iii) any accident in connection therewith resulting in damage to property or injury or death to any person; and (iv) the incurring of any cost or expense in connection with the acquisition of the Project in excess of the moneys available therefor in the Project Fund. To the extent permitted by law, the Lessee will indemnify and save each Indemnitee harmless from any such Indemnified Claim, or in connection with any action or proceeding brought thereon and, upon notice from such Indemnitee, will defend or pay the cost of defending such Indemnitee, in any such action or proceeding.

(b) The Lessee shall not be liable for and the Lessor and the Disbursing Agent release the Lessee from and agree to indemnify and save harmless the Lessee against and from any and all cost, liability, expenses and claims arising from any breach or default on the part of the Lessor or the Disbursing Agent in the performance of any covenant or agreement on the part of the Lessor or the Disbursing Agent to be performed pursuant to the terms of this Lease, or arising from any act or negligence of or failure to act by the Lessor or the Disbursing Agent, or any of its agents, contractors, servants, employees, or licensees, and from and against all cost, liability and expenses incurred in or in connection with any such claim or action or proceeding brought thereon; and in case any action or proceeding be brought against the Lessee by reason of any such claim, the Lessor and the Disbursing Agent, upon notice from the Lessee, each covenant to resist or defend such action (using counsel acceptable to the Lessee, as the case may be) or proceedings at such parties' expense.

(c) The releases and indemnifications under this Section will continue in full force and effect notwithstanding the full payment of all obligations under this Lease or the termination of this Lease or the Base Lease for any reason.

Section 22. Assignments by the Lessor. The Lessor may, at any time and from time to time without the Lessee's consent, assign, transfer or otherwise convey all of its interest in the Project or this Lease, including the Lessor's rights to receive the Lease Payments (in which event the Lessee agrees to make all Lease Payments thereafter to the assignee designated by the Lessor), and to repossess the Project and exercise the Lessor's other rights and remedies under **Section 24** or, subject to the conditions specified below, part of its interest therein; provided that (a) any assignment shall not be effective until the Lessee has received written notice, signed by the assignor, of the name, address and tax identification number of the assignee, and (b) any assignment shall not be effective until it is registered on the registration books kept by the Lessee. The Lessee shall retain all such notices as a register of all assignees and shall make all payments to the assignee or assignees designated in such register. The Lessor's interest in this Lease cannot be fractionalized, nor can certificates of participation in this Lease be executed and delivered by the Lessor, without the prior written consent of the Lessee and then only if such fractionalizations or certificates of participation are sold on a private placement basis (and not pursuant to any "public offering") to a purchaser(s) who represents that (i) such purchaser has sufficient knowledge and experience in financial and business matters to be able to evaluate the risks and merits of the investment (ii) such purchaser understands neither this Lease nor the certificates will be registered under the Securities Act of 1933, as amended, (iii) such purchaser is a qualified institutional buyer within the meaning of Rule 144A, and (iv) that it is the intention of such purchaser to acquire such fractionalizations or certificates for investment for its own account. The Lessee will acknowledge any notices of assignment that may be reasonably requested by the Lessor or any assignee to protect its interests in this Lease.

Section 23. Events of Default. The occurrence of any one or more of the following events constitutes an "Event of Default" under this Lease:

(a) The Lessee's failure to make any Lease Payment (or any other payment) as it becomes due in accordance with the terms of this Lease;

(b) The Lessee's failure to vacate or surrender the Project by the beginning of the Fiscal Year following an Event of Nonappropriation as provided in **Section 8**;

(c) The Lessee's failure to perform or observe any other covenant, condition or agreement to be performed or observed by it under this Lease or any document delivered by the Lessee pursuant to or in connection with this Lease, and the failure is not cured or steps

satisfactory to the Lessor taken to cure the failure, within 30 days after written notice of the failure to the Lessee by the Lessor;

(d) The discovery by the Lessor that any material statement, representation or warranty made by the Lessee in this Lease or in any writing delivered by the Lessee pursuant to or in connection with this Lease is false, misleading or erroneous in any material respect; or

(e) An order, judgment or decree will be entered by any court of competent jurisdiction approving a petition or appointment a receiver, trustee, custodian or liquidator of the Lessee or of all or a substantial part of the assets of the Lessee, in each case without its application, approval or consent, and such order, judgment or decree will continue unstayed and in effect for any period of 30 consecutive days.

Section 24. Remedies. Upon the occurrence of an Event of Default, and as long as the Event of Default is continuing, the Lessor may, at its option, exercise any one or more of the following remedies as to the Project, to whichever the Event of Default pertains:

(a) Terminate the Lease Term and give notice to the Lessee to vacate or surrender the Project within 60 days from the date of such notice;

(b) By written notice to the Lessee, enter and take immediate possession of the Project;

(c) Recover from the Lessee:

(i) the Lease Payments which would otherwise have been payable hereunder during any period in which the Lessee continues to use, occupy or retain possession of the Project; and

(ii) Lease Payments which would otherwise have been payable hereunder after the Lessee vacates or surrenders the Project during the remainder of the Fiscal Year in which such Event of Default occurs;

(d) Sell or lease the Lessor's interest in the Project or sublease it for the account of the Lessee, holding the Lessee liable for all Lease Payments and other payments due during the remainder of the Fiscal Year in which the Event of Default occurs (if not collected under clause (c) above) to the extent that such selling, leasing or subleasing fails to provide amounts that are sufficient to pay all past due Lease Payments, the other remaining Principal Components listed on **Exhibit B** and any other amounts due to the Lessor under this Lease, with any proceeds of the sale of the Project being applied first to all past due Lease Payments, second to pay the Lessor an amount up to the aggregate of the remaining Principal Components listed on **Exhibit B**, third to any other amounts that are due to the Lessor under this Lease, and with any remainder to be paid to the Lessee; and

(e) Exercise any other right, remedy or privilege which may be available to it under the applicable laws of the State or any other applicable law, subject to the limitations contained in this Lease with respect to the Lessee's obligations upon the occurrence of an Event of Nonappropriation; or proceed by appropriate court action to enforce the terms of this Lease or to recover damages for the breach of this Lease or to rescind this Lease as to any or all of the Project, including, but not limited to, any one or more remedial steps available to secured parties under Article 9 of the UCC or which are otherwise accorded to the Lessor by law.

The Lessee will remain liable for all covenants and obligations under this Lease, and for all legal fees and other costs and expenses, including court costs awarded by a court of competent jurisdiction, incurred by the Lessor or the Administrator with respect to the enforcement of any of the remedies under this Lease, when a court of competent jurisdiction has finally adjudicated that an Event of Default has occurred and enforced the remedies set forth in this Section.

Section 25. Personal Property. If no Base Lease is executed and delivered in connection with this Lease, (a) the Project is and will remain personal property, (b) the Project will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Project or any part thereof may be or hereafter become in any manner physically affixed or attached to that real estate or any building thereon and (c) upon the request of the Lessor, the Lessee will, at the Lessee's expense, furnish a waiver of any interest in the Project from any party having an interest in any such real estate or building.

If a Base Lease is executed and delivered in connection with this Lease, any portion of the Project not located on the land that is subject to the Base Lease, (i) is and will remain personal property; and (ii) will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Project or any part thereof may be or hereafter become in any manner physically affixed to that real estate or any building thereon. Upon the request of Lessor, the Lessee will, at the Lessee's expense, furnish a waiver of any interest in that portion of the Project from any party having an interest in any such real estate or building.

Section 26. Notices. All notices, certificates, requests or other communications hereunder will be in writing and mailed (postage prepaid, and certified or registered with return receipt requested) or delivered (including delivery by courier service) to the addresses listed on the cover page hereof.

Any of the parties hereto may, by notice given hereunder to each of the others, designate any further or different addresses to which subsequent notices, certificates, requests or other communications will be sent hereunder. All notices, certificates, requests and other communications pursuant to this Lease will be effective when received (if given by mail) or when delivered (if given by delivery).

Section 27. Governing Law. This Lease shall be construed in accordance with and governed by the laws of the State.

Section 28. Delivery of Related Documents. The Lessee will execute or provide, as requested by the Lessor, such other documents and information as are reasonably necessary with respect to the transaction contemplated by this Lease. This Lease or any other appropriate documents may be filed or recorded to evidence the parties' respective interests in the Project.

Section 29. Special Representations and Covenants of the Lessor. The Lessor represents that it is in good standing under the laws of the state of its incorporation and in good standing under the laws of the State of Missouri. The Lessor has full and complete power to enter into this Lease and to enter into and carry out the transactions contemplated hereby, and to carry out its obligations under this Lease; is possessed of full power to own and hold real and personal property, and to lease the same; and has duly authorized the execution and delivery of this Lease.

Section 30. Special Representations and Covenants of the Lessee. The Lessee represents, covenants and warrants that (a) it is a political subdivision of the State; (b) it has full power and authority to enter into and to perform its obligations under this Lease and all related documents; (c) it has duly authorized this Lease, the Base Lease, the Tax Agreement, the Escrow Agreement and all related

documents; (d) this Lease, the Base Lease, the Tax Agreement, the Escrow Agreement and all related documents are valid, legal and binding obligations of the Lessee, enforceable against the Lessee in accordance with their respective terms subject to any applicable bankruptcy, insolvency, moratorium, reorganization or other laws or equitable principles of general application affecting remedies or creditors' rights; (e) the execution and delivery of this Lease, the Base Lease, the Tax Agreement, the Escrow Agreement and all related documents does not conflict with or result in a breach of the terms of any agreement or instrument by which the Lessee is bound, or conflicts with or results in a violation of any provision of law or regulation applicable to the Lessee; (f) there is no action, suit, proceeding or investigation before or by any court or public body wherein an unfavorable decision would materially and adversely affect the transactions contemplated by this Lease, the Base Lease, the Tax Agreement, the Escrow Agreement and all related documents; (g) it will not take or permit, or omit to take or cause to be taken, any action that would adversely affect the exclusion from gross income for federal income tax purposes of the Interest Components; (h) the Project furthers the Lessee's governmental purposes, serves a public purpose and is in the best interests of the Lessee, and at the time of execution and delivery of this Lease, the Lessee intends to annually appropriate the Lease Payments due hereunder; and (i) during the Lease Term, the Project will at all times be used only for the purpose of performing one or more lawful governmental functions of the Lessee.

Section 31. DISCLAIMER OF WARRANTIES. NEITHER THE LESSOR NOR THE ADMINISTRATOR MAKE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF ANY PORTION OF THE PROJECT OR AS TO ITS TITLE THERETO OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROJECT.

Section 32. Entire Agreement; Amendment; Severability; Beneficiaries.

(a) This Lease, together with all attachments, exhibits and other documents or instruments executed by the Lessee and the Lessor in connection with this Lease, constitute the entire agreement between the parties with respect to the lease of the Project.

(b) This Lease may not be modified, amended, altered or changed except with the written consent of the Lessee and the Lessor.

(c) In any provision of, or any covenant, obligation or agreement contained in this Lease is determined by a court to be invalid or unenforceable, that determination shall not affect any other provision, covenant, obligation or agreement, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained in this Lease. The invalidity or unenforceability shall not affect any valid or enforceable application thereof, and each such provision, covenant, obligation or agreement shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

(d) No person other than a party hereto and the Administrator, will have any right, remedy or claim under or by reason of this Lease or otherwise be a third-party beneficiary of any rights, remedies, claims or agreements hereunder.

Section 33. Costs and Expenses of the Lessor, the Disbursing Agent and the Administrator. To the extent permitted by law and as provided in the Program Administration Agreement, the Lessee shall pay to the Disbursing Agent, on behalf of Lessor, in addition to the Lease Payments payable by the Lessee hereunder, such amounts in each year as shall be required by the Lessor, the Disbursing Agent or the Administrator in payment of any reasonable costs and expenses incurred by the Lessor, the Disbursing

Agent or the Administrator in connection with the enforcement of this Lease due to the Lessee's failure to comply with this Lease, including payment of all reasonable fees, costs and expenses and all administrative costs of the Lessor, the Administrator and the Disbursing Agent in connection with the Project, expenses (including attorneys' fees and disbursements), fees of auditors or attorneys, insurance premiums not otherwise paid hereunder and all other direct and necessary administrative costs of the Lessor, the Administrator and the Disbursing Agent or charges required to be paid by them in order to enforce their rights under this Lease. Such costs and expenses shall be billed to the Lessee by the Disbursing Agent, on behalf of the Lessor, from time to time, together with a statement certifying that the amount so billed has been paid by the Lessor, the Administrator or the Disbursing Agent for one or more of the items above described, or that such amount is then payable by the Lessor, the Administrator or the Disbursing Agent for such items. Amounts so billed shall be due and payable by the Lessee within 30 days after receipt of the bill by the Lessee and shall be treated as Additional Rent hereunder, except in as much as the Lessee will have 30 days instead of 15 days to effect payment thereof.

Section 34. Multiple Counterparts; Electronic Transaction. This Lease may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument, and any of the parties hereto may execute this Lease by signing any such counterpart, provided that only the original of this Lease marked "Original: 1 of 3" on the execution page thereof shall constitute chattel paper under the UCC. In addition, the transaction described herein may be conducted and this Lease and related documents may be sent, received or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 35. Successors and Assigns; Third-Party Beneficiary. Subject to **Sections 10** and **22**, this Lease inures to the benefit of the parties hereto and the Administrator and their successors and assigns and is binding upon the parties hereto and their successors or assigns.

Section 36. Immunity of Officials and Employees of the Lessee. No recourse shall be had upon any representation, obligation, covenant or agreement in this Lease or otherwise related to this Lease or for any claim based thereon against any past, present or future official or employee of the Lessee, and all such liability of any such officials and employees as such is hereby expressly waived and released as a condition of and consideration for the execution of this Lease.

Section 37. Administrator's Role. The Administrator is not and shall not be responsible for (a) monitoring the Lessee's compliance with this Lease, the Base Lease, the Tax Agreement or the Escrow Agreement, (b) the acquisition, construction, installation, existence, maintenance, condition, operation, ownership or use of, or any security or other interest in, the Project, (c) the availability, existence, use or investment of any moneys in the Project Fund or other moneys provided by the Lessor or the Lessee, or (d) for the exercise of any remedies under this Lease, the Base Lease, the Tax Agreement or the Escrow Agreement. The Administrator has not acted and will not act as a fiduciary for the Lessee or as the Lessee's agent or municipal advisor. The Administrator has not and will not provide financial, legal, tax, accounting or other advice to the Lessee or to any financial advisor or placement agent engaged by the Lessee with respect to this Lease. The Lessee, its financial advisor, placement agent or municipal advisor, if any, shall each seek and obtain its own financial, legal, tax, accounting and other advice with respect to this Lease from its own advisors (including as it relates to structure, timing, terms and similar matters).

IN WITNESS WHEREOF, the parties have executed this Lease by their authorized officers as of the Commencement Date.

CENTRAL BANK OF THE MIDWEST, as Lessor

By: _____
Title: _____

CITY OF CAMERON, MISSOURI, as Lessee

By: _____
Title: Mayor

ACKNOWLEDGED:
MISSOURI ASSOCIATION OF MUNICIPAL UTILITIES, as Administrator

By: _____
Title: _____

ORIGINAL: __ OF 3

EXHIBIT A
DESCRIPTION OF PROJECT

ESTIMATED COST OF THE PROJECT:
$600,000

ESTIMATED DATE OF COMPLETION OF THE PROJECT:
September 1, 2020

DESCRIPTION:
The Project consists of the acquisition, construction and equipping of an approximately 2,184 square foot animal care facility, together with any and all replacement parts, additions, repairs, modifications, attachments and accessories thereto, any and all substitutions, replacements or exchanges therefor, and any and all insurance and/or proceeds thereof.

Specifically, the Project includes a pre-engineered metal building as described in more detail in the Written Request for Disbursement from the Project Fund

LOCATION:
The Project will be located at 521 S. Elm Street, Cameron, MO 64429.

This Description of Project shall be deemed to be supplemented by the descriptions of the Project included in the Written Requests for Disbursement from the Project Fund submitted to the Disbursing Agent, which descriptions shall be deemed to be incorporated herein.

EXHIBIT B
BASE RENT PAYMENTS

Payment Date	Principal Component	Interest Component	Administrative Fee (.15%)	Disbursing Agent Fee	Total Base Rent	Remaining Principal Component

See attached Payment Schedule.

The Lessee hereby acknowledges the Base Rent schedule is based on the Interest Rate for the Initial Rate Period and the Rate Reset Period being equal. However, the Interest Rate for the Rate Reset Period will be calculated as set forth in the Lease and a revised Base Rent schedule will be provided to the Lessee on the Reset Date. Additionally, Lessee will be provided a revised Base Rent schedule upon the prepayment of any portion of the Principal Component and the Remaining Principal Component following such prepayment shall be reamortized over the remaining term of the Lease.

The Interest Rate is (and shall be) computed on a 360-day year of 12 30-day months. The Base Rent includes the Interest Component, Principal Component and Administrative Fees payable under the Program Administration Agreement. The Payment Date is the due date for Base Rent under the Lease.

The Purchase Price shall be the Remaining Principal Component set forth above, plus the unpaid Interest Component accrued to the Purchase Date, plus all other amounts due under the Lease that remain unpaid on the Purchase Date.

The following fees and expenses shall be paid by the Lessee in connection with the execution and delivery of the Lease:

Fees and Expenses (Paid by Lessee and not from proceeds of the Lease)

Administrator's Initial Administrative Fee	Special Tax Counsel Fee	Disbursing Agent/ Escrow Agent Initial Set-Up Fee	Lessor Origination Fee
$1,800	$3,000	$300	$600

Unless Lessee has submitted a properly executed ACH Form, or as otherwise provided for the electronic transfer of payments, all Base Rent under the Lease shall be paid by check mailed to the Disbursing Agent, on behalf of the Lessor, as follows:

UMB Bank, N.A.
2 South Broadway, 6th Floor
St. Louis, Missouri 63102
Attention: Corporate Trust Department

CITY OF CAMERON, MISSOURI, LESSEE

By: _____
Title: Mayor

Missouri Association of Municipal Utilities - Central Bank

EXHIBIT B - SCHEDULE OF BASE RENTALS

Cameron Animal Care Facility
Fixed Rate Lease Projection (Closing)

Date	Base Rental Principal	Base Rental Interest * (30/360)	Annual Rate	0.15% Admin (30/360)	Disburse/ Escrow Agt	Adjustment	Adjustment Description	**Total Base Rental**	Total Annual Base Rental	Lease Balance
12/19/2019	*<-Lease Closing Date*							**-**		$600,000.00
1/20/2020	3,266.68	2,668.85	3.70%	105.00	125.00			**6,165.53**		$596,733.32
2/20/2020	4,126.01	1,839.93	3.70%	74.59	125.00			**6,165.53**		$592,607.31
3/20/2020	4,139.24	1,827.21	3.70%	74.08	125.00			**6,165.53**		$588,468.07
4/20/2020	4,152.53	1,814.44	3.70%	73.56	125.00			**6,165.53**		$584,315.54
5/20/2020	4,165.85	1,801.64	3.70%	73.04	125.00			**6,165.53**		$580,149.69
6/20/2020	4,179.22	1,788.79	3.70%	72.52	125.00			**6,165.53**		$575,970.47
7/20/2020	4,192.62	1,775.91	3.70%	72.00	125.00			**6,165.53**		$571,777.85
8/20/2020	4,206.08	1,762.98	3.70%	71.47	125.00			**6,165.53**		$567,571.77
9/20/2020	4,219.57	1,750.01	3.70%	70.95	125.00			**6,165.53**		$563,352.20
10/20/2020	4,233.11	1,737.00	3.70%	70.42	125.00			**6,165.53**		$559,119.09
11/20/2020	4,246.69	1,723.95	3.70%	69.89	125.00			**6,165.53**		$554,872.40
12/20/2020	4,260.31	1,710.86	3.70%	69.36	125.00			**6,165.53**	73,986.36	$550,612.09
1/20/2021	4,273.98	1,697.72	3.70%	68.83	125.00			**6,165.53**		$546,338.11
2/20/2021	4,287.70	1,684.54	3.70%	68.29	125.00			**6,165.53**		$542,050.41
3/20/2021	4,301.45	1,671.32	3.70%	67.76	125.00			**6,165.53**		$537,748.96
4/20/2021	4,315.25	1,658.06	3.70%	67.22	125.00			**6,165.53**		$533,433.71
5/20/2021	4,329.10	1,644.75	3.70%	66.68	125.00			**6,165.53**		$529,104.61
6/20/2021	4,342.98	1,631.41	3.70%	66.14	125.00			**6,165.53**		$524,761.63
7/20/2021	4,356.91	1,618.02	3.70%	65.60	125.00			**6,165.53**		$520,404.72
8/20/2021	4,370.90	1,604.58	3.70%	65.05	125.00			**6,165.53**		$516,033.82
9/20/2021	4,384.93	1,591.10	3.70%	64.50	125.00			**6,165.53**		$511,648.89
10/20/2021	4,398.99	1,577.58	3.70%	63.96	125.00			**6,165.53**		$507,249.90
11/20/2021	4,413.10	1,564.02	3.70%	63.41	125.00			**6,165.53**		$502,836.80
12/20/2021	4,427.27	1,550.41	3.70%	62.85	125.00			**6,165.53**	73,986.36	$498,409.53
1/20/2022	4,441.47	1,536.76	3.70%	62.30	125.00			**6,165.53**		$493,968.06
2/20/2022	4,455.71	1,523.07	3.70%	61.75	125.00			**6,165.53**		$489,512.35
3/20/2022	4,470.01	1,509.33	3.70%	61.19	125.00			**6,165.53**		$485,042.34
4/20/2022	4,484.35	1,495.55	3.70%	60.63	125.00			**6,165.53**		$480,557.99
5/20/2022	4,498.74	1,481.72	3.70%	60.07	125.00			**6,165.53**		$476,059.25
6/20/2022	4,513.17	1,467.85	3.70%	59.51	125.00			**6,165.53**		$471,546.08
7/20/2022	4,527.66	1,453.93	3.70%	58.94	125.00			**6,165.53**		$467,018.42
8/20/2022	4,542.18	1,439.97	3.70%	58.38	125.00			**6,165.53**		$462,476.24
9/20/2022	4,556.75	1,425.97	3.70%	57.81	125.00			**6,165.53**		$457,919.49
10/20/2022	4,571.37	1,411.92	3.70%	57.24	125.00			**6,165.53**		$453,348.12
11/20/2022	4,586.04	1,397.82	3.70%	56.67	125.00			**6,165.53**		$448,762.08
12/20/2022	4,600.75	1,383.68	3.70%	56.10	125.00			**6,165.53**	73,986.36	$444,161.33
1/20/2023	4,615.51	1,369.50	3.70%	55.52	125.00			**6,165.53**		$439,545.82
2/20/2023	4,630.32	1,355.27	3.70%	54.94	125.00			**6,165.53**		$434,915.50
3/20/2023	4,645.18	1,340.99	3.70%	54.36	125.00			**6,165.53**		$430,270.32
4/20/2023	4,660.08	1,326.67	3.70%	53.78	125.00			**6,165.53**		$425,610.24
5/20/2023	4,675.03	1,312.30	3.70%	53.20	125.00			**6,165.53**		$420,935.21
6/20/2023	4,690.03	1,297.88	3.70%	52.62	125.00			**6,165.53**		$416,245.18
7/20/2023	4,705.08	1,283.42	3.70%	52.03	125.00			**6,165.53**		$411,540.10
8/20/2023	4,720.17	1,268.92	3.70%	51.44	125.00			**6,165.53**		$406,819.93
9/20/2023	4,735.32	1,254.36	3.70%	50.85	125.00			**6,165.53**		$402,084.61
10/20/2023	4,750.51	1,239.76	3.70%	50.26	125.00			**6,165.53**		$397,334.10
11/20/2023	4,765.75	1,225.11	3.70%	49.67	125.00			**6,165.53**		$392,568.35
12/20/2023	4,781.04	1,210.42	3.70%	49.07	125.00			**6,165.53**	73,986.36	$387,787.31
1/20/2024	4,796.38	1,195.68	3.70%	48.47	125.00			**6,165.53**		$382,990.93
2/20/2024	4,811.77	1,180.89	3.70%	47.87	125.00			**6,165.53**		$378,179.16
3/20/2024	4,827.21	1,166.05	3.70%	47.27	125.00			**6,165.53**		$373,351.95
4/20/2024	4,842.69	1,151.17	3.70%	46.67	125.00			**6,165.53**		$368,509.26
5/20/2024	4,858.23	1,136.24	3.70%	46.06	125.00			**6,165.53**		$363,651.03
6/20/2024	4,873.81	1,121.26	3.70%	45.46	125.00			**6,165.53**		$358,777.22
7/20/2024	4,889.45	1,106.23	3.70%	44.85	125.00			**6,165.53**		$353,887.77
8/20/2024	4,905.14	1,091.15	3.70%	44.24	125.00			**6,165.53**		$348,982.63
9/20/2024	4,920.88	1,076.03	3.70%	43.62	125.00			**6,165.53**		$344,061.75
10/20/2024	4,936.66	1,060.86	3.70%	43.01	125.00			**6,165.53**		$339,125.09
11/20/2024	4,952.50	1,045.64	3.70%	42.39	125.00			**6,165.53**		$334,172.59
12/20/2024	4,968.39	1,030.37	3.70%	41.77	125.00			**6,165.53**	73,986.36	$329,204.20
1/20/2025	4,984.33	1,015.05	3.70%	41.15	125.00			**6,165.53**		$324,219.87
2/20/2025	5,000.32	999.68	3.70%	40.53	125.00			**6,165.53**		$319,219.55
3/20/2025	5,016.37	984.26	3.70%	39.90	125.00			**6,165.53**		$314,203.18
4/20/2025	5,032.46	968.79	3.70%	39.28	125.00			**6,165.53**		$309,170.72

Missouri Association of Municipal Utilities - Central Bank

EXHIBIT B - SCHEDULE OF BASE RENTALS

Cameron Animal Care Facility
Fixed Rate Lease Projection (Closing)

Date	Base Rental Principal	Base Rental Interest * (30/360)	Annual Rate	0.15% Admin (30/360)	Disburse/ Escrow Agt	Adjustment	Adjustment Description	**Total Base Rental**	Total Annual Base Rental	Lease Balance
5/20/2025	5,048.60	953.28	3.70%	38.65	125.00			**6,165.53**		$304,122.12
6/20/2025	5,064.80	937.71	3.70%	38.02	125.00			**6,165.53**		$299,057.32
7/20/2025	5,081.06	922.09	3.70%	37.38	125.00			**6,165.53**		$293,976.26
8/20/2025	5,097.35	906.43	3.70%	36.75	125.00			**6,165.53**		$288,878.91
9/20/2025	5,113.71	890.71	3.70%	36.11	125.00			**6,165.53**		$283,765.20
10/20/2025	5,130.12	874.94	3.70%	35.47	125.00			**6,165.53**		$278,635.08
11/20/2025	5,146.58	859.12	3.70%	34.83	125.00			**6,165.53**		$273,488.50
12/20/2025	5,163.08	843.26	3.70%	34.19	125.00			**6,165.53**	73,986.36	$268,325.42
1/20/2026	5,179.65	827.34	3.70%	33.54	125.00			**6,165.53**		$263,145.77
2/20/2026	5,196.27	811.37	3.70%	32.89	125.00			**6,165.53**		$257,949.50
3/20/2026	5,212.95	795.34	3.70%	32.24	125.00			**6,165.53**		$252,736.55
4/20/2026	5,229.67	779.27	3.70%	31.59	125.00			**6,165.53**		$247,506.88
5/20/2026	5,246.44	763.15	3.70%	30.94	125.00			**6,165.53**		$242,260.44
6/20/2026	5,263.28	746.97	3.70%	30.28	125.00			**6,165.53**		$236,997.16
7/20/2026	5,280.17	730.74	3.70%	29.62	125.00			**6,165.53**		$231,716.99
8/20/2026	5,297.11	714.46	3.70%	28.96	125.00			**6,165.53**		$226,419.88
9/20/2026	5,314.10	698.13	3.70%	28.30	125.00			**6,165.53**		$221,105.78
10/20/2026	5,331.15	681.74	3.70%	27.64	125.00			**6,165.53**		$215,774.63
11/20/2026	5,348.25	665.31	3.70%	26.97	125.00			**6,165.53**		$210,426.38
12/20/2026	5,365.42	648.81	3.70%	26.30	125.00			**6,165.53**	73,986.36	$205,060.96
1/20/2027	5,382.63	632.27	3.70%	25.63	125.00			**6,165.53**		$199,678.33
2/20/2027	5,399.90	615.67	3.70%	24.96	125.00			**6,165.53**		$194,278.43
3/20/2027	5,417.22	599.03	3.70%	24.28	125.00			**6,165.53**		$188,861.21
4/20/2027	5,434.60	582.32	3.70%	23.61	125.00			**6,165.53**		$183,426.61
5/20/2027	5,452.03	565.57	3.70%	22.93	125.00			**6,165.53**		$177,974.58
6/20/2027	5,469.53	548.75	3.70%	22.25	125.00			**6,165.53**		$172,505.05
7/20/2027	5,487.08	531.89	3.70%	21.56	125.00			**6,165.53**		$167,017.97
8/20/2027	5,504.68	514.97	3.70%	20.88	125.00			**6,165.53**		$161,513.29
9/20/2027	5,522.34	498.00	3.70%	20.19	125.00			**6,165.53**		$155,990.95
10/20/2027	5,540.06	480.97	3.70%	19.50	125.00			**6,165.53**		$150,450.89
11/20/2027	5,557.83	463.89	3.70%	18.81	125.00			**6,165.53**		$144,893.06
12/20/2027	5,575.67	446.75	3.70%	18.11	125.00			**6,165.53**	73,986.36	$139,317.39
1/20/2028	5,593.56	429.56	3.70%	17.41	125.00			**6,165.53**		$133,723.83
2/20/2028	5,611.49	412.32	3.70%	16.72	125.00			**6,165.53**		$128,112.34
3/20/2028	5,629.51	395.01	3.70%	16.01	125.00			**6,165.53**		$122,482.83
4/20/2028	5,647.56	377.66	3.70%	15.31	125.00			**6,165.53**		$116,835.27
5/20/2028	5,665.69	360.24	3.70%	14.60	125.00			**6,165.53**		$111,169.58
6/20/2028	5,683.86	342.77	3.70%	13.90	125.00			**6,165.53**		$105,485.72
7/20/2028	5,702.09	325.25	3.70%	13.19	125.00			**6,165.53**		$99,783.63
8/20/2028	5,720.39	307.67	3.70%	12.47	125.00			**6,165.53**		$94,063.24
9/20/2028	5,738.74	290.03	3.70%	11.76	125.00			**6,165.53**		$88,324.50
10/20/2028	5,757.16	272.33	3.70%	11.04	125.00			**6,165.53**		$82,567.34
11/20/2028	5,775.63	254.58	3.70%	10.32	125.00			**6,165.53**		$76,791.71
12/20/2028	5,794.16	236.77	3.70%	9.60	125.00			**6,165.53**	73,986.36	$70,997.55
1/20/2029	5,812.75	218.91	3.70%	8.87	125.00			**6,165.53**		$65,184.80
2/20/2029	5,831.39	200.99	3.70%	8.15	125.00			**6,165.53**		$59,353.41
3/20/2029	5,850.10	183.01	3.70%	7.42	125.00			**6,165.53**		$53,503.31
4/20/2029	5,868.87	164.97	3.70%	6.69	125.00			**6,165.53**		$47,634.44
5/20/2029	5,887.71	146.87	3.70%	5.95	125.00			**6,165.53**		$41,746.73
6/20/2029	5,906.59	128.72	3.70%	5.22	125.00			**6,165.53**		$35,840.14
7/20/2029	5,925.54	110.51	3.70%	4.48	125.00			**6,165.53**		$29,914.60
8/20/2029	5,944.55	92.24	3.70%	3.74	125.00			**6,165.53**		$23,970.05
9/20/2029	5,963.62	73.91	3.70%	3.00	125.00			**6,165.53**		$18,006.43
10/20/2029	5,982.76	55.52	3.70%	2.25	125.00			**6,165.53**		$12,023.67
11/20/2029	6,001.96	37.07	3.70%	1.50	125.00			**6,165.53**		$6,021.71
12/20/2029	6,021.71	18.57	3.70%	0.75	125.00			**6,166.03**	73,986.86	$0.00
	600,000.00	120,002.33		4,861.77	15,000.00	-		739,864.10	739,864.10	

** Computed on 30/360 basis (act/act for 1st period) to 1st of month at annual rate of 3.70%, and Admin Fee of 0.15%, with all-in yield of 4.490%. WAM is 5.40 years. All-In Yield includes closing costs of $5,700.00. Rate to be reset at 5yr anniversary to 2.32% plus 80% of then 5yr Treasury rate*

Exhibit B

ESCROW AGREEMENT

LESSOR: **CENTRAL BANK OF THE MIDWEST**

LESSEE: **CITY OF CAMERON, MISSOURI**

ESCROW AGENT: **UMB BANK, N.A.**

ADMINISTRATOR: **MISSOURI ASSOCIATION OF MUNICIPAL UTILITIES**

DATE: **DECEMBER 19, 2019**

DEPOSIT TO PROJECT FUND: **$600,000**

THIS ESCROW AGREEMENT, dated as of the date set forth above, among the Lessor named above ("Lessor"), the Lessee named above ("Lessee"), the Escrow Agent named above, as Escrow Agent ("Escrow Agent"), and the Administrator named above, as Administrator ("Administrator"):

In consideration of the mutual covenants and agreements herein set forth, the parties hereto do hereby covenant and agree as follows:

1. This Escrow Agreement relates to the Lease-Purchase Agreement (the "Lease"), dated as of the date hereof, by and among Lessor, Lessee and Administrator.

2. Except as otherwise defined herein, all capitalized terms in this Escrow Agreement that are not otherwise defined herein will have the meaning set forth in the Lease.

3. Lessor, Lessee and Escrow Agent agree that Escrow Agent will act as sole Escrow Agent under this Escrow Agreement, in accordance with the terms and conditions set forth in this Escrow Agreement. Escrow Agent in its capacity as Escrow Agent hereunder will not be deemed to be a party to the Lease, and this Escrow Agreement will be deemed to constitute the entire agreement among Lessor, Lessee and Escrow Agent.

4. There is hereby established in the custody of Escrow Agent a special trust fund designated as the "City of Cameron, Missouri December 19, 2019 Project Fund" (the "Project Fund") to be held and administered by Escrow Agent in trust in accordance with this Escrow Agreement.

5. Lessor will deposit the amount set forth above in the Project Fund at the time of the execution and delivery by Lessor and Lessee of the Lease and this Escrow Agreement. Upon receipt such amounts, the obligations of Escrow Agent hereunder shall commence. Moneys held by Escrow Agent hereunder will be invested and reinvested by Escrow Agent upon written order of a representative of Lessee in Qualified Investments (as hereinafter defined) meeting the requirements specified in the Tax Compliance Agreement dated as of December 19, 2019 (the "Tax Compliance Agreement"), between Lessee and Escrow Agent, and maturing or subject to redemption at the option of the holder thereof prior to the date on which it is expected that such funds will be needed. Escrow Agent may conclusively rely upon the written investment instructions of the representative of Lessee and shall have no obligation to determine if such directed investment is a Qualified Investment or meets the requirements specified in the Tax Compliance Agreement. Such investments will be held by Escrow Agent in the Project Fund, and any interest earned on

such investments will be deposited in the Project Fund. Escrow Agent may act as purchaser or agent in the making or disposing of any investment.

6. "Qualified Investments" means to the extent the same are at the time legal for investment of the funds being invested: (i) direct general obligations of the United States of America; (ii) obligations the timely payment of the principal of and interest on which is fully and unconditionally guaranteed by the United States of America; (iii) general obligations of the agencies and instrumentalities of the United States of America acceptable to Lessor; (iv) certificates of deposit, time deposits or demand deposits with any bank or savings institution including Escrow Agent or any affiliate thereof, provided that such certificates of deposit, time deposits or demand deposits, if not insured by the Federal Deposit Insurance Corporation, are fully secured by obligations described in (i), (ii) or (iii) above; (v) repurchase agreements with any state or national bank or trust company, including Escrow Agent or any affiliate thereof, that are secured by obligations of the type described in (i), (ii) or (iii) above, provided that such collateral is free and clear of claims of third parties and that Escrow Agent or a third party acting solely as agent for Escrow Agent has possession of such collateral and a perfected first security interest in such collateral; (vi) investment contracts with a bank, bank holding company, insurance company or financial institution whose unsecured long-term indebtedness or claims-paying ability are rated at least AA by S&P or Aa3 by Moody's and (vii) money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAm-G, AAAm or AAm.

7. Moneys in the Project Fund will be used to pay for Project Costs. Payment will be made from the Project Fund for the Project Costs (i) upon presentation to Escrow Agent of a written request and certification in the form attached hereto as **Exhibit A**, signed by Lessee Representative and approved for payment by Lessor and submission of a valid IRS Form W-9 for each payee, or (ii) upon presentation to Escrow Agent of a written request and certification signed by the Lessee Representative stating the amount requested and certifying the disbursement shall be applied by Lessee to costs incurred in connection with the execution and delivery of the Lease.

Escrow Agent may rely conclusively on any such certificate and will not be required to make any independent investigation in connection therewith. Escrow Agent will make disbursements to pay Project Costs for which any such request is made within five business days of the receipt of that certificate.

8. The Project Fund will terminate upon the occurrence of the earlier of (i) the presentation to Lessor and Escrow Agent of (a) a Completion Certificate, a form of which is attached hereto as **Exhibit B**, (b) a certificate of Lessee confirming it has delivered to Lessor certificates of insurance evidencing compliance with **Section 18** of the Lease, and (c) a certificate of Lessee confirming it has delivered to Lessor final occupancy permit(s) respecting the Project, if any, issued by all appropriate governmental authorities; or (ii) the presentation of written notification by Lessor, or, if Lessor has assigned its interest under the Lease, then the assignees or subassignees of all of Lessor's interest under the Lease, that an Event of Default has occurred or that Lessee has terminated the Lease pursuant to **Sections 5** and **8** of the Lease. The Completion Certificate may also state that it is given without prejudice to any rights of Lessee that then exist or may subsequently come into being against third parties. Upon termination as described in (i) or (ii), any amount remaining in the Project Fund will be promptly disbursed to Lessor and applied by Lessor, without further authorization, as provided in **Section 4** of the Lease.

9. Lessee will comply with the Tax Compliance Agreement. Escrow Agent will comply with its duties as expressly set forth in the Tax Compliance Agreement. The Tax Compliance Agreement may be amended at any time without the consent of the parties hereto if in the opinion of nationally recognized counsel in the area of tax-exempt obligations of state and local governments satisfactory to Lessor, such

amendment is necessary or desirable to ensure that the Interest Components of Lease Payments will remain excluded from gross income for federal income tax purposes.

10. Escrow Agent may at any time resign by giving at least 30 days' written notice to Lessee and Lessor, but such resignation will not take effect until the appointment of a successor Escrow Agent. The substitution of another bank or trust company to act as Escrow Agent under this Escrow Agreement may occur by written agreement of Lessor and Lessee. In addition, Escrow Agent may be removed at any time, with or without cause, by an instrument in writing executed by Lessor and Lessee. In the event of any resignation or removal of Escrow Agent, a successor Escrow Agent will be appointed by an instrument in writing executed by Lessor and Lessee. Such successor Escrow Agent will indicate its acceptance of such appointment by an instrument in writing delivered to Lessor, Lessee and the predecessor Escrow Agent. Thereupon such successor Escrow Agent will, without any further act or deed, be fully vested with all the trusts, powers, rights, duties and obligations of Escrow Agent under this Escrow Agreement, and the predecessor Escrow Agent will deliver all moneys and securities held by it under this Escrow Agreement to such successor Escrow Agent.

11. Escrow Agent incurs no liability to make any disbursements pursuant to this Escrow Agreement except from funds held in the Project Fund. Escrow Agent makes no representations or warranties as to the title to the Project or as to the performance of any obligations of Lessor or Lessee.

12. Escrow Agent makes no representation or admission and assumes no responsibility respecting the ownership, validity, genuineness or value of the fund, instruments, documents, matters or things, or any endorsement or assignment thereof, mentioned in this Escrow Agreement and transaction between the Contractor and Lessee.

13. Escrow Agent will be liable as a depository only and will not be responsible for the sufficiency or accuracy of the form, execution or validity of the documents herein referred to or deposited hereunder, nor will it be liable in any respect on account of the identity, authority or rights of the persons executing or delivering, or purporting to execute or deliver any such document, paper, matter or thing.

14. The decision of Escrow Agent reached by it in good faith by its officer and/or counsel that the stipulations in this Escrow Agreement have been complied with or not complied with will be binding upon the parties to this Escrow Agreement and upon all persons interested in the Project Fund, instrument, documents, matters or things, and Escrow Agent will not be liable for any loss, expense, claim or damage that may result or be claimed to result to any such part(ies) by reason of this Escrow Agreement acting upon the basis of such decision. Escrow Agent shall not incur any liability to anyone for any damages, losses, expenses, or claims except for damages, losses, expenses or claims finally determined to have been caused by the willful misconduct or gross negligence of Escrow Agent.

15. Escrow Agent is under no obligation whatsoever to superintend or monitor the Project or to monitor if the investments made hereunder are in compliance with the Tax Compliance Agreement.

16. Lessee, to the extent permitted by law, will indemnify and hold Escrow Agent harmless from any and all loss or damage of whatsoever kind and from any suits, claims or demands, including Escrow Agent's reasonable legal fees and expenses on account of any mater or thing arising out of this Escrow Agreement or in connection therewith, except for such suits, claims or demands resulting from Escrow Agent's own gross negligence or willful misconduct. The indemnification obligation of Lessee shall survive the resignation or removal of Escrow Agent or the termination of this Escrow Agreement.

17. Lessee and Lessor understand and agree that Escrow Agent is not the agent or representative of either party and this Agreement will not be construed to make Escrow Agent liable to materialmen, contractors, subcontractors, craftsmen, laborers or others for goods or services delivered or provided by them upon the Project or for debts or claims accruing to Lessee or Lessor against the Project, and it is distinctly understood and agreed that there is no contractual relationship, either express or implied, between Escrow Agent and any materialman, contractor, subcontractor, craftsman, laborer, or any other persons supplying any work, labor or material in the construction of the Project.

18. Lessee will pay any reasonable fee and expenses of Escrow Agent for its services under this Escrow Agreement. Additionally, Escrow Agent is entitled to fees for extraordinary services and reimbursement of any out of pocket and extraordinary costs and expenses, including, but not limited to, attorneys' fees.

19. This Escrow Agreement will be governed by and construed in accordance with the laws of the State.

20. If any provision of this Escrow Agreement is held invalid or unenforceable by any court of competent jurisdiction, that holding will not invalidate or render unenforceable any other provision hereof.

21. This Escrow Agreement may not be amended except by a written instrument executed by Lessor, Lessee, Administrator and Escrow Agent.

22. This Escrow Agreement may be executed in several counterparts, and each counterpart so executed will be an original. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents will be deemed to be authentic and valid counterparts of the original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. The transaction described herein may be conducted and related documents may be sent, received or stored by electronic means.

23. This written agreement is a final expression of the agreement between the parties hereto and that agreement may not be contradicted by evidence of any prior oral agreement or of a contemporaneous oral agreement between the parties hereto. No unwritten oral agreement between the parties exists.

24. In the event of any disagreement between the undersigned or the person or persons named in the instructions contained in this Escrow Agreement, or any other person, resulting in adverse claims and demands being made in connection with or for any papers, money or property involved herein, or affected hereby, Escrow Agent shall be entitled to refuse to comply with any demand or claim, as long as such disagreement shall continue, and in so refusing to make any delivery or other disposition of any money, papers or property involved or affected hereby, Escrow Agent shall not be or become liable to the undersigned or to any person named in such instructions for its refusal to comply with such conflicting or adverse demands, and Escrow Agent shall be entitled to refuse and refrain to act until: (i) The rights of the adverse claimants shall have been fully and finally adjudicated in a Court assuming and having jurisdiction of the parties and money, papers and property involved herein or affected hereby, or (ii) All differences shall have been adjusted by agreement and Escrow Agent shall have been notified thereof in writing, signed by all the interested parties.

25. All notices, demands and requests required or permitted to be given under the provisions hereof must be in writing and shall be deemed to have been sufficiently given, upon receipt, if (i) personally delivered, (ii) sent by telecopy and confirmed by phone or (iii) mailed by registered or certified mail, with return receipt requested, delivered as follows:

(a)	If to Lessee:	City of Cameron, Missouri 205 N. Main Street Cameron, Missouri 64429
	with a copy to the Administrator:	Missouri Association of Municipal Utilities 1808 I-70 Drive SW Columbia, Missouri 63857
(b)	If to Lessor:	Central Bank of the Midwest 609 NE 291 Highway Lee's Summit, Missouri 64086
(c)	If to Escrow Agent:	UMB Bank, N.A. 2 South Broadway, Suite 600 St. Louis, Missouri 63102 Attention: Corporate Trust Department

26. The parties hereto agree that, for tax reporting purposes, all interest or other income, if any, attributable to the Project Fund or any other amount held in escrow by Escrow Agent pursuant to this Agreement shall be allocable to Lessee. Lessee shall be responsible for all tax reporting. At the request of Escrow Agent, the parties agree to provide Escrow Agent completed Forms W-9 (or Forms W-8, in the case of non-U.S. persons) and other forms and documents that Escrow Agent may reasonably request (collectively, "Tax Reporting Documentation") at the time of execution of this Agreement and any information reasonably requested by Escrow Agent to comply with the USA Patriot Act of 2001, as amended from time to time. The parties hereto understand that if such Tax Reporting Documentation is not so certified to Escrow Agent, Escrow Agent may be required by the Internal Revenue Code, as it may be amended from time to time, to withhold a portion of any interest or other income earned on the investment of monies or other property held by Escrow Agent pursuant to this Escrow Agreement.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, Lessor, Lessee and Escrow Agent have caused this Escrow Agreement to be executed by their duly authorized representatives.

CENTRAL BANK OF THE MIDWEST
Lessor

By: _____
Title: _____

CITY OF CAMERON, MISSOURI
Lessee

By: _____
Title: Mayor

UMB BANK, N.A.
Escrow Agent

By: _____
Title: _____

MISSOURI ASSOCIATION OF MUNICIPAL UTILITIES
Administrator

By: _____
Title: _____

EXHIBIT A
TO ESCROW AGREEMENT

WRITTEN REQUEST FOR DISBURSEMENT FROM
PROJECT FUND

Request No. ____ **Date: _____**

To: UMB Bank, N.A.
2 South Broadway, 6th Floor
St. Louis, Missouri 63102
Attention: Corporate Trust Department

Re: Lease-Purchase Agreement dated as of December 19, 2019 (the "Lease"), by and among Central Bank of the Midwest, as lessor ("Lessor"), the City of Cameron, Missouri, as lessee ("Lessee"), and the Missouri Association of Municipal Utilities, as administrator

Ladies and Gentlemen:

Pursuant to **Section 7** of the Escrow Agreement dated as of December 19, 2019 (the "Escrow Agreement"), among Lessor, Lessee, the Missouri Association of Municipal Utilities, as administrator, and you, as escrow agent, Lessee hereby requests payment in accordance with this request and **Section 7** and hereby states and certifies as follows:

(a) All terms in this request are used with the meanings used in the Escrow Agreement.

(b) The names of the persons, firms or corporations to whom the payments requested hereby are due, the amounts to be paid and the general classification and description of the Project Costs for which each obligation requested to be paid hereby was incurred are as set forth on **Attachment I** hereto.

(c) The amounts requested either have been paid by Lessee, or are justly due to vendors, contractors, subcontractors, materialmen, engineers, architects or other persons (whose names and addresses are stated on **Attachment I** hereto) who have performed necessary and appropriate work or furnished necessary and appropriate materials, equipment or furnishings in the acquisition, construction and installation of the Project.

(d) All such materials, equipment or furnishings have been delivered to, and are located on, the site of Project.

(e) Any Project Cost that is for equipment relates to the equipment described on **Attachment 1**. That equipment is part or all of the equipment included in the Project under the Lease.

(f) The equipment described in this request (i) has been delivered, installed and accepted, or (ii) the amount requested is a down payment currently due on that equipment.

(g) If (f)(i) is applicable, Lessee has conducted such inspection and/or testing of that equipment as it deems necessary and appropriate and hereby acknowledges that it accepts that equipment for all purposes.

(h) If (f)(i) is applicable, Lessee is currently maintaining the insurance coverage required by **Section 18** of the Lease.

(i) No part thereof has been or is being made the basis for the withdrawal of any moneys in any previous or pending request under the Escrow Agreement.

(j) The amount remaining to be paid from the Project Fund will, after payment of the amounts requested, be sufficient to pay all remaining Project Costs necessary to complete the acquisition, construction and installation of the Project in accordance with the construction contract and Lessee's estimate of cost of work not under contract, if any, all in accordance with the plans and specifications for the Project.

(j) This certificate contains no request for payment on account of any retained percentage which Lessee is on the date hereof entitled to retain.

(k) There has not been filed with or served upon Lessee any notice of any lien, right to a lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts requested which has not been released or will not be released simultaneously with the payment of such obligation.

(l) Each of Lessee's representations contained in the Lease is true, correct and not misleading as though made as of the date hereof.

(m) No event exists that constitutes, or with the giving of notice of the passage of time or both would constitute, an Event of Default under the Lease.

(n) Lien waivers for all services or materials furnished by subcontractors or suppliers related to the amounts requested are attached hereto.

(o) Invoices, statements, vouchers or bills for the amounts requested are attached hereto.

CITY OF CAMERON, MISSOURI

By: _____
Lessee Representative

APPROVED BY LESSOR:

CENTRAL BANK OF THE MIDWEST

By: _____
Lessor Representative

ATTACHMENT I

TO WRITTEN REQUEST FOR DISBURSEMENT FROM PROJECT FUND

SCHEDULE OF PAYMENTS REQUESTED

Payee and Address	Amount	Description

Any of the foregoing payments that are related to equipment, relate to the following equipment:

Quantity	Serial Number	Item	Amount

EXHIBIT B
TO ESCROW AGREEMENT

COMPLETION CERTIFICATE

To: UMB Bank, N.A.
2 South Broadway, 6th Floor
St. Louis, Missouri 63102
Attention: Corporate Trust Department

Re: Lease Purchase Agreement dated as of December 19, 2019 (the "Lease"), by and among Central Bank of the Midwest, as lessor ("Lessor"), the City of Cameron, Missouri, as lessee ("Lessee"), and the Missouri Association of Municipal Utilities, as administrator

Ladies and Gentlemen:

Pursuant to **Section 8** of the Escrow Agreement dated as of December 19, 2019 (the "Escrow Agreement"), among Lessor, Lessee, the Missouri Association of Municipal Utilities, as administrator, and you, as escrow agent, the undersigned hereby certifies (a) all terms in this certificate are used with the meanings used in the Escrow Agreement, (b) the Project was completed on _____, 20__, (c) all other facilities necessary in connection with the Project have been acquired, constructed and installed, (d) the Project and such other facilities have been acquired, constructed and installed in accordance with their plans and specifications and in conformance with all applicable zoning, planning, building, environmental and other similar governmental regulations, (e) each of Lessee's representations contained in the Lease is true, correct and not misleading as though made as of the date hereof, (f) no event exists that constitutes, or with the giving of notice of the passage of time or both would constitute, an Event of Default thereunder, and (g) all Project Costs have been paid. This certificate is given without prejudice to any rights of Lessee that now exist or may subsequently come into being against third parties.

Date: _____, 20__.

CITY OF CAMERON, MISSOURI

By: _____
Lessee Representative

Exhibit C

TAX COMPLIANCE AGREEMENT

Dated as of December 19, 2019

Between

CITY OF CAMERON, MISSOURI

And

UMB BANK, N.A.,
as Escrow Agent

$600,000
Lease-Purchase Agreement
dated as of December 19, 2019
by and among
City of Cameron, Missouri, as Lessee,
Central Bank of the Midwest, as Lessor
and the
Missouri Association of Municipal Utilities, as Administrator

TAX COMPLIANCE AGREEMENT

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* * *

TAX COMPLIANCE AGREEMENT

THIS TAX COMPLIANCE AGREEMENT (the "Tax Agreement"), entered into as of December 19, 2019, between the **CITY OF CAMERON, MISSOURI**, a political subdivision organized and existing under the laws of the State of Missouri (the "Lessee"), and **UMB BANK, N.A.**, a national banking association organized and existing under the laws of the United States of America, as Escrow Agent (the "Escrow Agent");

RECITALS

1. This Tax Agreement is being executed and delivered in connection with the execution and delivery of that certain Lease-Purchase Agreement dated as of December 19, 2019 (the "Lease"), in the original principal amount of $600,000, by and among the Lessee, as lessee, Central Bank of the Midwest, a state chartered banking institution organized and existing under the laws of the State of Missouri, as lessor (the "Lessor"), and the Missouri Association of Municipal Utilities, a Missouri nonprofit corporation, as administrator (the "Administrator"), for the purposes described in this Tax Agreement and in the hereinafter-defined Escrow Agreement.

2. The Internal Revenue Code of 1986, as amended (the "Code"), and the applicable Regulations and rulings issued by the U.S. Treasury Department (the "Regulations"), impose certain limitations on the uses and investment of the Lease proceeds and of certain other money relating to the Lease and set forth the conditions under which the interest components of the Lease payments will be excluded from gross income for federal income tax purposes.

3. The Lessee and the Escrow Agent are entering into this Tax Agreement in order to set forth certain facts, covenants, representations, and expectations relating to the use of Lease proceeds and the property financed or refinanced with those proceeds and the investment of the Lease proceeds and of certain other related money, in order to establish and maintain the exclusion of the interest components of the Lease payments from gross income for federal income tax purposes.

4. The Lessee adopted a Tax-Exempt Financing Compliance Procedure on May 21, 2012 (the "Tax Compliance Procedure"), a copy of which is attached hereto as **Exhibit G**, for the purpose of setting out general procedures for the Lessee to continuously monitor and comply with the federal income tax requirements set out in the Code and the Regulations.

5. This Tax Agreement is entered into as required by the Tax Compliance Procedure to set out specific tax compliance procedures applicable to the Lease.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, covenants and agreements set forth in this Tax Agreement, the Lessee and the Escrow Agent represent, covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. Except as otherwise provided in this Tax Agreement or unless the context otherwise requires, capitalized words and terms used in this Tax Agreement have the same meanings as set forth in the Lease, and certain other words and phrases have the meanings assigned in Code §§ 103, 141-150 and the Regulations. The following words and terms used in this Tax Agreement have the following meanings:

"Administrator" means the Missouri Association of Municipal Utilities, a nonprofit corporation organized under the laws of the State of Missouri.

"Annual Compliance Checklist" means a checklist for the Financed Property designed to measure compliance with the requirements of this Tax Agreement and the Tax Compliance Procedure after the Issue Date as further described in **Section 4.2** and substantially in the form attached as **Exhibit E**.

"Bond Compliance Officer" means the Lessee's City Manager or other person named in the Tax Compliance Procedure.

"Code" means the Internal Revenue Code of 1986, as amended.

"Escrow Agent" means UMB Bank, N.A., and its successor or successors and any other corporation or association which at any time may be substituted in its place at the time serving as Escrow Agent under the Escrow Agreement.

"Escrow Agreement" means the Escrow Agreement dated as of December 19, 2019, among the Lessor, the Lessee, the Escrow Agent and the Administrator.

"Final Written Allocation" means the Final Written Allocation of expenditures prepared by the Bond Compliance Officer in accordance with the Tax Compliance Procedure and **Section 4.2(b)** of this Tax Agreement, a sample of which is included as **Exhibit F**.

"Financed Property" means the portion of the Project being financed or refinanced with the proceeds of the Lease as described on **Exhibit D**.

"Gross Proceeds" means (a) sale proceeds (any amounts actually or constructively received by the Lessee from the execution and delivery of the Lease, including amounts used to pay underwriting discount or fees, but excluding pre-issuance accrued interest), (b) Investment proceeds (any amounts received from investing sale proceeds, other Investment proceeds or transferred proceeds), (c) any amounts held in a sinking fund for the Lease, (d) any amounts held in a pledged fund or reserve fund for the Lease, (e) any other replacement proceeds. Specifically, Gross Proceeds includes (but is not limited) to amounts held in the Project Fund.

"Guaranteed Investment Contract" is any Investment with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, including any agreement to supply Investments on two or more future dates (*e.g.*, a forward supply contract).

"Investment" means any security, obligation, annuity contract or other investment-type property that is purchased directly with, or otherwise allocated to, Gross Proceeds. This term does not include a tax-exempt bond, except for "specified private activity bonds" as defined in Code § 57(a)(5)(C), but it does include the investment element of most interest rate caps.

"IRS" means the United States Internal Revenue Service.

"Issue Date" means December 19, 2019.

"Lease" means the Lease-Purchase Agreement dated as of December 19, 2019, by and among the Lessee, the Lessor and the Administrator.

"Lessee" means City of Cameron, Missouri, a political subdivision organized and existing under the laws of the State of Missouri.

"Lessor" means Central Bank of the Midwest, a state chartered banking institution organized and existing under the laws of the State of Missouri, and its successors and assigns.

"Management or Service Agreement" means a legal agreement defined in Regulations § 1.141-3(b) as a management, service, or incentive payment contract with an entity that provides services involving all or a portion of any function of the Financed Property, such as a contract to manage the entire Financed Property or a portion of the Project. Contracts for services that are solely incidental to the primary governmental function of the Financed Property (for example, contracts for janitorial, office equipment repair, billing, or similar services), however, are not treated as Management or Service Agreements.

"Measurement Period" means, with respect to each item of property financed as part of the Financed Property, the period beginning on the later of (a) the Issue Date or (b) the date the property is placed in service and ending on or the earlier of (1) the final maturity date of the Lease or (2) the expected economic useful life of the property.

"Minor Portion" means the lesser of $100,000 or 5% of the sale proceeds of the Lease.

"Net Proceeds" means the sale proceeds of the Financed Property (excluding pre-issuance accrued interest), less any proceeds deposited in a reasonably required reserve or replacement fund, plus all Investment earnings on such sale proceeds.

"Non-Qualified Use" means use of Lease proceeds or the Financed Property in a trade or business carried on by any Non-Qualified User. The rules set out in Regulations § 1.141-3 determine whether Lease proceeds or the Financed Property are "used" in a trade or business. Generally, ownership, a lease, or any other use that grants a Non-Qualified User a special legal right or entitlement with respect to the Financed Property, will constitute use under Regulations § 1.141-3.

"Non-Qualified User" means any person or entity other than a Qualified User.

"Opinion of Special Tax Counsel" means the written opinion of Gilmore & Bell, P.C. or other nationally recognized firm of special tax counsel. Unless otherwise specifically noted herein an Opinion of Special Tax Counsel must conclude that the action or proposed action or the failure to act or proposed

failure to act for which the opinion is required will not adversely affect the exclusion of the interest component of the payments made on the Lease from gross income for federal income tax purposes.

"Post-Issuance Tax Requirements" means those requirements related to the use of proceeds of the Lease, the use of the Financed Property and the investment of Gross Proceeds after the Issue Date.

"Project" means all of the property acquired, developed, constructed, renovated and equipped by the Lessee using proceeds of the Lease and other money contributed by the Lessee, as described on **Exhibit D**.

"Project Fund" means a fund by that name established in the custody of the Escrow Agent under the Escrow Agreement.

"Qualified Use Agreement" means any of the following:

(a) A lease or other short-term use by members of the general public who occupy the Financed Property on a short-term basis as in the ordinary course of the Lessee's governmental purposes.

(b) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Property for a period up to 200 days in length pursuant to an arrangement whereby (1) the use of the Financed Property under the same or similar arrangements is predominantly by natural persons who are not engaged in a trade or business and (2) the compensation for the use is determined based on generally applicable, fair market value rates that are in effect at the time the agreement is entered into or renewed. Any Qualified User or Non-Qualified User using all or any portion of the Financed Property under this type of arrangement may have a right of first refusal to renew the agreement at rates generally in effect at the time of the renewal.

(c) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Property for a period up to 100 days in length pursuant to arrangements whereby (1) the use of the property by the person would be general public use but for the fact that generally applicable and uniformly applied rates are not reasonably available to natural persons not engaged in a trade or business, (2) the compensation for the use under the arrangement is determined based on applicable, fair market value rates that are in effect at the time the agreement is entered into or renewed, and (3) the Financed Property was not constructed for a principal purpose of providing the property for use by that Qualified User or Non-Qualified User. Any Qualified User or Non-Qualified User using all or any portion of the Financed Property under this type of arrangement may have a right of first refusal to renew the agreement at rates generally in effect at the time of the renewal.

(d) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Property for a period up to 50 days in length pursuant to a negotiated arm's-length arrangement at fair market value so long as the Financed Property was not constructed for a principal purpose of providing the property for use by that person.

"Qualified User" means a State, territory, possession of the United States, the District of Columbia, or any political subdivision thereof, or any instrumentality of such entity, but it does not include the United States or any agency or instrumentality of the United States.

"Regulations" means all Regulations issued by the U.S. Treasury Department to implement the provisions of Code §§ 103 and 141 through 150 and applicable to the Lease.

"Special Tax Counsel" means Gilmore & Bell, P.C., or other firm of nationally recognized special tax counsel acceptable to the Lessee.

"State" means the State of Missouri.

"Tax Agreement" means this Tax Compliance Agreement as it may from time to time be amended and supplemented in accordance with its terms.

"Tax Compliance Procedure" means the Lessee's Tax-Exempt Financing Compliance Procedure dated as of May 21, 2012, a copy of which is included as **Exhibit G**.

"Tax-Exempt Bond File" means documents and records for the Lease, maintained by the Bond Compliance Officer pursuant to the Tax Compliance Procedure.

"Transcript" means the Transcript of Proceedings relating to the execution and delivery of the Lease.

"Yield" means yield on the Lease, computed under Regulations § 1.148-4, and yield on an Investment, computed under Regulations § 1.148-5.

ARTICLE II

GENERAL REPRESENTATIONS AND COVENANTS

Section 2.1. Representations and Covenants of the Lessee. The Lessee represents and covenants as follows:

(a) *Organization and Authority*. The Lessee (1) is a political subdivision organized and existing under the laws of the State, (2) has lawful power and authority to execute and deliver the Lease for the purposes set forth therein and to enter into, execute and deliver this Tax Agreement and to carry out its obligations under this Tax Agreement and under such documents, and (3) by all necessary action has been duly authorized to execute and deliver the Lease, the Escrow Agreement and this Tax Agreement, acting by and through its duly authorized officials.

(b) *Tax-Exempt Status of Lease–General Representation and Covenants*. In order to maintain the exclusion of the interest component of the Lease payments from gross income for federal income tax purposes, the Lessee (1) will take whatever action, and refrain from whatever action, necessary to comply with the applicable requirements of the Code; (2) will not use or invest, or permit the use or investment of, any Lease proceeds, other money held under the Escrow Agreement, or other funds of the Lessee, in a manner that would violate applicable provisions of the Code; and (3) will not use, or permit the use of, any portion of the Financed Property in a manner that would cause any portion of the Lease to become a "private activity bond" as defined in Code § 141.

(c) *Governmental Obligations–Use of Proceeds*. Throughout the Measurement Period, (1) for federal income tax purposes, all of the Financed Property is expected to be owned by the Lessee or

another Qualified User, (2) no portion of the Financed Property is expected to be used in a Non-Qualified Use, and (3) the Lessee will not permit any Non-Qualified Use of the Financed Property without first consulting with Special Tax Counsel.

(d) *No Private Loan.* Not more than 5% of the Net Proceeds of the Lease will be loaned directly or indirectly to any Non-Qualified User.

(e) *Management or Service Agreements*. As of the Issue Date, the Lessee has no Management or Service Agreements with Non-Qualified Users. During the Measurement Period, the Lessee will not enter into or renew any Management or Service Agreement with any Non-Qualified User without first consulting with Special Tax Counsel.

(f) *Leases*. Except for the Lease, as of the Issue Date, the Lessee has not entered into any subleases of any portion of the Financed Property other than Qualified Use Agreements. During the Measurement Period, the Lessee will not enter into or renew any lease or similar agreement or arrangement other than a Qualified Use Agreement without first consulting with Special Tax Counsel.

(g) *Limit on Maturity of Lease*. A list of the assets included in the Financed Property and a computation of the "average reasonably expected economic life" is attached to this Tax Agreement as **Exhibit D**. Based on this computation, the "average maturity" of the Lease, as computed by Special Tax Counsel, does not exceed 120% of the average reasonably expected economic life of the Financed Property.

(h) *Expenditure of Lease Proceeds; Reimbursement.* On November 18, 2019, the governing body of the Lessee adopted a resolution declaring its intent to finance the Financed Property and to execute and deliver the Lease and to reimburse itself for expenditures made for the Financed Property prior to the execution and delivery of the Lease. A copy of the resolution is included as **Exhibit C**. $[101,080] of the proceeds of the Lease will be allocated to expenditures paid by the Lessee prior to the Issue Date and should be shown on line 45 of Form 8038-G. No portion of the Net Proceeds of the Lease are expected to be used to reimburse an expenditure paid by the Lessee more than 60 days prior to the date the resolution was adopted unless such expenditure satisfies the requirements of Regulations § 1.150-2(f). No reimbursement allocation will be made for an expenditure made more than 3 years before the date of the reimbursement allocation. No reimbursement allocation will be made more than 3 years following the later of (1) the date of the expenditure or (2) the date the Financed Property was placed in service.

(i) *Registration Requirement.* The Lease requires that any assignment of the Lease by the Lessor is not effective until the assignment is registered on the registration books kept by the Lessee. Therefore, the Lease will be held in registered form within the meaning of Code § 149(a).

(j) *Lease Not Federally Guaranteed*. The Lessee will not take any action or permit any action to be taken which would cause any portion of the Lease to be "federally guaranteed" within the meaning of Code § 149(b).

(k) *IRS Form 8038-G*. Special Tax Counsel will prepare Form 8038-G (Information Return for Tax-Exempt Governmental Obligations) based on the representations and covenants of the Lessee contained in this Tax Agreement or otherwise provided by the Lessee. Special Tax Counsel will sign the return as a paid preparer following completion and will then deliver copies to the Lessee for execution and for the Lessee's records. The Lessee agrees to timely execute and return to Special Tax Counsel the execution copy of Form 8038-G for filing with the IRS. A copy of the "as-filed" Form 8038-G, along

with proof of filing, will be included as **Exhibit B**. The Lessee has allocated $[101,080] of the Net Proceeds of the Lease to reimburse expenditures made prior to the Issue Date and that amount should be reflected on Line 45a of Form 8038-G. A list of expenditures to be reimbursed is included as part of **Exhibit D.**

(l) *Hedge Bond*. At least 85% of the net sale proceeds of the Lease will be used to carry out the governmental purpose of the Lease within three years after the Issue Date, and not more than 50% of the proceeds of the Lease will be invested in Investments having a substantially guaranteed Yield for four years or more.

(m) *Compliance with Future Tax Requirements*. The Lessee understands that the Code and the Regulations may impose new or different restrictions and requirements on the Lessee in the future. The Lessee will comply with such future restrictions that are necessary to maintain the exclusion of the interest components of the Lease payments from gross income for federal income tax purposes.

(n) *Single Issue; No Other Issues*. The Lease constitutes a single "issue" under Regulations § 1.150-1(c). No other debt obligations of the Lessee (1) are being sold within 15 days of the execution and delivery of the Lease, (2) are being sold under the same plan of financing as the Lease, and (3) are expected to be paid from substantially the same source of funds as the Lease (disregarding guarantees from unrelated parties, such as bond insurance).

(o) *Interest Rate Swap.* As of the Issue Date, the Lessee has not entered into an interest rate swap agreement or any other similar arrangement designed to modify its interest rate risk with respect to the Lease. The Lessee will not enter into any such arrangement in the future without first consulting with Special Tax Counsel.

(p) *Guaranteed Investment Contract.* As of the Issue Date, the Lessee does not expect to enter into a Guaranteed Investment Contract for any Gross Proceeds of the Lease. The Lessee will be responsible for complying **Section 4.4(d)** if it decides to enter into a Guaranteed Investment Contract at a later date.

(q) *Bank Qualified Tax-Exempt Obligation.* The Lessee designates the Lease as a "qualified tax-exempt obligation" under Code § 265(b)(3), and with respect to this designation certifies as follows:

(1) the Lessee reasonably anticipates that the amount of tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) that will be issued by or on behalf of the Lessee (and all subordinate entities of the Lessee) during the calendar year that the Lease is executed and delivered, including the Lease, will not exceed $10,000,000; and

(2) the Lessee (including all subordinate entities of the Lessee) will not issue tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) during the calendar year that the Lease is executed and delivered, including the Lease, in an aggregate principal amount or aggregate issue price in excess of $10,000,000, without first obtaining an Opinion of Special Tax Counsel that the designation of the Lease as "qualified tax-exempt obligations" will not be adversely affected.

Section 2.2. Representations and Covenants of the Escrow Agent. The Escrow Agent represents and covenants to the Lessee as follows:

(a) The Escrow Agent will comply with its duties as expressly set forth in the provisions of this Tax Agreement and any written advice or Opinion of Special Tax Counsel, specifically referencing the Lease and received by the Escrow Agent, that sets forth any action necessary to comply with any statute, regulation or ruling that may apply to it as Escrow Agent and relating to reporting requirements or other requirements necessary to maintain the exclusion of the interest component of the Lease from gross income for federal income tax purposes.

(b) The Escrow Agent, at the request of the Lessee, may from time to time cause a firm of attorneys, consultants or independent accountants or an investment banking firm to provide the Escrow Agent and the Lessee with such information as the Lessee may request in order to determine all matters relating to (1) the Yield on the Lease as it relates to any data or conclusions necessary to verify that no portion of the Lease is an "arbitrage bond" within the meaning of Code § 148, and (2) compliance with arbitrage rebate requirements of Code § 148(f). The Lessee will pay all costs and expenses incurred in connection with supplying the foregoing information.

Section 2.3. Survival of Representations and Covenants. All representations, covenants and certifications of the Lessee and the Escrow Agent contained in this Tax Agreement or in any certificate or other instrument delivered by the Lessee or the Escrow Agent under this Tax Agreement, will survive the execution and delivery of such documents and the Lease, as representations of facts existing as of the date of execution and delivery of the instruments containing such representations. The foregoing covenants of this Section will remain in full force and effect notwithstanding prepayment of the Lease.

ARTICLE III

ARBITRAGE CERTIFICATIONS AND COVENANTS

Section 3.1. General. The purpose of this **Article III** is to certify, under Regulations § 1.148-2(b), the Lessee's expectations as to the sources, uses and investment of Lease proceeds and other money, in order to support the Lessee's conclusion that no portion of the Lease is an arbitrage bond. The person executing this Tax Agreement on behalf of the Lessee is an officer of the Lessee responsible for issuing the Lease.

Section 3.2. Reasonable Expectations. The facts, estimates and expectations set forth in this **Article III** are based upon and in reliance upon the Lessee's understanding of the documents and certificates that comprise the Transcript, and the representations, covenants and certifications of the parties contained therein. To the Lessee's knowledge, the facts and estimates set forth in this Tax Agreement are accurate, and the expectations of the Lessee set forth in this Tax Agreement are reasonable. The Lessee has no knowledge that would cause it to believe that the representations, warranties and certifications described in this Tax Agreement are unreasonable or inaccurate or may not be relied upon.

Section 3.3. Purpose of Financing. The Lease is being executed and delivered for the purpose of providing funds to finance or refinance the cost of the Financed Property.

Section 3.4. Funds and Accounts. The Project Fund has been established under the Escrow Agreement.

Section 3.5. Amount and Use of Lease Proceeds and Other Money.

(a) *Amount of Lease Proceeds.* The total proceeds to be received by the Lessee from the execution and delivery of the Lease will be $600,000.

(b) *Use of Lease Proceeds.* Proceeds of the Lease are expected to be allocated to expenditures as follows:

(1) $600,000 of Lease proceeds will be deposited in the Project Fund. Of this amount $[101,080] will be used to reimburse the Lessee for costs of the Financed Property paid prior to the Issue Date, and the balance will be used to pay future costs of the Financed Property.

(2) $-0- of Lease proceeds will be used to pay costs of issuance relating to the Lease.

Section 3.6. No Refunding. No proceeds of the Lease will be used to pay principal or interest on any other debt obligation.

Section 3.7. Project Completion. The Lessee has incurred, or will incur within 6 months after the Issue Date, a substantial binding obligation to a third party to spend at least 5% of the Net Proceeds of the Lease on the Financed Property. The completion of the Financed Property and the allocation of the Net Proceeds of the Lease to expenditures will proceed with due diligence. At least 85% of the Net Proceeds of the Lease will be allocated to expenditures on the Financed Property within three years after the Issue Date.

Section 3.8. No Sinking Funds. No sinking fund or other similar fund that is expected to be used to pay principal components or interest components of the Lease payments has been established or is expected to be established.

Section 3.9. Reserve, Replacement and Pledged Funds.

(a) *Debt Service Reserve Fund.* No reserve or replacement fund has been established for the Lease.

(b) *No Other Replacement or Pledged Funds*. None of the Lease proceeds will be used as a substitute for other funds that were intended or earmarked to pay costs of the Financed Property, and that instead has been or will be used to acquire higher yielding Investments. There are no other funds pledged or committed in a manner that provides a reasonable assurance that such funds would be available for payment of the principal of or interest component of the Lease payments if the Lessee encounters financial difficulty.

(c) *Other Funds*. The Project Fund is expected to be used to provide funds to construct and install the Financed Property, and therefore is not pledged or committed in a manner that provides a reasonable assurance that such funds would be available for payment of the principal of or interest component of the Lease payments if the Lessee encounters financial difficulty.

Section 3.10. Purpose Investment Yield. The proceeds of the Lease will not be used to purchase an Investment for the purpose of carrying out the governmental purpose of the financing.

Section 3.11. Issue Price and Yield on Lease.

(a) *Issue Price*. Based on the Lessor's certifications in the Investment Letter included as a part of the Transcript, the Lessee hereby elects to establish the issue price of the Lease pursuant to Regulations § 1.148-1(f)(2)(i) (relating to the so-called "private placement rule"). Therefore, the aggregate issue price of the Lease for such purpose is $600,000.

(b) *Yield*. Because the Lease bears interest at a variable rate, the Yield on the Lease cannot be computed at this time. The Lessee has not entered into an interest rate swap agreement with respect to any portion of the proceeds of the Lease.

Section 3.12. Miscellaneous Arbitrage Matters.

(a) *No Abusive Arbitrage Device*. The Lease is not and will not be part of a transaction or series of transactions that has the effect of (1) enabling the Lessee to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, and (2) overburdening the tax-exempt bond market.

(b) *No Over-Issuance*. The sale proceeds of the Lease, together with expected Investment earnings thereon and other money contributed by the Lessee, do not exceed the cost of the governmental purpose of the Lease as described above.

Section 3.13. Conclusion. On the basis of the facts, estimates and circumstances set forth in this Tax Agreement, the Lessee does not expect that the Lease proceeds will be used in a manner that would cause any portion of the Lease to be an "arbitrage bond" within the meaning of Code § 148 and the Regulations.

ARTICLE IV

POST-ISSUANCE TAX COMPLIANCE REQUIREMENTS POLICIES AND PROCEDURES

Section 4.1. General.

(a) *Purpose of Article*. The purpose of this **Article IV** is to supplement the Tax Compliance Procedure and to set out specific policies and procedures governing compliance with the federal income tax requirements for the Lease that apply after the Lease is executed and delivered. The Lessee recognizes that the interest component of the Lease payments will remain excludable from gross income only if the Post-Issuance Tax Requirements are followed after the Issue Date. The Lessee further acknowledges that written evidence substantiating compliance with the Post-Issuance Tax Requirements must be retained in order to permit the Lease to be refinanced with tax-exempt obligations and substantiate the position that the interest component of each Lease payment is exempt from gross income in the event of an audit of the Lease by the IRS.

(b) *Written Policies and Procedures of the Lessee.* The Lessee intends for the Tax Compliance Procedure, as supplemented by this Tax Agreement, to be its primary written policies and procedures for monitoring compliance with the Post-Issuance Tax Requirements for the Lease and to supplement any other formal policies and procedures related to the Post-Issuance Tax Requirements that

the Lessee has established. The provisions of this Tax Agreement are intended to be consistent with the Tax Compliance Procedure. In the event of any inconsistency between the Tax Compliance Procedure and this Tax Agreement, the terms of this Tax Agreement will govern.

(c) *Bond Compliance Officer.* The Lessee, when necessary to fulfill its Post-Issuance Tax Requirements, will, through its Bond Compliance Officer, sign Form 8038-T in connection with the payment of arbitrage rebate or Yield reduction payments, participate in any federal income tax audit of the Lease or related proceedings under a voluntary compliance agreement procedures (VCAP) or undertake a remedial action procedure pursuant to Regulations § 1.141-12. In each case, all costs and expenses incurred by the Lessee shall be treated as a reasonable cost of administering the Lease and the Lessee shall be entitled to reimbursement and recovery of its costs to the same extent as provided in the Lease or State law.

Section 4.2. Record Keeping; Use of Lease Proceeds and Use of Financed Property.

(a) *Record Keeping*. The Bond Compliance Officer will maintain the Tax-Exempt Bond File for the Lease in accordance with the Tax Compliance Procedure. Unless otherwise specifically instructed in a written Opinion of Special Tax Counsel or to the extent otherwise provided in this Tax Agreement, the Bond Compliance Officer shall retain records related to the Post-Issuance Tax Requirements until 3 years following the final maturity of (i) the Lease or (ii) any obligation issued to refinance the Lease. Any records maintained electronically must comply with Section 4.01 of Revenue Procedure 97-22, which generally provides that an electronic storage system must (1) ensure an accurate and complete transfer of the hardcopy records which indexes, stores, preserves, retrieves and reproduces the electronic records, (2) include reasonable controls to ensure integrity, accuracy and reliability of the electronic storage system and to prevent unauthorized alteration or deterioration of electronic records, (3) exhibit a high degree of legibility and readability both electronically and in hardcopy, (4) provide support for other books and records of the Lessee and (5) not be subject to any agreement that would limit the ability of the IRS to access and use the electronic storage system on the Lessee's premises.

(b) *Accounting and Allocation of Lease Proceeds to Expenditures*. The Bond Compliance Officer will account for the investment and expenditure of Lease proceeds in the level of detail required by the Tax Compliance Procedure. The Bond Compliance Officer will supplement the expected allocation of Lease proceeds to expenditures with a Final Written Allocation as required by the Tax Compliance Procedure. A sample form of Final Written Allocation is attached as **Exhibit F**.

(c) *Annual Compliance Checklist*. Attached as **Exhibit E** is a form of Annual Compliance Checklist for the Lease. The Bond Compliance Officer will prepare and complete an Annual Compliance Checklist for the Financed Property at least annually, following the placed in service date of the Project, in accordance with the Tax Compliance Procedure. In the event the Annual Compliance Checklist identifies a deficiency in compliance with the requirements of this Tax Agreement, the Bond Compliance Officer will take the actions identified in advice or an Opinion of Special Tax Counsel or **Section 4.4** of the Tax Compliance Procedure to correct any deficiency.

(d) *Opinions of Special Tax Counsel.* The Bond Compliance Officer is responsible for obtaining and delivering to the Lessee any advice or Opinion of Special Tax Counsel required under the provisions of this Tax Agreement, including any advice or Opinion of Special Tax Counsel required by this Tax Agreement or the Annual Compliance Checklist.

Section 4.3. Investment Yield Restriction. Except as described below, the Lessee will not invest Gross Proceeds at a Yield greater than the Yield on the Lease:

(a) *Project Fund*. Lease proceeds deposited in the Project Fund, including amounts held to pay the costs of executing and delivering the Lease, and Investment earnings on those proceeds may be invested without Yield restriction for up to 3 years following the Issue Date. If any unspent proceeds remain in the Project Fund after 3 years, those amounts may continue to be invested without Yield restriction so long as the Lessee pays to the IRS all Yield reduction payments in accordance with Regulations § 1.148-5(c). These payments are required whether or not the Lease is exempt from the arbitrage rebate requirements of Code § 148.

(b) *Minor Portion*. In addition to the amounts described above, Gross Proceeds not exceeding the Minor Portion may be invested without Yield restriction.

Section 4.4. Procedures for Establishing Fair Market Value.

(a) *General*. No Investment may be acquired with Gross Proceeds for an amount (including transaction costs) in excess of the fair market value of such Investment, or sold or otherwise disposed of for an amount (including transaction costs) less than the fair market value of the Investment. The fair market value of any Investment is the price a willing buyer would pay to a willing seller to acquire the Investment in a bona fide, arm's-length transaction. Fair market value will be determined in accordance with Regulations § 1.148-5.

(b) *Established Securities Market*. Except for Investments purchased for a Yield-restricted defeasance escrow, if an Investment is purchased or sold in an arm's-length transaction on an established securities market (within the meaning of Code § 1273), the purchase or sale price constitutes the fair market value. Where there is no established securities market for an Investment, market value must be established using one of the paragraphs below. The fair market value of Investments purchased for a Yield-restricted defeasance escrow must be determined in a bona fide solicitation for bids that complies with Regulations § 1.148-5.

(c) *Certificates of Deposit*. The purchase price of a certificate of deposit (a "CD") is treated as its fair market value on the purchase date if (1) the CD has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal, (2) the Yield on the CD is not less than the Yield on reasonably comparable direct obligations of the United States, and (3) the Yield is not less than the highest Yield published or posted by the CD issuer to be currently available on reasonably comparable CDs offered to the public.

(d) *Guaranteed Investment Contracts*. The Lessee is applying Regulations § 1.148-5(d)(6)(iii)(A) (relating to electronic bidding of Guaranteed Investment Contracts) to the Lease. The purchase price of a Guaranteed Investment Contract is treated as its fair market value on the purchase date if all of the following requirements are met:

(1) Bona Fide Solicitation for Bids. The Lessee or the Escrow Agent makes a bona fide solicitation for the Guaranteed Investment Contract, using the following procedures:

(A) The bid specifications are in writing and are timely forwarded to potential providers.

(B) The bid specifications include all "material" terms of the bid. A term is material if it may directly or indirectly affect the Yield or the cost of the Guaranteed Investment Contract.

(C) The bid specifications include a statement notifying potential providers that submission of a bid is a representation (i) that the potential provider did not consult with any other potential provider about its bid, (ii) that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Lessee, the Escrow Agent, or any other person (whether or not in connection with the bond issue), and (iii) that the bid is not being submitted solely as a courtesy to the Lessee, the Escrow Agent, or any other person, for purposes of satisfying the requirements of the Regulations.

(D) The terms of the bid specifications are "commercially reasonable." A term is commercially reasonable if there is a legitimate business purpose for the term other than to increase the purchase price or reduce the Yield of the Guaranteed Investment Contract.

(E) The terms of the solicitation take into account the Lessee's reasonably expected deposit and draw-down schedule for the amounts to be invested.

(F) All potential providers have an equal opportunity to bid. For example, no potential provider is given the opportunity to review other bids (*i.e.*, a last look) before providing a bid.

(G) At least three "reasonably competitive providers" are solicited for bids. A reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of Investments being purchased.

(2) Bids Received. The bids received must meet all of the following requirements:

(A) At least three bids are received from providers that were solicited as described above and that do not have a "material financial interest" in the issue. For this purpose, (i) a lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until 15 days after the Issue Date of the issue, (ii) any entity acting as a financial advisor with respect to the purchase of the Guaranteed Investment Contract at the time the bid specifications are forwarded to potential providers has a material financial interest in the issue, and (iii) a provider that is a related party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.

(B) At least one of the three bids received is from a reasonably competitive provider, as defined above.

(C) If an agent or broker is used to conduct the bidding process, the agent or broker did not bid to provide the Guaranteed Investment Contract.

(3) Winning Bid. The winning bid is the highest yielding bona fide bid (determined net of any broker's fees).

(4) Fees Paid. The obligor on the Guaranteed Investment Contract certifies the administrative costs that it pays (or expects to pay, if any) to third parties in connection with supplying the Guaranteed Investment Contract.

(5) Records. The Lessee and the Escrow Agent retain the following records with the lease documents until three years after the Lease is prepaid:

(A) A copy of the Guaranteed Investment Contract.

(B) The receipt or other record of the amount actually paid for the Guaranteed Investment Contract, including a record of any administrative costs paid by the Lessee or the Escrow Agent, and the certification as to fees paid, described in paragraph (d)(4) above.

(C) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results.

(D) The bid solicitation form and, if the terms of Guaranteed Investment Contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

(e) *Other Investments*. If an Investment is not described above, the fair market value may be established through a competitive bidding process, as follows:

(1) at least three bids on the Investment must be received from persons with no financial interest in the Lease (*e.g.*, as underwriters or brokers); and

(2) the Yield on the Investment must be equal to or greater than the Yield offered under the highest bid.

Section 4.5 Lease Exempt from the Rebate Requirement.

(a) *The Lease Qualifies as a Rebate-Exempt Small Issue*. The Lessee certifies that:

(1) the Lessee is a governmental unit under State law with general taxing powers;

(2) no portion of the Lease is a "private activity bond" as defined in Code § 141;

(3) 95% or more of the Net Proceeds of the Lease are to be used for local governmental activities of the Lessee; and

(4) the aggregate face amount of all tax-exempt bonds (other than private activity bonds) to be issued by the Lessee during the current calendar year is not reasonably expected to exceed $5,000,000. The Lessee understands that, for this purpose; (a) the Lessee and all entities which issue bonds on behalf of the Lessee are treated as one issuer; (b) all bonds issued by an entity subordinate to the Lessee are treated as issued by the Lessee; and (c) bonds issued by the Lessee to currently refund any other bond are not taken into account to the extent that the amount of the refunding bonds does not exceed the outstanding amount of the refunded obligations.

(c) *Conclusion*. Based on these certifications, Special Tax Counsel has advised the Lessee that the Lease is exempt from the arbitrage rebate requirements of Code § 148(f), under the small-issuer exception set forth in Code § 148(f)(4)(D).

(d) *Circumstances Requiring Yield Reduction Calculations*. In the event Lease proceeds in excess of the Minor Portion remain on deposit in the Project Fund three years after the Issue Date, the Lessee will contact Special Tax Counsel to seek advice regarding restricting the Yield on Investments held in the Project Fund and preparing a Yield reduction calculation.

(e) *Filing Requirements*. The Lessee will file or cause to be filed with the IRS such reports or other documents as are required by the Code in accordance with an Opinion of Special Tax Counsel.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.1. Term of Tax Agreement. This Tax Agreement will be effective concurrently with the execution and delivery of the Lease and will continue in force and effect until the principal components of, redemption premium, if any, and interest components on all Lease have been fully paid and all such Lease are cancelled; provided that, the provisions of **Article IV** of this Tax Agreement regarding payment of arbitrage rebate and all related penalties and interest will remain in effect until all such amounts are paid to the United States.

Section 5.2. Amendments. This Tax Agreement may be amended from time to time by the parties to this Tax Agreement without notice to or the consent of the Lessor, but only if such amendment is in writing and is accompanied by an Opinion of Special Tax Counsel to the effect that, under then existing law, assuming compliance with this Tax Agreement as so amended such amendment will not cause the interest component of the Lease payments to be included in gross income for federal income tax purposes. No such amendment will become effective until the Lessee and the Escrow Agent receive this Opinion of Special Tax Counsel.

Section 5.3. Opinion of Special Tax Counsel. The Lessee and the Escrow Agent may deviate from the provisions of this Tax Agreement if furnished with an Opinion of Special Tax Counsel addressed to each of them to the effect that the proposed deviation will not adversely affect the exclusion of interest component of Lease payments from gross income for federal income tax purposes. The Lessee and the Escrow Agent will comply with any further or different instructions provided in an Opinion of Special Tax Counsel to the effect that the further or different instructions need to be complied with in order to maintain the validity of the Lease or the exclusion from gross income of interest component of the Lease payments.

Section 5.4. Reliance. In delivering this Tax Agreement, the Lessee and the Escrow Agent are making only those certifications, representations and agreements as are specifically attributed to them in this Tax Agreement. Neither the Lessee nor the Escrow Agent is aware of any facts or circumstances which would cause it to question the accuracy of the facts, circumstances, estimates or expectations of any other party providing certifications as part of this Tax Agreement and, to the best of its knowledge, those facts, circumstances, estimates and expectations are reasonable. The parties to this Tax Agreement understand that its certifications will be relied upon by the law firm of Gilmore & Bell, P.C., in rendering its opinion as to the validity of the Lease and the exclusion from federal gross income of the interest component of the Lease payments.

Section 5.5. Severability. If any provision in this Tax Agreement or in the Lease is determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not be affected or impaired.

Section 5.6. Benefit of Tax Agreement. This Tax Agreement is binding upon the Lessee and the Escrow Agent and their respective successors and assigns, and inures to the benefit of the parties to this Tax Agreement and the owners of the Lease. Nothing in this Tax Agreement or in the Escrow Agreement or the Lease, express or implied, gives to any person, other than the parties to this Tax Agreement, and their successors and assigns, and the owners of the Lease, any benefit or any legal or equitable right, remedy or claim under this Tax Agreement.

Section 5.7. Default; Breach and Enforcement. Any misrepresentation of a party contained herein or any breach of a covenant or agreement contained in this Tax Agreement may be pursued by the Lessor or any other document which references this Tax Agreement and gives remedies for a misrepresentation or breach thereof.

Section 5.8. Execution in Counterparts. This Tax Agreement may be executed in any number of counterparts, each of which so executed will be deemed to be an original, but all such counterparts will together constitute the same instrument.

Section 5.9. Governing Law. This Tax Agreement will be governed by and construed in accordance with the laws of the State.

Section 5.10. Electronic Transactions. The parties agree that the transaction described in this Tax Agreement may be conducted, and related documents may be sent, received or stored, by electronic means.

[Remainder of page intentionally blank.]

The parties to this Tax Agreement have caused this Tax Compliance Agreement to be duly executed by their duly authorized officers as of the Issue Date of the Lease.

CITY OF CAMERON, MISSOURI

By: _____
Title: Mayor

UMB BANK, N.A., as Escrow Agent

By: _____
Title: _____

EXHIBIT A

DEBT SERVICE SCHEDULE AND
COMPUTATION OF WEIGHTED AVERAGE MATURITY

[To be computed by Special Tax Counsel.]

EXHIBIT B

IRS FORM 8038-G

[Post-Closing Item -- To be prepared and filed by Special Tax Counsel.]

EXHIBIT C

RESOLUTION OF OFFICIAL INTENT

[Lessee to provided signed copy to Special Tax Counsel.]

EXHIBIT D

DESCRIPTION OF THE FINANCED PROPERTY

[To be prepared by Special Tax Counsel.]

EXHIBIT E

FORM OF ANNUAL COMPLIANCE CHECKLIST

Name of tax-exempt bonds ("Bonds") financing Financed Assets:	**Lease-Purchase Agreement dated as of December 19, 2019, by and among the City of Cameron, Missouri, as lessee (the "Lessee"), Central Bank of the Midwest, as lessor (the "Lessor"), and the Missouri Association of Municipal Utilities, as administrator**
Issue Date of Bonds:	**December 19, 2019**
Name of Bond Compliance Officer:	
Period covered by request ("Annual Period"):	

Description of Financed Assets: Acquisition, construction and equipping of an approximately 2,184 square foot animal care facility

Item	Question	Response
1 Ownership	For federal income tax purposes, was the Financed Property owned by the Lessee during the entire Annual Period?	☐ Yes ☐ No
	If answer above was "No," was advice of Special Tax Counsel obtained prior to the transfer? If Yes, include a description of the advice in the Tax-Exempt Bond File. If No, contact Special Tax Counsel and include description of resolution in the Tax-Exempt Bond File.	☐ Yes ☐ No
2 Leases & Other Rights to Possession	During the Annual Period, was the Financed Property subleased at any time pursuant to a lease or similar use agreement for more than 50 days?	☐ Yes ☐ No
	If answer above was "Yes," was advice of Special Tax Counsel obtained prior to entering into the lease or other arrangement? If Yes, include a description of the advice in the Tax-Exempt Bond File. If No, contact Special Tax Counsel and include description of resolution in the Tax-Exempt Bond File.	☐ Yes ☐ No

Item	Question	Response
3 Management or Service Agreements	During the Annual Period, has the management or service of all or any part of the operations related to the Financed Property assumed by or transferred to another entity?	☐ Yes ☐ No
	If answer above was "Yes," was advice of Special Tax Counsel obtained prior to entering into the management or service agreement? If Yes, include a description of the advice in the Tax-Exempt Bond File. If No, contact Special Tax Counsel and include description of resolution in the Tax-Exempt Bond File.	☐ Yes ☐ No
4 Other Use	Was any other agreement entered into with an individual or entity that grants special legal rights to the Financed Property?	☐ Yes ☐ No
	If answer above was "Yes," was advice of Special Tax Counsel obtained prior to entering into the agreement? If Yes, include a description of the advice in the Tax-Exempt Bond File. If No, contact Special Tax Counsel and include description of resolution in the Tax-Exempt Bond File.	☐ Yes ☐ No
5 Arbitrage & Rebate	1. Were Lease proceeds on deposit in the Project Fund 3 years after the Issue Date?	☐ Yes ☐ No ☐ N/A
	2. If Yes, has a yield reduction calculation been prepared for the Lease?	☐ Yes ☐ No
	If No, contact Special Tax Counsel or a rebate analyst and incorporate report or include description of resolution in the Tax-Exempt Bond File.	

Bond Compliance Officer: _____

Date Completed: _____

EXHIBIT F

SAMPLE FINAL WRITTEN ALLOCATION

$600,000
Lease-Purchase Agreement
dated as of December 19, 2019
by and among
City of Cameron, Missouri, as Lessee,
Central Bank of the Midwest, as Lessor
and the
Missouri Association of Municipal Utilities, as Administrator

The undersigned is the Bond Compliance Officer of the City of Cameron, Missouri (the "Lessee"), and in that capacity is authorized to execute federal income tax returns required to be filed by the Lessee and to make appropriate elections and designations regarding federal income tax matters on behalf of the Lessee. This allocation of the proceeds of the tax-exempt obligation referenced above (the "Lease") is necessary for the Lessee to satisfy ongoing reporting and compliance requirements under federal income tax laws.

Purpose. This document, together with the schedules and records referred to below, is intended to memorialize allocations of Lease proceeds to expenditures for purposes of §§ 141 and 148 of the Internal Revenue Code (the "Code"). All allocations are or were previously made no later than 18 months following the date the expenditure was made by the Lessee or, if later, the date the "project" was "placed in service" (both as defined below), and no later than 60 days following the 5th anniversary of the issue date of the Lease.

Background. The Lease was executed and delivered on December 19, 2019 (the "Issue Date"), by the Lessee. The Lease was executed and delivered in order to provide funds for the acquisition, construction and equipping of an approximately 2,184 square foot animal care facility (the "Project"). Proceeds of the Lease used to pay costs of the Project were deposited to the Project Fund.

Sources Used to Fund Project Costs and Allocation of Proceeds to Project Costs. A portion of the costs of the Project was paid from sale proceeds of the Lease and the remaining portion of the costs of the Project was paid from earnings from the investment of Lease proceeds and from other money of the Lessee as shown on **Schedule 1** to this Final Written Allocation.

Identification of Financed Assets. The portions of the Project financed from Lease proceeds (i.e., the "Financed Property" referenced in the Tax Compliance Agreement) are listed on page 1 of **Schedule 2** to this Final Written Allocation.

Identification and Timing of Expenditures for Arbitrage Purposes. For purposes of complying with the arbitrage rules, the Lessee allocates the proceeds of the Lease to the various expenditures described in the invoices, requisitions or other substantiation attached as **Schedule 2** to this Final Written Allocation. In each case, the cost requisitioned was either paid directly to a third party or reimbursed the Lessee for an amount it had previously paid or incurred. Amounts received from the sale of the Lease and retained as purchaser's discount are allocated to that purpose and spent on the Issue Date. Amounts allocated to interest expense are treated as paid on the interest payment dates for the Lease.

Placed In Service. The Project was "placed in service" on the date set out on **Schedule 2** to this Final Written Allocation. For this purpose, the assets are considered to be "placed in service" as of the

date on which, based on all the facts and circumstances: (1) the constructing and equipping of the asset has reached a degree of completion which would permit its operation at substantially its design level; and (2) the asset is, in fact, in operation at that level.

This allocation has been prepared based on statutes and regulations existing as of this date. The Lessee reserves the right to amend this allocation to the extent permitted by future Treasury Regulations or similar authorities.

CITY OF CAMERON, MISSOURI

By: _____
Title: _____

Dated: _____

Name of Legal Counsel/Law Firm Reviewing Final Written Allocation:
_____
Date of Review: _____

SCHEDULE 1
TO FINAL WRITTEN ALLOCATION

ALLOCATION OF SOURCES AND USES

[Attach Spreadsheet after acquisition of the Project is completed.]

SCHEDULE 2
TO FINAL WRITTEN ALLOCATION

IDENTIFICATION OF FINANCED ASSETS
AND
DETAILED LISTING OF EXPENDITURES

[Attach Spreadsheet after acquisition of the Project is completed.]

EXHIBIT G

LESSEE'S TAX-EXEMPT FINANCING COMPLIANCE PROCEDURE

[On file with Special Tax Counsel.]