



**City of Mexico, Missouri
City Council Meeting Agenda
City Hall ▪ 300 N. Coal Street
Mexico, Missouri 65265**

**October 26, 2020
6:00 p.m.**

NOTICE

Due to COVID – 19, the City of Mexico has limited seating for the public during this meeting.

The City of Mexico invites you to attend virtually by viewing the meeting live on Facebook Live (City of Mexico – City Hall). The meeting can also be viewed by tape delay on the City's website at www.mexicomissouri.org, the day following the meeting.

The City apologizes for any inconvenience the meeting format change may pose to individuals but it is extremely important that extra measures be taken to protect residents, employees, and elected officials during these challenging times.

REGULAR SESSION

1. Call to Order

2. Roll Call

3. Approval of Minutes

A. October 12, 2020 – Regular Session

4. Resolutions (Reading By Title Only and Passage)

A. Bill No. 2020 – 62. A Resolution Authorizing the City Manager to Enter Into An Agreement with the Mexico Senior Nutrition Center to Assist in Providing Services for Senior Citizens. Reading By Title Only and Passage.

B. Bill No. 2020 – 63. A Resolution Authorizing the City Manager to Enter Into An Agreement with the Help Center to Offset Operational Costs Related to Providing Services to Citizens. Reading By Title Only and Passage.

C. Bill No. 2020 – 64. A Resolution Authorizing the City Manager to Enter Into An Agreement with the Mexico Area Chamber of Commerce To Assist in Marketing Activities for the City of Mexico. Reading By Title Only and Passage.

D. Bill No. 2020 – 65. A Resolution Authorizing the City Manager to Execute a Lease Agreement with the St. Brendan Cemetery Association. Reading By Title Only and Passage.

5. Ordinance (Two Readings By Title Only and Passage)

A. Bill No. 2020 – 66. An Ordinance Authorizing the City of Mexico, Missouri to Enter Into a Lease Purchase Transaction to Finance Certain Capital Improvements; and Authorizing the Execution of Certain Documents and Actions in Connection Therewith. Two Readings By Title Only and Passage.

6. Claims

7. Comments

A. Council

B. Public (*Please state name and address for the record and keep comments to a maximum of three minutes*).

8. Adjournment

**CITY OF MEXICO, MISSOURI
CITY COUNCIL REGULAR MEETINGS MINUTES
OCTOBER 12, 2020**

The Council of the City of Mexico, Missouri met in regular session on October 12, 2020 at 6:00 p.m., in the Council Chambers of City Hall, with the following members present: Mayor Dr. Ayanna Shivers; Chairman Pro Tem Vicki Briggs; Council Member Chris Williams; Council Member Chris Miller; Council Member Steve Haag. Also present were Bruce Slagle, City Manager; Roger Haynes, Deputy City Manager; Russell Runge, Assistant City Manager/Economic Development; Kensey Russell, Public Works Director; Rita Jackson, Community Development Director; Chief Susan Rockett, Department of Public Safety; Louis J. Leonatti, City Attorney; Marcy LeCount, City Clerk; as well as media.

Due to COVID – 19 Pandemic, the Council Meeting was also live streamed on the City’s Facebook account, City of Mexico – City Hall. There was limited public attendance.

The Regular Session Meeting was called to order with Mayor Shivers presiding.

APPROVAL OF MINUTES – SEPTEMBER 28, 2020 – REGULAR SESSION MEETING

Chairman Pro Tem Briggs moved for approval of the September 28, 2020 Regular Session minutes as presented. Council Member Williams seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Haag, Briggs, Williams, Miller. Nays, none. Abstain, Shivers. The Minutes were approved as presented.

NEW BUSINESS – ORDINANCES

Bill No. 2020 – 57. An Ordinance Approving the Final Plat of Oak Acres Plat 8 to the City of Mexico, Missouri

City Manager Slagle called upon Director Jackson to present the report.

Bill No. 2020 – 57 concerns a request for Final Approval of Oak Acres Plat 8 submitted by owner/developer Jack and Mary Creason. Oak Acres Plat 8 is a residential subdivision containing four (4) residential lots, a fifth undeveloped lot designated for stormwater controls and a sixth undeveloped lot north of Redwood Drive. Oak Acres Plat 8 is an easterly extension of Redwood Drive. The submitted plat by A Civil Group, LLC signed August 24, 2020, contains all the required information for a Final Plat. Sanitary and storm sewers have been installed, as well as the paving of the Redwood Drive extension. Utility installation and final grading have not been completed. A cost estimate for the completion of utility installation and final grading was prepared by the City’s Public Works Department. The City’s Subdivision Ordinance (§36-56(c)) allows a bond or an escrow to be put in place guaranteeing full and proper performance of these infrastructure obligations, if the final plat is to be approved prior to their construction. Mr. Creason has placed an escrow with the City in the amount of \$60,000 for the completion of utility installation and final grading. The City’s subdivision ordinance requires sidewalks as part of the infrastructure improvements. There are no sidewalks in any of the Oak Acres Subdivisions. The Preliminary Plat was approved with a sidewalk waiver on September 1, 2020 by the Planning & Zoning Commission. Final Approval was given to the plat on October 6, 2020 by the Planning and Zoning Commission. Director Jackson recommended Council proceed with two readings by title only and passage of Bill No. 2020 – 57, which had been posted the required time.

Council Member Williams moved for first reading by title only of Bill No. 2020 – 57. Council Member Haag seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Haag, Briggs, Shivers, Williams, Miller. Nays, none. First Reading By Title Only was given to Bill No. 2020 – 57 by Council Member Williams.

Council Member Williams moved for second reading by title only of Bill No. 2020 – 57. Chairman Pro Tem Briggs seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Haag, Briggs, Shivers, Williams, Miller. Nays, none. Second Reading By Title Only was given to Bill No. 2020 – 57 by Council Member Williams.

Council Member Williams moved for passage of Bill No. 2020 – 57. Council Member Haag seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Haag, Briggs, Shivers, Williams, Miller. Nays, none. Bill No. 2020 – 57 was passed as Ordinance No. 4453.

Bill No. 2020 – 58. An Ordinance Dedicating Bassford Drive as a Public Street Right-Of-Way

City Manager Slagle called upon Director Russell to present the report.

In 1978, Bassford Drive was dedicated as part of Mexico Industrial Park Plat 1. Subsequently, the City obtained the land on both sides of Bassford Drive north of the railroad spur. In 1993 the west side of Bassford Drive was leased to Brookstone. In 1994 the north 597 feet of Bassford Drive was vacated, likely at the request of Brookstone for parking. Brookstone had been issued Chapter 100 bonds which provided that once the bonds were satisfied, the ownership of the land would be transferred to the occupant. Recent events have led to the potential transfer of the Brookstone assets and satisfaction of the bonds so that the City will transfer ownership of the Brookstone location. It has been determined that in the interests of all parties it would be best to retain the right of way for Bassford Drive for street purposes and access to the adjacent properties. This ordinance is to provide assurances of those purposes. Director Russell recommended Council proceed with two readings by title only and passage of Bill No. 2020 – 58, which had been posted the required length of time.

Council Member Haag moved for first reading by title only of Bill No. 2020 – 58. Council Member Williams seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Haag, Briggs, Shivers, Williams, Miller. Nays, none. First Reading By Title Only was given to Bill No. 2020 – 58 by Council Member Haag.

Council Member Haag moved for second reading by title only of Bill No. 2020 – 58. Chairman Pro Tem Briggs seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Haag, Briggs, Shivers, Williams, Miller. Nays, none. Second Reading By Title Only was given to Bill No. 2020 – 58 by Council Member Haag.

Council Member Haag moved for passage of Bill No. 2020 – 58. Council Member Williams seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Haag, Briggs, Shivers, Williams, Miller. Nays, none. Bill No. 2020 – 58 was passed as Ordinance No. 4454.

Bill No. 2020 – 59. An Ordinance Dedicating Smiley Drive as a Public Street Right-Of-Way

City Manager Slagle called upon Director Russell to present the report.

In 2004 the City acquired a tract of land for street purposes indicated by a survey prepared by Engineering Surveys and Services. Subsequently, the street improvements for Smiley Drive were constructed. The tract was not part of a subdivision and was not specifically dedicated as a public street. The business that is purchasing the Brookstone Stores, LLC property at 1655 Bassford Drive has asked that the street improvement be dedicated for public use. Director Russell recommended Council proceed with two readings by title only and passage approving Bill No. 2020 – 59, which had been posted the required length of time.

Chairman Pro Tem Briggs moved for first reading by title only of Bill No. 2020 – 59. Council Member Miller seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Haag, Briggs, Shivers, Williams, Miller. Nays, none. First Reading By Title Only was given to Bill No. 2020 – 59 by Chairman Pro Tem Briggs.

Chairman Pro Tem Briggs moved for second reading by title only of Bill No. 2020 – 59. Council Member Miller seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Haag, Briggs, Shivers, Williams, Miller. Nays, none. Second Reading By Title Only was given to Bill No. 2020 – 59 by Chairman Pro Tem Briggs.

Chairman Pro Tem Briggs moved for passage of Bill No. 2020 – 59. Council Member Miller seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Haag, Briggs, Shivers, Williams, Miller. Nays, none. Bill No. 2020 – 59 was passed as Ordinance No. 4455.

Bill No. 2020 – 60. An Ordinance Authorizing the City of Mexico, Missouri, to Execute Certain Documents In Connection With Prior Tax Abatement Transactions for Brookstone Stores, Inc. and Bee Gee Holding Company, L.L.C.

City Manager Slagle called upon Assistant City Manager Runge to present the report.

1655 Realty LLC has listed property for sale located on Bassford Drive and now has an interested buyer. This property was the former Brookstone Stores, Inc. location. The City and Brookstone Stores, Inc. entered into an Amended and Restated Lease Agreement (Chapter 100) with an Option to Purchase on March 1, 2004. 1655 Realty LLC is the successor to the rights and interests of Brookstone Stores, Inc. and desires to exercise its option to purchase the City's interest in the Project. The City and Bee Gee Holding Company, L.L.C. also entered into a Lease Agreement (Chapter 100) on June 1, 2002 and 1655 Realty LLC also acquired a portion of the property described in the Bee Gee Chapter 100 Lease. In order for 1655 Realty LLC to purchase the interest of Brookstone Stores, Inc. it is necessary for the City to execute a Lease Termination Agreement and a Special Warranty Deed. To clear title for 1655 Realty LLC to purchase the portion from Bee Gee Holding Company, LLC, it is necessary for the City to execute, a Release from Lease Agreement and Bond Purchase Agreement. Authorizing the City of Mexico to execute these documents allows 1655 Realty LLC to sell the property with clear title and will place the properties back on the 2020 tax rolls. Assistant City Manager Runge recommended Council proceed with two readings by title only and passage of Bill No. 2020 – 60, which had been posted the required time.

Council Member Miller moved for first reading by title only of Bill No. 2020 – 60. Council Member Williams seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Haag, Briggs, Shivers, Williams, Miller. Nays, none. First Reading By Title Only was given to Bill No. 2020 – 60 by Council Member Miller.

Council Member Miller moved for second reading by title only of Bill No. 2020 – 60. Chairman Pro Tem Briggs seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Haag, Briggs, Shivers, Williams, Miller. Nays, none. Second Reading By Title Only was given to Bill No. 2020 – 60 by Council Member Miller.

Council Member Miller moved for passage of Bill No. 2020 – 60. Chairman Pro Tem Briggs seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Haag, Briggs, Shivers, Williams, Miller. Nays, none. Bill No. 2020 – 60 was passed as Ordinance No. 4456.

Bill No. 2020 – 61. An Ordinance Authorizing the City Manager to Sign Contract Documents with Flowmaster Construction LLC for the Construction of Muldrow Sidewalks TAP 4400(311).

City Manager Slagle called upon Director Russell to present the report.

As Council is aware, the City of Mexico was awarded a Transportation Alternatives Program (TAP) through MoDOT to reconstruct sidewalks on Muldrow Street, from Jackson Street to Quisenberry Street, except for that part on railroad right-of-way. Advertisements for bid were placed in the *Mexico Ledger*, MoDOT's project website, Quest (a Plan Room site) and the City's website. Seven bids were received with Flowmaster Construction LLC of Mexico, Missouri submitting the low and best bid. Bids received were:

<i>Contractor</i>	<i>Bid Amount</i>
Flowmaster Construction, LLC Mexico, Missouri	\$105,866.00
M B Construction Monticello, Missouri	\$258,305.00
Rhad A. Baker Construction LLC Fulton, Missouri	\$156,216.00
R L Persons Construction Inc Poplar Bluff, Missouri	\$186,999.00
Sam Gaines Construction. Inc New Bloomfield, Missouri	\$166,678.00
S&A Equipment and Builders Fulton, Missouri	\$153,671.39
Sweetens Construction Warrenton, Missouri	\$130,150.13

The 2020 – 2021 annual budget allows \$119,089 for this project. The City has committed to an 80/20 cost share of the project through the MoDOT TAP Grant. Director Russell recommended Council proceed with two readings by title only and passage of Bill No. 2020 – 61, which had been posted the required length of time.

Council Member Haag moved for first reading by title only of Bill No. 2020 – 61. Council Member Williams seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Haag, Briggs, Shivers, Williams, Miller. Nays, none. First Reading By Title Only was given to Bill No. 2020 – 61 by Council Member Haag.

Council Member Haag moved for second reading by title only of Bill No. 2020 – 61. Chairman Pro Tem Briggs seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Haag, Briggs, Shivers, Williams, Miller. Nays, none. Second Reading By Title Only was given to Bill No. 2020 – 61 by Council Member Haag.

Council Member Haag moved for passage of Bill No. 2020 – 61. Council Member Williams seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Haag, Briggs, Shivers, Williams, Miller. Nays, none. Bill No. 2020 – 61 was passed as Ordinance No. 4457.

OTHER BUSINESS

Staff Report – 2021 Dental Insurance Coverage

City Manager Slagle called upon Deputy City Manager Haynes to present the report.

Staff reviewed group dental insurance bids for the upcoming benefit year January 1, 2021 through December 31, 2021. The City advertised for dental insurance proposals in the Mexico Ledger. The City received five qualified dental insurance quotes. All quotes received were presented through the Gallaher Insurance Group.

The following proposals were received:

<u>Insurance Company</u>	<u>Single Rate Premium</u>	<u>Family Rate Premium</u>	<u>Benefit Year Limit</u>	<u>Local Network</u>	<u>U.C.R</u>
Guardian	\$21.19	\$64.12	\$1,500	Yes (2)	95%
Standard	\$21.92	\$66.35	\$1,500	Yes (1)	95%
Kansas City Life	\$22.69	\$68.67	\$1,500	No	90%

Principal	\$23.25	\$70.57	\$1,500	Yes (2)	99%
MetLife	\$24.23	\$73.30	\$1,500	Yes (1)*	99%

In review of each proposal for pricing, benefit coverage, local dental network and percentage of U.C.R., Principal provides the best overall dental plan for the upcoming plan year. Although providing lower premiums, Standard and Kansas City Life plans submitted did not provide sufficient local networks and offered reduced U. C. R. schedules. Guardian provided a sufficient local network, but the U. C. R. percentage coupled with servicing concerns outweigh their plan pricing. Deputy City Manager Haynes recommended Principal as the dental benefit provider for calendar year 2021 with the option to renew for two additional one-year terms based on quality of service and acceptable renewal pricing and that Gallaher Insurance Group be the agency of record for the Principal plan.

Council Member Miller moved to accept Principal as the dental benefit provider for calendar year 2021 with the option to renew for two additional one-year terms based on quality of service and acceptable renewal pricing and that Gallaher Insurance Group be the agency of record for the Principal plan. Council Member Haag seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Haag, Shivers, Williams, Miller. Nays, none. Abstain, Briggs.

Claims

The list of claims was presented for approval.

Council Member Miller moved for approval of the list of claims as presented. Council Member Williams seconded the motion. On a call by the Chair for ayes and nays, the motion carried, with the vote on passage as follows: Ayes, Haag, Briggs, Shivers, Williams, Miller. Nays, none.

The list of claims was approved.

COUNCIL COMMENTS

Council Member Haag made comments on the municipal pool construction.

Council Member Williams made comments regarding MMA’s recent parking lot and lighting fixtures on Promenade Street. Council Member Williams asked Staff to check into the concerns regarding the lighting in a residential area. Council Member Williams commented on graffiti painting on the Muldrow Street overpass and its removal.

Chairman Pro Tem Briggs commented on the upcoming election and encouraged everyone to get out and vote.

Mayor Shivers commented on recent homecoming activities.

PUBLIC COMMENTS

None

ADJOURNMENT

Council Member Haag moved to adjourn the meeting. The motion was seconded by Council Member Williams. The Chair called for a vote and motion carried with the vote as follows: Ayes, Haag, Briggs, Shivers, Williams, Miller. Nays, none. The City Council Regular Session Meeting was adjourned.

MAYOR

CITY CLERK

APPROVED BY COUNCIL OCTOBER 26, 2020

CITY OF MEXICO, MISSOURI
OFFICE OF DEPUTY CITY MANAGER

Agenda: October 26, 2020

Members of City Council
City of Mexico, Missouri

RE: A Resolution Authorizing the City Manager to Enter Into An Agreement with the Mexico Senior Nutrition Center to Assist in Providing Services for Senior Citizens

Dear City Council Members:

The attached Resolution authorizes the City Manager to enter into an agreement with the Mexico Senior Nutrition Center to assist in providing services to senior citizens. Attached is a narrative of the nutrition program.

The 2020 – 2021 budget allows for the City of Mexico to contribute to the Mexico Senior Nutrition Center the sum of Fourteen Thousand and No/100 Dollars (\$14,000.00) to assist in the offset of operational costs related to providing programs, activities and nutritional luncheon services. The City has provided \$14,000 annually in assistance to the Mexico Nutrition Center since fiscal year 2017 and provided prior assistance in the amount of \$10,000 annually dating back to 2000.

Staff recommends that the City of Mexico and the Mexico Senior Nutrition Center enter into an agreement and that Council proceed with reading by title only and passage of the attached Resolution.

Respectfully submitted,

Roger D. Haynes
Deputy City Manager

RDH
Attachment

Reviewed by: Bruce R. Slagle, City Manager

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH THE MEXICO SENIOR NUTRITION CENTER TO ASSIST IN PROVIDING SERVICES FOR SENIOR CITIZENS

WHEREAS, the City of Mexico recognizes the many benefits provided by the Mexico Senior Nutrition Center to its senior citizens; and

WHEREAS, the City of Mexico acknowledges the need for programs, activities and nutritional luncheon services provided to senior citizens; and

WHEREAS, the City of Mexico and the Mexico Senior Nutrition Center desire to enter into an agreement to continue to provide these services.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MEXICO, MISSOURI, AS FOLLOWS:

- Section 1. The City Manager is hereby authorized to execute an agreement with the Mexico Senior Nutrition Center to assist in providing services to senior citizens.

- Section 2. This Resolution shall be in full force and effect from and after the time of its passage.

PASSED THIS 26th DAY OF OCTOBER 2020

MAYOR

ATTEST:

City Clerk

CITY OF MEXICO, MISSOURI
OFFICE OF DEPUTY CITY MANAGER

Agenda: October 26, 2020

Members of City Council
City of Mexico, Missouri

RE: A Resolution Authorizing the City Manager to Enter Into An Agreement with The Help Center to Offset Operational Costs Related to Providing Services to Citizens

Dear City Council Members:

The attached Resolution authorizes the City Manager to enter into an agreement with The Help Center to assist in the offset of operational costs related to providing services to citizens.

The 2020 – 2021 budget allows for the City of Mexico to contribute to The Help Center the sum of Five Thousand and No/100 Dollars (\$5,000) for the use in the offset of operational costs related to providing programs, activities and services to citizens. The City provided assistance to The Help Center in 2004, 2009, 2010 and 2011 in the amount of \$5,000. In 2012, Council approved to increase the level of support to The Help Center to \$10,000 based on the need for additional assistance. Council approved the level of funding to return to \$5,000 in 2017.

Staff recommends that the City of Mexico and The Help Center enter into an agreement and that Council proceed with reading by title only and passage of the attached Resolution.

Respectfully submitted,

Roger D. Haynes
Deputy City Manager

Attachment Reviewed by: Bruce R. Slagle, City Manager

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH THE HELP CENTER TO OFFSET OPERATIONAL COSTS RELATED TO PROVIDING SERVICES TO CITIZENS

WHEREAS, the City of Mexico recognizes the many benefits provided by The Help Center to its citizens; and

WHEREAS, the City of Mexico acknowledges the need for programs, activities and services provided to citizens; and

WHEREAS, the City of Mexico and The Help Center desire to enter into an agreement to continue to provide these services.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MEXICO, MISSOURI, AS FOLLOWS:

Section 1. The City Manager is hereby authorized to execute an agreement with The Help Center to assist in the offset of operational costs related to providing these services.

Section 2. This Resolution shall be in full force and effect from and after the time of its passage.

PASSED THIS 26th DAY OF OCTOBER 2020

MAYOR

ATTEST:

City Clerk

CITY OF MEXICO, MISSOURI
OFFICE OF DEPUTY CITY MANAGER

Agenda: October 26, 2020

Members of City Council
City of Mexico, Missouri

RE: A Resolution Authorizing the City Manager To Enter Into An Agreement with the Mexico Area Chamber of Commerce To Assist in Marketing Activities for the City of Mexico

Dear City Council Members:

The attached Resolution authorizes the City Manager to enter into an agreement with the Mexico Area Chamber of Commerce to assist in marketing activities in the City of Mexico for the budget year 2020 – 2021.

The City of Mexico would contribute to the Mexico Area Chamber of Commerce the sum of Thirteen Thousand and No/Dollars (\$13,000.00) for use in the cost of marketing activities.

Staff recommends that the City of Mexico and the Mexico Area Chamber of Commerce enter into an agreement to promote marketing activities and that Council proceed with reading by title only and passage of the attached Resolution.

Respectfully submitted,

Roger D. Haynes
Deputy City Manager

Attachment

Reviewed by: Bruce R. Slagle, City Manager

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH THE MEXICO AREA CHAMBER OF COMMERCE TO ASSIST IN MARKETING ACTIVITIES FOR THE CITY OF MEXICO

WHEREAS, the City of Mexico recognizes the many benefits derived by the City, its businesses and citizens resulting from marketing activities in Mexico, Missouri; and

WHEREAS, the City of Mexico acknowledges the need for marketing activities and also recognizes the benefits associated with promoting the City of Mexico in marketing markets; and

WHEREAS, the City of Mexico and the Mexico Area Chamber of Commerce desire to enter into an agreement to promote Marketing activities to the City of Mexico.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MEXICO, MISSOURI, AS FOLLOWS:

Section 1. The City Manager is hereby authorized to execute an agreement with the Mexico Area Chamber of Commerce to assist in promoting marketing activities in the City of Mexico.

Section 2. This Resolution shall be in full force and effect from and after the time of its passage.

PASSED THIS 26TH DAY OF OCTOBER 2020

MAYOR

ATTEST:

CITY CLERK

CITY OF MEXICO, MISSOURI
OFFICE OF PARKS & RECREATION DIRECTOR

Agenda: October 26, 2020

Members of City Council
City of Mexico, Missouri

RE: A Resolution Authorizing the City Manager to Execute a Lease Agreement with
the St. Brendan Cemetery Association

Dear City Council Members:

The attached Resolution authorizes the City Manager to execute a Lease Agreement with the St. Brendan Cemetery Association.

The Lease Agreement allows the City of Mexico to lease property from the St. Brendan Cemetery Association for a period of ten (10) years for a consideration of \$1.00 per year. The property is utilized by the Parks & Recreation Department as City Field No. 1 for softball programs.

Staff recommends that Council proceed with reading by title only and passage of the attached Resolution.

Respectfully submitted,

Chad Shoemaker
Parks & Recreation Director

Reviewed by: Bruce R. Slagle, City Manager

Attachment

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A LEASE AGREEMENT WITH THE ST. BRENDAN CEMETERY ASSOCIATION

WHEREAS, the City of Mexico, Parks & Recreation Department uses property owned by the St. Brendan Cemetery Association for recreation activities; and

WHEREAS, the St. Brendan Cemetery Association agrees to Lease to the City of Mexico property located at the corner of Liberty Street and Elmwood Drive; and

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MEXICO, MISSOURI, AS FOLLOWS:

Section 1. The City Manager is hereby authorized to execute a Lease Agreement with the St. Brendan Cemetery Association to be used for recreational purposes for a term of ten (10) years.

Section 2. This Resolution shall be in full force and effect from and after the time of its passage.

PASSED THIS 26th DAY OF October 2020

MAYOR

ATTEST:

City Clerk

CITY OF MEXICO, MISSOURI
OFFICE OF DEPUTY CITY MANAGER

Agenda: October 26, 2020

Members of City Council
City of Mexico, Missouri

RE: An Ordinance Authorizing the City of Mexico, Missouri to Enter Into a Lease Purchase Transaction to Finance Certain Capital Improvements; and Authorizing the Execution of Certain Documents and Actions in Connection Therewith

Dear City Council Members:

On July 13, 2020 City Council approved a maximum of \$2,600,000 in net proceeds of obligations or bonds that the City expected to finance for the Fairgrounds pool project. In all, the City anticipated the pool construction project to not exceed \$3,760,000 of which \$3,660,000 is through a design/build contract with Westport Pools and \$100,000 for administration cost.

On September 21, 2020, Piper Sandler & Co., as the City of Mexico's Financial Advisor, sent out a Request for Terms to local banks to receive bank financing proposals for a fixed rate, 10-year term based on a loan amount of \$2,600,000. Five financing proposals were received by the deadline of October 5, 2020, 4:00 p.m. C.S.T.; a summary of responses is attached.

Based on a thorough review of each proposal, the City finds and determines that it is advantageous and in the best interest of the City to enter into financing the Fairgrounds Pool Improvement Project with First State Community Bank; offering a lease purchase agreement transaction at a 10-year fixed rate of 1.65% with semi-annual payments beginning on August 1, 2021 and ending on February 1, 2031. The bank's proposal includes a 6-month drawdown option for which interest would accrue only on the amount spent and drawn down.

The City has determined a lessor amount is needed to be financed and therefore has reduced the financing request to \$2,385,000.

Staff recommends that Council proceed with two readings by title only and passage of the attached Ordinance authorizing the City of Mexico to enter into a Fairgrounds Pool Project Lease Purchase Agreement with First State Community Bank in the amount of \$2,385,000. The Ordinance has been posted the required length of time.

Respectfully submitted,

Roger D. Haynes
Deputy City Manager

Attachment

Reviewed by: Bruce R. Slagle, City Manager

AN ORDINANCE AUTHORIZING THE CITY OF MEXICO, MISSOURI TO ENTER INTO A LEASE PURCHASE TRANSACTION TO FINANCE CERTAIN CAPITAL IMPROVEMENTS; AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City of Mexico, Missouri (the “**City**”) finds and determines that it is advantageous and in the best interests of the City to enter into certain transactions with First State Community Bank (the “**Bank**”), to provide funds to pay costs of acquiring and constructing its municipal swimming pool and the costs of delivering the documents approved herein; and

WHEREAS, the City owns certain real property and the improvements now or hereafter located thereon, including the real property upon which the City’s existing swimming pool is situated Project (collectively, the “**Leased Property**”), as further described in the Base Lease (as herein defined); and

WHEREAS, to facilitate the foregoing and to pay the cost thereof, it is necessary and desirable for the City to enter into the following documents (collectively, the “**City Documents**”):

1. Base Lease (the “**Base Lease**”), with the Bank, pursuant to which the City will lease the Leased Property to the Bank;
2. Lease Purchase Agreement (the “**Lease**”), with the Bank, pursuant to which the City will lease the Leased Property from the Bank with an option to purchase the Bank’s interest therein; and
3. Federal Tax Certificate (the “**Tax Agreement**”), to set forth certain representations, facts, expectations, terms and conditions relating to the use and investment of the proceeds of the Lease and of certain other related money, to establish and maintain the exclusion from gross income for federal income tax purposes of the Interest Portion (as defined in the Lease) of the Rental Payments (as defined in the Lease) to be paid by the City, and to provide guidance for complying with the arbitrage rebate provisions of the Internal Revenue Code § 148(f); and
4. Account Control Agreement (the “**Account Control Agreement**”) with the Bank, pursuant to which proceeds of the Lease will be deposited in a project account and disbursed to pay costs of the Project.

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

Section 1. Approval of the City Documents. The City Documents are hereby approved in substantially the forms submitted to and reviewed by the City Council on the date hereof, with such changes therein as are approved by the Mayor, such execution thereof to be conclusive evidence of the approval thereof. The Mayor is hereby authorized and directed to execute and deliver the City Documents on behalf of and as the act and deed of the City. The City Clerk is hereby authorized to affix the City’s seal thereto and attest said seal as may be necessary.

Section 2. Further Authority. The City will, and the officials and agents of the City 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 City with respect to the City Documents. Without limiting the foregoing, the City Council specifically authorizes and directs the prompt payment of all closing costs relating to the City Documents.

Section 3. Severability. The sections of this Ordinance shall be severable. If any section of this Ordinance is found by a court of competent jurisdiction to be invalid, the remaining sections shall remain valid, unless the court finds that: (a) the valid sections are so essential to and inseparably connected and dependent upon the void section that it cannot be presumed that the City Council has or would have enacted the valid sections without the void ones, and (b) the valid sections, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent. The invalid provision shall be omitted and this Ordinance shall be amended to the extent possible to conform to the original intent of the City.

Section 4. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State of Missouri.

Section 5. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the City Council and approval by the Mayor.

PASSED by the City Council and **APPROVED** by the Mayor of the City of Mexico, Missouri, this 26th day of October, 2020.

Mayor

ATTEST:

City Clerk

(Space above reserved for Recorder's use)

TITLE OF DOCUMENT:	BASE LEASE
DATE OF DOCUMENT:	November 1, 2020
GRANTOR(S) NAME AND MAILING ADDRESS:	CITY OF MEXICO, MISSOURI 300 N. Coal Street Mexico, Missouri 65265 Attention: City Manager
GRANTEE(S) NAME AND MAILING ADDRESS:	FIRST STATE COMMUNITY BANK 201 E. Columbia Farmington, Missouri 63640 Attention: Governmental Lending
RETURN DOCUMENTS TO:	Mark D. Grimm Gilmore & Bell, P.C. 211 North Broadway, Suite 2000 St. Louis, Missouri 63102
LEGAL DESCRIPTION:	See Schedule 1

BASE LEASE

BASE LESSOR: CITY OF MEXICO, MISSOURI, a third-class city and political subdivision organized and existing under of the laws of the State of Missouri

BASE LESSEE: FIRST STATE COMMUNITY BANK, a state-chartered bank

DATE: NOVEMBER 1, 2020

THIS BASE LEASE (the “**Base Lease**”), dated as of the date set forth above, by and between the Base Lessor named above (together with its successors and assigns, “**Base Lessor**”), and the Base Lessee named above (together with its successors, “**Base Lessee**”),

WITNESSETH:

WHEREAS, to carry out the essential governmental and proprietary functions of Base Lessor, the City Council of Base Lessor deems it necessary, desirable and in the best interest of the Base Lessor to acquire and construct the hereinafter-defined Project; and

WHEREAS, Base Lessor is the owner of the real estate described on **Schedule 1** including the existing buildings and improvements thereon (the “**Leased Property**”); and

WHEREAS, Base Lessee proposes to lease the Leased Property from Base Lessor and to provide funds in the aggregate amount stated in the hereinafter-defined Lease to pay costs of acquiring constructing the municipal swimming pool (the “**Project**”) and has offered to lease the Leased Property back to Base Lessor pursuant to a Lease Purchase Agreement dated as of the date hereof (as amended or supplemented from time to time, the “**Lease**”) by and between Base Lessee, as lessor, and Base Lessor, as lessee; and

WHEREAS, Base Lessor desires to lease the Leased Property to Base Lessee for the rentals and upon the terms and conditions herein set forth and to lease the Leased Property from Base Lessee upon the terms and conditions set forth in the Lease;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, Base Lessor and Base Lessee do hereby covenant and agree as follows:

Section 1. Representations by Base Lessor. Base Lessor represents, warrants and covenants as follows:

(a) Base Lessor is a third-class city and political subdivision established and existing under and pursuant to the laws of the State of Missouri (the “**State**”);

(b) The lease of the Leased Property to Base Lessee, as provided herein, and the lease of the Leased Property by Base Lessee to Base Lessor, as provided in the Lease, are necessary, desirable and in the public interest, and Base Lessor hereby declares its current need for the Leased Property and the Project;

(c) Base Lessor, pursuant to an ordinance adopted by the City Council and approved by the Mayor, has full power and authority to enter into this Base Lease and the Lease and the transactions contemplated by this Base Lease and the Lease and to carry out its obligations hereunder and thereunder, has been duly authorized to execute and deliver this Base Lease and the Lease and by proper action has duly authorized the execution and delivery of this Base Lease and the Lease;

(d) To the Base Lessor's knowledge, neither the execution and delivery of this Base Lease nor the Lease, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Base Lessor is now a party;

(e) Base Lessor has good and merchantable fee simple title to the Leased Property;

(f) The Leased Property is not subject to any dedication, easement, right-of-way, reservation in patent, covenant, condition, restriction, lien or encumbrance that would prohibit or materially interfere with the use of the Leased Property, as contemplated by the Lease;

(g) The Leased Property is currently exempt from property taxes, assessments or impositions of any kind with respect to the Leased Property; and

(h) To the Base Lessor's knowledge, Base Lessor has not made, done, executed or suffered, and covenants that it will not knowingly make, do, execute or suffer, any act or thing whereby Base Lessor's interests in any property now or hereafter included in the Leased Property will be or may be impaired, changed or encumbered in any manner whatsoever except as permitted by this Base Lease and the Lease.

Section 2. Lease. Base Lessor hereby leases to Base Lessee, and Base Lessee hereby rents and leases from Base Lessor, the Leased Property on the terms and conditions hereinafter set forth.

Section 3. Term. The term of this Base Lease shall commence as of the date of the delivery hereof, and shall end on August 1, 2051, unless such term is extended or sooner terminated as hereinafter provided, but in no event will the term of this Base Lease end prior to the stated termination date unless the Principal Portion and the Interest Portion of the Rental Payments are no longer outstanding (as those terms are defined in the Lease). Upon the payment in full of the Rental Payments, all of the Base Lessee's right, title and interest in the Leased Property under this Base Lease shall revert to the Base Lessor without the requirement of any action by the Base Lessor.

Section 4. Rental. As and for rental hereunder and in consideration for the leasing of the Leased Property to Base Lessee, Base Lessee shall:

(a) Simultaneously with the delivery of this Base Lease, enter into the Lease; and

(b) On the Commencement Date, advance, for deposit in the Project Account established under the Account Control Agreement, an amount equal to the Initial Principal Advance. Subsequently, Base Lessee will advance to the Project Account installments of principal aggregating not more than the Maximum Authorized Amount, upon receipt of a signed draw request in substantially the form set forth on **Exhibit B** attached to the Account Control Agreement to pay Costs of the Project; provided that, no draw requests may be made after the Final Disbursement Date.

Section 5. Assignments and Subleases. Base Lessee may assign this Base Lease and its rights hereunder or lease or sublease the Leased Property without the written consent of Base Lessor (i) in connection with any assignment of its rights under the Lease, (ii) if the Lease is terminated for any reason, or (iii) if an Event of Default as defined in the Lease has occurred.

Section 6. Termination.

(a) This Base Lease will terminate upon the completion of the term set forth in **Section 3** hereof; provided, however, that if the Base Lessor pays the Purchase Price or all of the rental payments provided for in **Article IV** of the Lease and exercises its option to purchase Base Lessee's interest in the Leased Property pursuant to **Article XI** of the Lease, then this Base Lease will be considered assigned to Base Lessor and terminated through merger of the leasehold interest hereunder with the fee interest of a Base Lessor if Base Lessor is the owner of the fee interest.

(b) If an Event of Default under the Lease occurs or if Base Lessor terminates the Lease pursuant to **Section 3.3** of the Lease, Base Lessee shall have the right to possession of the Leased Property for the remainder of the term of this Base Lease and shall have the right to sublease the Leased Property or sell its interest in the Leased Property and this Base Lease upon whatever terms and conditions it deems prudent; provided, however, that Base Lessee shall provide Base Lessor with adequate public liability insurance covering the premises for the remainder of the term and will furnish Base Lessor with evidence thereof.

Section 7. Default. Base Lessor shall not have the right to exclude Base Lessee from the Leased Property or take possession of the Leased Property (other than pursuant to the Lease) or to terminate this Base Lease prior to the expiration of its term upon any default by Base Lessee hereunder, except that if, upon the exercise of the option to purchase Base Lessee's interest in the Leased Property granted to Base Lessor in **Article XI** of the Lease and after the payment of the Purchase Price specified therein and other sums payable under the Lease, Base Lessee fails to convey its interest in the Leased Property to Base Lessor pursuant to said option, then Base Lessor shall have the right to terminate this Base Lease, such termination to be effective thirty (30) days after delivery of written notice of such termination to Base Lessee. In the event of any default by Base Lessee hereunder, however, Base Lessor may maintain an action for damages or, if permitted in equity, for specific performance.

Section 8. Quiet Enjoyment. At all times during the term of this Base Lease, Base Lessee shall peaceably and quietly have, hold and enjoy Tract 1 of the Leased Property, subject to the rights of Base Lessor under the Lease. During the term of this Base Lease, Base Lessee shall have non-exclusive use and enjoyment of Tracts 2, 3 and 3a of the Leased Property.

Section 9. No Merger. No union of the interests of Base Lessor and Base Lessee herein shall result in a merger of this Base Lease and the title to the Leased Property or any part thereof, except as and to the extent provided in **Section 6** hereof.

Section 10. Taxes and Assessments. Base Lessor covenants and agrees to pay any and all assessments of any kind or character and all taxes levied or assessed upon the Leased Property.

Section 11. Warranty and Indemnity Regarding Environmental Matters. Base Lessor hereby warrants and represents that (i) there has not been any "release" (as defined in 42 U.S.C. § 9601(22)) or threat of a "release" of any "hazardous substances" (as defined in 42 U.S.C. § 9601(14)) on or about any of the Leased Property, (ii) no part of the Leased Property is or may be a "facility" (within the meaning of 42 U.S.C. § 9607(a)), and (iii) the Leased Property and the use thereof are in compliance with all applicable laws, statutes, ordinances, rules and regulations of any governmental or quasi-governmental authority, specifically including without limitation the Resource Conservation and Recovery Act and the Comprehensive Environmental Response, Compensation and Liability Act, both as amended, and all other environmental protection or toxic waste or hazardous substance handling, treatment, storage or disposal laws, statutes, ordinances, rules and regulations.

Base Lessor agrees to provide Base Lessee with copies of any notifications of releases of oil or hazardous materials or substances or of any environmental hazards or potential hazards which are given by or on behalf of Base Lessor to any federal, state or local agencies or authorities or which are received by Base Lessor from any federal, state or local agencies or authorities with respect to the Leased Property. Such copies shall be sent to Base Lessee concurrently with their being mailed or delivered to the governmental agencies or authorities or within 10 days after they are received by Base Lessor.

Base Lessor agrees to provide Base Lessee with copies of all emergency and hazardous chemical inventory forms (hereinafter “**Notices**”) with respect to the Leased Property previously given, as of the date hereof, to any federal, state or local governmental authority or agency as required pursuant to the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C.A. Section 1101 *et seq.*, and to provide Base Lessee with copies of all such Notices subsequently sent to any such governmental authority or agency as required pursuant to the Emergency Planning and Community Right-to-Know Act of 1986. Such copies of subsequent Notices shall be sent to Base Lessee concurrently with their being mailed to any such governmental authority or agency.

Base Lessor hereby covenants and agrees, to the extent permitted by law, to indemnify, protect and hold harmless Base Lessee from and against any and all claims, demands, liabilities and costs, including without limitation attorneys’ fees, arising from (a) any “release” (as defined above) or threat of a “release,” actual or alleged, of any “hazardous substances” (as defined above) upon or about the Leased Property or respecting any products or materials previously or now located upon, delivered to or in transit to or from the Leased Property regardless of whether such release or threat of a release or alleged release or threat of release has occurred prior to the date hereof and hereafter occurs and regardless of whether such release or threat of a release or alleged release or threat of a release occurs as the result of the negligence or misconduct of Base Lessor or any third party or otherwise, or (b) any violation, actual or alleged, of or any other liability under or in connection with any law, statute, ordinance, rule or regulation of any governmental or quasi-governmental authority, specifically including without limitation the Resource Conservation and Recovery Act and the Comprehensive Environmental Response Compensation and Liability Act, both as amended, or any other environmental protection or toxic waste or hazardous substance handling, treatment, storage or disposal laws, statutes, ordinances, rules or regulations upon or about the Leased Property or respecting any products or materials previously or now located upon, delivered to or in transit to or from the Leased Property, regardless of whether such violation or alleged violation has occurred prior to the date hereof or hereafter occurs and regardless of whether such violation or alleged violation occurs as a result of the negligence or misconduct of Base Lessor or any third party or otherwise. Notwithstanding the foregoing, Base Lessor shall not be obligated to indemnify and hold harmless Base Lessee from and against any claims, demands, liabilities and costs, including without limitation attorneys’ fees, which arise solely as a result of the negligence or misconduct of Base Lessee.

Section 12. Waiver of Personal Liability.

(a) All liabilities under this Base Lease on the part of Base Lessee are solely corporate liabilities of Base Lessee as a corporation, and, to the extent permitted by law, Base Lessor hereby releases each and every director and officer of Base Lessee of and from any personal or individual liability under this Base Lease. No director or officer of Base Lessee shall at any time or under any circumstances be individually or personally liable under this Base Lease for anything done or omitted to be done by Base Lessee hereunder. The Base Lessee will not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

(b) All liabilities under this Base Lease on the part of Base Lessor are solely corporate liabilities of Base Lessor as a municipal corporation, and, to the extent permitted by law, Base Lessee hereby releases each and every official, member, employee or agent of Base Lessor of and

from any personal or individual liability under this Base Lease. No official, member, employee or agent of Base Lessor will at any time or under any circumstances be individually or personally liable under this Base Lease for anything done or omitted to be done by Base Lessor hereunder.

Section 13. Eminent Domain.

(a) In the event the whole or any part of the Leased Property is taken by eminent domain proceedings, the interest of the Base Lessee shall be recognized. The proceeds of said condemnation shall be applied as provided in **Article XII** of the Lease. Under State statutes, the Base Lessor has the power to condemn property for its purposes, and the Base Lessor acknowledges that if the Base Lessor condemned the Leased Property, such action could adversely affect the continuation of this Base Lease. The Base Lessor further acknowledges that condemnation of the Leased Property would adversely affect the Base Lessee and that without the Base Lessee's interest in the Leased Property, the Base Lessee might not lease the Leased Property to the Base Lessor pursuant to the Lease.

(b) The Base Lessor and the Base Lessee have reached agreement on the terms of the acquisition of the Leased Property, at Base Lessor's option, and to the use of the Leased Property, all as set forth in the Lease. Any acquisition of the Base Lessee's interest in the Leased Property or rights to its use by the Base Lessor (whether pursuant to the exercise of eminent domain powers or otherwise) shall be pursuant to and in accordance with the Lease, including payment of Rental Payments and the applicable Purchase Price (as defined and set forth in the Lease). If the Base Lessor allows the Lease to expire without exercising its option to purchase (whether by failure to exercise its option to extend the Lease for a Renewal Term, failure to exercise its option to purchase at the conclusion of the Maximum Lease Term or failure to cure an Event of Default as those terms are defined in the Lease), that action shall constitute an irrevocable determination by the Base Lessor that the Leased Property is not required by it for any public purpose for the term of this Base Lease.

(c) The Base Lessor hereby covenants and agrees, to the extent it may lawfully do so, that if for any reason it exercises the power of eminent domain with respect to the Leased Property, the appraisal value of the Leased Property shall not be less than the Rental Payments then due plus the then applicable Purchase Price as defined and set forth in the Lease.

(d) In the event that title to all or a portion of the Leased Property is challenged or threatened by means of competent legal or equitable action, the Base Lessor covenants that it shall cooperate with the Base Lessee and shall take all reasonable actions, including where appropriate the lawful exercise of the Base Lessor's power of eminent domain, in order to quiet title to the Leased Property in the Base Lessor.

Section 14. Leaseback to Base Lessor. Contemporaneously herewith Base Lessee and Base Lessor will execute the Lease whereby Base Lessee subleases back to Base Lessor and Base Lessor subleases from Base Lessee the Leased Property, all in accordance therewith. Title to the Leased Property shall remain in Base Lessor at all times. The Lease includes in **Article XI** thereof the option of Base Lessor, upon payment of the Purchase Price, to purchase Base Lessee's interest in the Leased Property.

Section 15. Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions of this Base Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Base Lease shall be affected thereby, and each provision of this Base Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 16. Notices. All written notices to be given under this Base Lease shall be given by mail to the party entitled thereto at its address set forth in the Lease, or at such address as the party may provide to the other party in writing from time to time. Any such notice shall be deemed to have been received 48 hours after deposit in the United States mail in registered form, with postage fully prepaid.

Section 17. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Base Lease.

Section 18. Amendments, Changes and Modifications. This Base Lease may not be effectively amended, changed, modified, altered or supplemented except with the written consent of both Base Lessee and Base Lessor. Any waiver of any provision of this Base Lease or any right or remedy hereunder must be affirmatively and expressly made in writing and shall not be implied from in action, course of dealing or otherwise.

Section 19. Applicable Law. This Base Lease shall be governed by and construed in accordance with the laws of the State.

Section 20. Execution; Electronic Transactions. This Base Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same Base Lease. It is also agreed that separate counterparts of this Base Lease may be executed by Base Lessee and Base Lessor all with the same force and effect as though the same counterpart had been executed by both Base Lessee and Base Lessor. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents will 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. The parties agree that the transaction described herein may be conducted and related documents may be sent, stored and received by electronic means.

Section 21. Successors. This Base Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 22. Complete Agreement. This written agreement is a final expression of the agreement between the parties hereto and such 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.

Section 23. Definitions of Words and Terms. Except as otherwise defined herein, all capitalized terms in this Base Lease that are not otherwise defined herein shall have the meaning set forth in the Lease.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, Base Lessor and Base Lessee have caused this Base Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

CITY OF MEXICO, MISSOURI

[SEAL]

By: _____
Name: Ayanna Shivers
Title: Mayor

ATTEST:

By: _____
Name: Marcy LeCount
Title: City Clerk

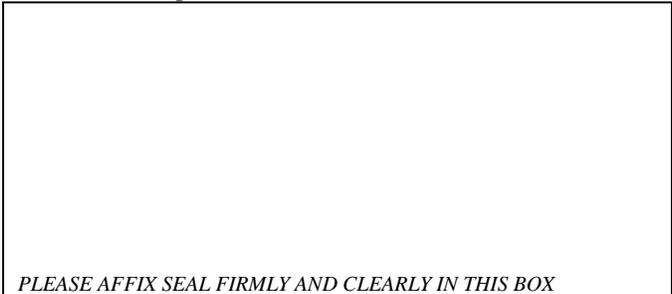
ACKNOWLEDGMENT

STATE OF MISSOURI)
) SS
COUNTY OF AUDRAIN)

On this ____ day of November, 2020, before me, the undersigned, a Notary Public, appeared **AYANNA SHIVERS**, to me personally known, who, being by me duly sworn, did say that She is the Mayor of the **CITY OF MEXICO, MISSOURI**, a third-class city and political subdivision of the State of Missouri and that the seal affixed to the foregoing instrument is the seal of said City, and that said instrument was signed and sealed on behalf of said City by authority of its City Council, and said individual acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Notary Public in and for said State
Commission Expires:



FIRST STATE COMMUNITY BANK

[NO SEAL]

By: _____
Name: _____
Title: Officer

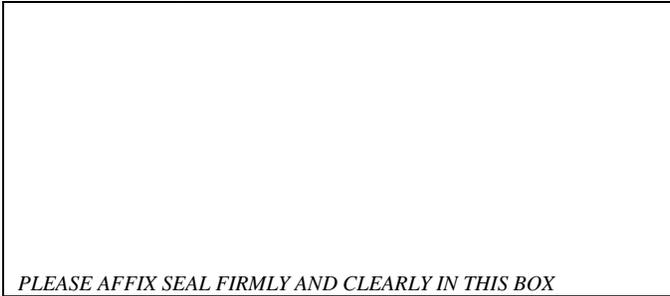
ACKNOWLEDGMENT

STATE OF MISSOURI)
) SS.
COUNTY OF _____)

BE IT REMEMBERED, that on this ____ day of September, 2020, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came _____, to me personally known, who, being by me being before me duly sworn did say that he is an authorized Officer of **FIRST STATE COMMUNITY BANK**, a state chartered bank organized and existing under the laws of the State of Missouri, and that said instrument was signed on behalf of said company by authority of its board of directors, and said official acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said company, and that the company has no seal.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Notary Public in and for said State
Commission Expires:



SCHEDULE 1 TO BASE LEASE

DESCRIPTION OF THE LEASED PROPERTY

The following described real estate situated in the County of Audrain, State of Missouri, together with all improvements now or hereafter situated thereon:

(Space above reserved for Recorder's use)

TITLE OF DOCUMENT:	LEASE PURCHASE AGREEMENT
DATE OF DOCUMENT:	November 1, 2020
GRANTOR(S) NAME AND MAILING ADDRESS:	FIRST STATE COMMUNITY BANK 201 E. Columbia Farmington, Missouri 63640 Attention: Governmental Lending
GRANTEE(S) NAME AND MAILING ADDRESS:	CITY OF MEXICO, MISSOURI 300 N. Coal Street Mexico, Missouri 65265 Attention: City Manager
RETURN DOCUMENTS TO:	Mark D. Grimm Gilmore & Bell, P.C. 211 North Broadway, Suite 2000 St. Louis, Missouri 63102
LEGAL DESCRIPTION:	See Schedule 1

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LEASE PURCHASE AGREEMENT

LESSOR: FIRST STATE COMMUNITY BANK, a state-chartered bank

LESSEE: CITY OF MEXICO, MISSOURI, a third-class city and political subdivision organized and existing under of the laws of the State of Missouri

DATE: November 1, 2020

THIS LEASE PURCHASE AGREEMENT, dated as of the date set forth above, by and between the Lessor named above (together with its successors and assigns, "**Lessor**"), and the Lessee named above (together with its successors, "**Lessee**"),

WITNESSETH:

WHEREAS, Lessor proposes to take the following actions:

(a) lease from Lessee, the real property described in **Schedule 1** including the existing buildings and improvements thereon (the "**Leased Property**");

(b) provide funds in an amount up to the Maximum Authorized Amount listed on **Exhibit B** to pay the Costs of the Project, as further described on **Exhibit B**, and Lessee will repay such funds subject to the terms and conditions set forth in this Lease; and

(c) lease its interest in the Leased Property to Lessee for the rentals and upon the terms and conditions hereinafter set forth; and

WHEREAS, Lessee, pursuant to the foregoing proposals of Lessor, desires to lease the Leased Property from Lessor, for the rentals and upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, Lessor and Lessee do hereby covenant and agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions of Words and Terms. In addition to words and terms defined herein, the following words and terms as used in the Base Lease and this Lease shall have the following meanings, unless some other meaning is plainly intended:

"Account Control Agreement" means the Account Control Agreement, dated as of the date hereof, among Lessor, Lessee and Deposit Bank

"Additional Rent" means those payments required to be made by Lessee by **Section 4.2** hereof.

"Architect" means an individual architect or firm of architects selected by the Lessee who may be an employee of the Lessee.

"Available Revenues" means, for any Fiscal Year, any balances of the Lessee from previous Fiscal Years encumbered to make Rental Payments, amounts budgeted or appropriated by the Lessee for such Fiscal

Year, plus any unencumbered balances of the Lessee from previous Fiscal Years that are legally available to make Rental Payments during such Fiscal Year, plus all moneys and investments.

“**Base Lease**” means the Base Lease dated as of the date hereof between Lessor and Lessee, as from time to time supplemented or amended in accordance with **Section 18** of the Base Lease.

“**Code**” means Internal Revenue Code of 1986, as amended.

“**Commencement Date**” is the date when the term of this Lease and Lessee’s obligation to pay rent commences, which date will be the date on which the Initial Principal Advance is deposited in the Project Account to pay the Costs of the Project.

“**Completion Date**” means the date of completion of the Project as that date shall be certified as provided in **Section 5.4** hereof.

“**Construction Contract**” means the construction contract(s) for the construction of the Project in accordance with the Plans and Specifications.

“**Cost**” or “**Costs**” means all reasonable or necessary expenses incidental to the acquisition and construction of the Project, including the expenses of studies, surveys, land title and title policies, architectural and engineering services, recording fees, bank fees, legal and other special services and all other necessary and incidental expenses.

“**Counsel**” means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include legal counsel for either Lessee or Lessor.

“**Deposit Bank**” means First State Community Bank, the deposit bank under the Account Control Agreement, or any successor deposit bank under the Account Control Agreement.

“**Event of Default**” or “**Default**” means any Event of Default as defined in **Section 13.1** hereof.

“**Event of Nonappropriation**” means an Event of Nonappropriation as described in **Section 3.3** hereof.

“**Final Disbursement Date**” means the earlier of (i) the Completion Date or (ii) six months after the Commencement Date.

“**Fiscal Year**” means the fiscal year of Lessee for financial and budgetary purposes as set forth on **Exhibit B** hereto.

“**Impositions**” means those Impositions defined as such in **Article VII** hereof.

“**Initial Principal Advance**” means the amount set forth on Exhibit B, which shall be deposited into the Project Account on the Commencement Date.

“**Interest Portion**” means the Interest Portion of a Rental Payment identified as such in **Exhibit A** hereto.

“**Interest Rate**” means the interest rate identified as such in **Exhibit B** hereto, which is the rate at which the Interest Portions are calculated.

“**Issuance Year**” is the calendar year in which the Commencement Date occurs.

“**Lease**” means this Lease Purchase Agreement between Lessor and Lessee, as from time to time supplemented and amended in accordance with **Article XIV** hereof.

“**Lease Term**” means the Original Term and any Renewal Terms.

“**Leased Property**” means the real property described in **Schedule 1** including the existing buildings and improvements thereon.

“**Lessee Representative**” means Lessee’s Mayor or its City Manager, and such other person or persons at the time designated to act on behalf of Lessee in matters relating to the Base Lease and this Lease as evidenced by a written certificate furnished to Lessor containing the specimen signature of such person or persons and signed on behalf of Lessee by the Mayor. Such certificate may designate an alternate or alternates each of whom shall be entitled to perform all duties of Lessee Representative.

“**Lessor Representative**” means the person or persons at the time designated to act on behalf of Lessor in matters relating to the Base Lease and this Lease as evidenced by a written certificate furnished to Lessee containing the specimen signature of such person or persons and signed on behalf of Lessor by its authorized officer. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Lessor Representative.

“**Maximum Authorized Amount**” means the maximum authorized amount specified on **Exhibit B**, to be paid by Lessor under this Lease and to be applied to pay Costs of the Project.

“**Maximum Lease Term**” means the Original Term and all Renewal Terms through the final Rental Payment Date listed on **Exhibit A** hereto.

“**Net Proceeds**” when used with respect to any insurance proceeds or any condemnation award or amounts received from the sale of property under the threat of condemnation, means the amount remaining after deducting all expenses (including attorneys’ fees and any expenses of Lessee and Lessor) incurred in the collection of such proceeds or award from the gross proceeds thereof.

“**Original Term**” means the initial term of this Lease beginning as of the Commencement Date and ending on the last day of Lessee’s current Fiscal Year.

“**Plans and Specifications**” means the Plans and Specifications for the Project referred to in **Section 5.1**, any amendments and additions thereto, and any change orders thereto.

“**Principal Portion**” means the Principal Portion of a Rental Payment identified as such in **Exhibit A** hereto.

“**Project**” means the acquisition and construction of a municipal swimming pool.

“**Project Account**” means the project account, established under the Account Control Agreement.

“**Project Documents**” means this Lease, the Account Control Agreement, the Construction Contract, any bids received and accepted by the Lessee relating to the Project, and any other agreements, documents or certificates related to the foregoing or the Project.

“**Purchase Price**” means the amount designated as such on **Exhibit A** hereto that Lessee may, in its discretion, pay to Lessor to purchase the Leased Property, pursuant to **Section 11.1** hereof.

“Renewal Terms” means the renewal terms of this Lease during which the Lease Term is extended in accordance with **Section 3.2** hereof, each having a duration of one year and a term coextensive with Lessee’s Fiscal Year except as otherwise provided in said **Section 3.2**.

“Rental Payment Dates” means the dates during the Lease Term on which Rental Payments are due as set forth on **Exhibit A** hereto.

“Rental Payments” means those payments required to be made by Lessee by **Section 4.1** hereof.

“State” means the State of Missouri.

“Tax Compliance Agreement” means the Federal Tax Certificate relating to this Lease, executed and delivered by Lessee and delivered to Lessor concurrently with this Lease.

Section 1.2. Rules of Construction.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words importing the singular number shall include the plural and vice versa, and words importing person shall include firms, associations and corporations, including public bodies, as well as natural persons.

(b) The words “herein,” “hereby,” “hereunder,” “hereof,” “hereto,” “hereinbefore,” “hereinafter” and other equivalent words refer to this Lease and not solely to the particular article, section, paragraph or subparagraph hereof in which such word is used.

(c) Reference herein to a particular article, section, exhibit or schedule shall be construed to be a reference to the specified article, section, exhibit or schedule hereof or hereto unless the context or use clearly indicates another or different meaning or intent.

(d) Whenever an item or items are listed after the word “including,” such listing is not intended to be a listing that excludes items not listed.

Section 1.3. Section and Article Headings. The Section and Article headings herein are for convenience only and in no way define, limit or describe the scope or intent of any of the provisions hereof.

Section 1.4. Execution of Counterparts. This Lease may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute but one and the same instrument.

Section 1.5. Construction and Enforcement. This Lease shall be governed by and construed in accordance with the laws of the State.

Section 1.6. Severability. In the event any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

Section 1.7. Complete Agreement. This written agreement is a final expression of the agreement between the parties hereto and such 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.

Section 1.8. Accounting Terms. Accounting terms used herein and not otherwise specifically defined shall have the meaning ascribed to such terms by generally accepted accounting principles as from time to time in effect.

ARTICLE II

REPRESENTATIONS AND COVENANTS

Section 2.1. Representations and Covenants by Lessee. Lessee covenants as of the date of delivery hereof, as follows:

(a) Lessee is a third-class city and political subdivision organized and existing under and pursuant to the laws of the State with full power and authority to enter into each of the Project Documents and the transactions contemplated thereby and hereby and to perform all of its obligations thereunder and hereunder;

(b) The lease of the Leased Property by Lessor to Lessee, as provided in this Lease, is necessary, desirable and in the public interest, and Lessee hereby declares its current need for the Leased Property;

(c) The Project, when completed in accordance with the Project Documents and Plans and Specifications, will be in compliance with all applicable laws and regulations and Lessee's requirements.

(d) Lessee and the Architect have estimated, and Lessee reasonably believes, that the total Costs of the Project, in accordance with the Project Documents and Plans and Specifications, will not exceed the Maximum Authorized Amount, together with other funds Lessee has available to pay such Costs.

(e) Lessee has duly authorized the execution and delivery of each of the Project Documents by proper action by its governing body at a meeting duly called, regularly convened and attended throughout by the requisite majority of the members thereof or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of each of the Project Documents;

(f) To the Lessee's knowledge, neither the execution and delivery of any Project Document, nor the fulfillment of or compliance with the terms and conditions thereof or hereof, nor the consummation of the transactions contemplated thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Lessee is a party;

(g) There is no proceeding pending and served and/or, to the Lessee's knowledge, threatened in any court or before any governmental authority or arbitration board or tribunal challenging the validity of the proceedings of the City Council of Lessee authorizing any Project Document or the power or authority of Lessee to enter into any Project Document or the validity or enforceability of any Project Document or that, if adversely determined, would adversely affect the transactions contemplated by any Project Document or the interest of Lessor or its assigns under any Project Document;

(h) To Lessee's knowledge, Lessee has not made, done, executed or suffered, and covenants that it will not make, do, execute or suffer, any act or thing whereby Lessee's interests in any property now or hereafter included in the Leased Property shall be or may be impaired, changed or encumbered in any manner whatsoever, except as contemplated by the Base Lease and this Lease;

(i) To Lessee's knowledge, no event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists at the date hereof;

(j) Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current Fiscal Year to make the Rental Payments scheduled to come due during the Original Term, if any, and to meet its other obligations for the Original Term, and such funds have not been expended for other purposes;

(k) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic;

(l) Lessee has complied, or will comply, with such public bidding requirements as may be applicable to any of the Project Documents and the acquisition of the Project; and

(m) During the Lease Term, the Leased Property will be used by Lessee only for the purpose of performing essential governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority.

ARTICLE III

GRANTING PROVISIONS; TERM

Section 3.1. Granting of Leasehold. Lessor, by these presents, hereby demises, leases, subleases and lets the Leased Property unto Lessee, and Lessee hereby rents, leases and hires the Leased Property from Lessor in accordance with this Lease for the Lease Term.

Section 3.2. Lease Term. The Original Term shall commence as of the date of delivery of this Lease and shall terminate on the last day of Lessee's current Fiscal Year. The Lease Term may be continued solely, at the option of Lessee, at the end of the Original Term or any Renewal Term for an additional one-year; provided that the final Renewal Term shall not extend beyond February 2, 2031. At the end of the Original Term and at the end of each Renewal Term, if Lessee has appropriated funds for the Rental Payments for the next Fiscal Year and so long as this Lease has not been terminated pursuant to **Section 11.1** hereof, Lessee will be deemed to have exercised its option to continue this Lease for the next Renewal Term. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except for any difference in the Rental Payments as provided on **Exhibit A** hereto.

Lessee currently intends, subject to the provisions of **Section 3.3** hereof, to continue this Lease through the Maximum Lease Term and to pay the Rental Payments hereunder. Lessee reasonably believes that legally available funds in an amount sufficient to pay all Rental Payments during the Original Term and each of the Renewal Terms through the Maximum Lease Term can be obtained. The responsible financial officer of Lessee shall do all things lawfully within his power to obtain and maintain funds from which the Rental Payments may be made, including making provision for such Rental Payments to the extent necessary in each proposed budget or appropriation request submitted for approval in accordance with applicable provisions of law and to exhaust all available reviews and appeals in the event such portion of the budget or appropriation request is not approved. Notwithstanding the foregoing, the decision to budget and appropriate funds or to extend this Lease for any Renewal Term is to be made in accordance with Lessee's normal procedures for such decisions, and the then current City Council of the Lessee.

Section 3.3. Nonappropriation. Lessee is obligated only to pay Rental Payments under this Lease as may lawfully be made from Available Revenues. If an Event of Nonappropriation occurs, this Lease will be deemed terminated at the end of the then-current Original Term or Renewal Term. An Event of

Nonappropriation will be deemed to have occurred if Lessee fails to budget, appropriate or otherwise provide for the sufficient funds to pay Rental Payments to come due during the immediately following Renewal Term. Lessee agrees to deliver notice to Lessor of such termination at least 90 days prior to the end of the then current Original Term or Renewal Term, but failure to give such notice shall not extend the term beyond such Original Term or Renewal Term.

Section 3.4. Enjoyment of Leased Property. Lessor will provide Lessee during the Lease Term with quiet use and enjoyment of Tract 1 of the Leased Property. The parties agree that the Lessee will have non-exclusive use of Tracts 2, 3 and 3a of the Leased Property. Lessee will, during the Lease Term, peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from Lessor, except as expressly set forth in this Lease. Lessee shall have the right to use the Leased Property for any governmental or proprietary purpose of Lessee, subject to the limitations contained in this Lease.

ARTICLE IV PROVISIONS FOR PAYMENT OF RENTAL PAYMENTS

Section 4.1. Rental Payments. Lessee shall promptly make Rental Payments, subject to **Sections 3.3** and **4.3** hereof, in lawful money of the United States of America to Lessor on each Rental Payment Date, in such amounts as are described on **Exhibit A** hereto. A portion of each Rental Payment is paid as, and represents payment of, interest, as set forth on **Exhibit A** hereto (said interest to be attributable to the various Principal Portions in accordance with the per annum rate set forth in **Exhibit B** hereto).

Section 4.2. Additional Rent. Lessee shall pay, subject to the provisions of **Sections 3.3** and **4.3** hereof, as Additional Rent (i) all Impositions (as defined in **Article VII** hereof); (ii) all amounts required under **Sections 4.4** or **15.5** hereof and all other payments of whatever nature which Lessee has agreed to pay or assume under this Lease; and (iii) all expenses, including attorneys' fees, as permitted by law, incurred in connection with the enforcement of any rights under this Lease by Lessor. Amounts required to be paid under this Section shall be paid directly to the person or entity owed.

Section 4.3. Rental Payments and Additional Rent Constitute Current Expense. Notwithstanding any other provision hereof, Lessor and Lessee understand and intend that the obligation of Lessee to pay the Rental Payments and the Additional Rent and other amounts payable hereunder be limited to payment from Available Revenues and will constitute a current expense of Lessee. Such obligation will not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement, concerning the creation of indebtedness by Lessee, nor will anything contained herein constitute a pledge of the general tax revenues, funds or moneys of Lessee, and all this Lease shall be construed so as to give effect to such intent.

Section 4.4. Advances. In the event Lessee fails to either maintain the insurance required by this Lease or keep the Leased Property in good repair, Lessor may, but is not obligated to, purchase the required insurance and pay the cost of the premiums therefor and maintain and repair the Leased Property and pay the cost thereof. All amounts so advanced by Lessor shall constitute Additional Rent for the then current Original Term or Renewal Term and Lessee covenants and agrees to pay such amounts so advanced by Lessor with interest thereon from the due date advanced by Lessor until paid at the rate per annum equal to the prime rate plus 2% or the maximum amount permitted by law, whichever is less. In accordance with Section 427.120 of the Revised Statutes of Missouri, as amended, unless Lessee provides evidence of the insurance coverage required by this Lease, Lessor may purchase insurance at Lessee's expense to protect Lessor's interests hereunder. This insurance may, but need not, protect Lessee's interests. The coverage that Lessor may purchase may not pay any claim that Lessee may make or any claim that may be made against Lessee in

connection with the Leased Property. Lessee may later cancel any insurance purchased by Lessor, but only after providing evidence that Lessee has obtained insurance as required by this Lease. If Lessor purchases insurance for the Leased Property, Lessee will be responsible for the costs of that insurance, including the insurance premium, interest and other reasonable charges Lessor may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance will be added as Additional Rent. The costs of the insurance may be more than the cost of insurance Lessee may be able to obtain on its own.

ARTICLE V

ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 5.1. Construction of Project. Lessee has entered, or will enter, into the Construction Contract providing for the construction of the Project and has provided, or will provide upon request, a copy of such Construction Contract to Lessor. Lessee shall cause the Project to be acquired and constructed in accordance with the Plans and Specifications and the Construction Contract as promptly as practicable and with all reasonable dispatch.

Concurrently with the delivery of this Lease, upon request of Lessor, Lessee shall file with Lessor the Plans and Specifications in the form in which they then exist (it being understood that the Plans and Specifications may not be complete at that time). Thereafter, pursuant to the requirements of **Section 5.3**, Lessee shall promptly file the completed Plans and Specifications and such additions and supplements thereto as the same are prepared.

Section 5.2. Payment for Acquisition and Construction of the Project. Costs and expenses of every nature incurred in the acquisition and construction of the Project, which qualify as Costs, shall be requested by Lessee and paid by Lessor as described in **Section 4.1**.

Section 5.3. Changes in the Plans and Specifications or Construction Contract or Modifications of the Project. Lessee may make any changes in or modifications of the Plans and Specifications subsequent to the date of this Lease and prior to the Completion Date, may make any changes in or modifications of the Construction Contract and may make any deletions from or substitutions or additions to the Project (such completion, changes, modifications, deletions, substitutions and additions being together herein called "change orders").

Section 5.4. Completion Date. The Completion Date of the Project shall be evidenced to Lessor upon receipt by Lessor of a completion certificate complying with the requirements of the Account Control Agreement.

Section 5.5. Design, Construction and Maintenance of the Project. Lessor shall have no responsibility in connection with the selection of the Project, any contractor, subcontractor or supplier, the Plans and Specifications or the design of the Project, their suitability for the use intended by Lessee, or the performance by any contractor, subcontractor or supplier in acquiring, constructing and installing the Project. Lessor shall have no obligation to acquire, construct, furnish, equip, install, erect, test, inspect, service or maintain the Project or any portion thereof under any circumstances, but such actions shall be the obligation of Lessee. Lessor's sole responsibility in connection with the Project is to deposit principal advances in the Project Account to pay Costs in accordance with the terms and conditions specified in the Base Lease.

ARTICLE VI

WARRANTIES

Section 6.1. Warranties. Lessor hereby assigns to Lessee for and during the Lease Term, all of its interest in all warranties, guarantees or other contract rights against any contractor, subcontractor or supplier, expressed or implied, issued on or applicable to the Leased Property, and Lessor hereby authorizes Lessee to obtain the customary services furnished in connection with such warranties, guarantees or other contract rights at Lessee's expense. Lessee's sole remedy for the breach of such warranties, guarantees or other contract rights shall be against any contractor, subcontractor or supplier, and not against Lessor, nor shall such matter have any effect whatsoever on the rights of Lessor with respect to this Lease, including the right to receive full and timely Rental Payments, Additional Rent and other payments hereunder. Lessee expressly acknowledges that Lessor does not make nor has it made any representation or warranty whatsoever as to the existence or availability of such warranties, guarantees or other contract rights of the manufacturer or supplier of any portion of the Leased Property.

Section 6.2. DISCLAIMER OF WARRANTIES. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED PROPERTY OR ANY PART THEREOF, OR WARRANTY WITH RESPECT THERETO. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE IN CONNECTION WITH OR ARISING OUT OF THIS LEASE OR THE EXISTENCE, FURNISHING, FUNCTIONING OR LESSEE'S USE OF THE LEASED PROPERTY OR ANY PART THEREOF.

ARTICLE VII

IMPOSITIONS

Section 7.1. Impositions. Lessee shall bear, pay and discharge, before the delinquency thereof, as Additional Rent, all taxes and assessments, general and special, if any, which may be lawfully taxed, charged, levied, assessed or imposed upon or against or be payable for or in respect of the Leased Property, including any taxes and assessments not of the kind enumerated above to the extent that the same are lawfully made, levied or assessed in lieu of or in addition to taxes or assessments now customarily levied against real or personal property, and further including all water and sewer charges, assessments and other general governmental charges and impositions whatsoever, foreseen or unforeseen, which if not paid when due would impair the security of Lessor or encumber the Leased Property (all of the foregoing being herein referred to as "**Impositions**").

Section 7.2. Contest of Impositions. Lessee may, in its own name or in Lessor's name, to contest the validity or amount of any Imposition which Lessee is required to bear, pay and discharge pursuant to the terms of this Article by appropriate legal proceedings instituted at least 10 days before the contested Imposition complained of becomes delinquent and may permit the Imposition so contested to remain unpaid during the period of such contest and any appeal therefrom provided Lessee provides Lessor with either (a) in the opinion of Counsel, that by nonpayment of any such items the interest of Lessor in the Leased Property will be endangered or the Leased Property or any part thereof will not be subject to loss or forfeiture, or (b) a written certification of Lessee that by nonpayment of any such items the interest of Lessor will not be endangered or the Leased Property or any part thereof will not be subject to loss or forfeiture. If Lessee is unable to provide either of the above-described items, Lessee shall promptly pay such taxes, assessments or charges or provide Lessor with full security against any loss which may result from nonpayment, in form

satisfactory to Lessor. Lessor agrees to cooperate with Lessee in connection with any and all administrative or judicial proceedings related to Impositions. Lessee shall hold Lessor whole and harmless from any costs and expenses Lessor may incur with respect to any Imposition.

ARTICLE VIII

INSURANCE; INDEMNITY

Section 8.1. Insurance Required. Lessee shall, during the Lease Term, cause the Leased Property to be kept continuously insured against such risks customarily insured against for facilities such as the Leased Property and shall pay (except as otherwise provided herein), as the same become due, all premiums in respect thereof, such insurance to include the following policies of insurance:

(a) Insurance insuring the Leased Property described on **Schedule 1** hereto against loss or damage by fire, lightning and all other risks covered by the extended coverage insurance endorsement then in use in the State in an amount not less than the Principal Portion of the Rental Payments then outstanding by such insurance company or companies authorized to do business in the State as may be selected by Lessee. The policy or policies of such insurance will name Lessee as insured and loss payee and Lessor as an additional loss payee. All proceeds from such policies of insurance shall be applied as provided in **Article XII** hereof.

(b) Commercial general liability insurance, under which Lessee is named as insured, providing for coverage of the injuries and damages for which Lessee, as a political subdivision, is legally obligated under Missouri law to pay, and shall name Lessor as an additional insured party, with limits of coverage in an amount equal to the current value of the limitation on awards as published annually in the Missouri Register pursuant to Section 537.610, RSMo., as amended.

(c) Workers' compensation and unemployment coverages to the extent, if any, required by the laws of the State.

Certificates evidencing such insurance shall be delivered by Lessee to Lessor in accordance with the policy provisions. No later than 120 days after the end of each Fiscal Year, Lessee will provide to Lessor a current certificate evidencing that Lessee is in compliance with the requirements of this Section. To the extent reasonably attainable, all policies of such insurance, and all renewals thereof, shall contain a provision that such insurance may not be cancelled by the issuer thereof without providing written notice to Lessee and Lessor.

Nothing in this Lease shall be construed as preventing Lessee from satisfying the insurance requirements herein set forth by using blanket policies of insurance provided each and all of the requirements and specifications of this Lease respecting insurance are complied with.

Section 8.2. Enforcement of Contract and Surety Bonds. In the event of material default of any contractor or subcontractor under the Construction Contract or any contract made in connection with the acquisition and installation of the Project, or in the event of a material breach of warranty with respect to any materials, workmanship or performance, Lessee will promptly proceed, either separately or in conjunction with others, to pursue diligently the appropriate remedies of Lessee against the contractor or subcontractor in default and against each surety on a bond securing the performance of such contract. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, after deduction of expenses incurred in such recovery and after reimbursement to Lessee of any amounts theretofore paid by Lessee and not previously reimbursed to Lessee for correction or remedying of the default which gave rise to the proceedings against the contractor, subcontractor or surety, shall be held by Lessee in a separate account

and not commingled with other funds of Lessee if received before the Completion Date, and, if received after the Completion Date, shall be appropriated solely for the purpose of paying Rental Payments under this Lease.

Section 8.3. Release and Indemnification. To the extent permitted by law, Lessee shall indemnify, protect, hold harmless, save and keep Lessor harmless from and against any and all liability, obligation, loss, claim, tax and damage whatsoever and all expenses in connection therewith (including without limitation, attorneys' fees and expenses) that are not caused by the negligence or willful misconduct of Lessor, its agents, directors, attorneys or employees, arising out of or as the result of (a) the entering into of the Base Lease or this Lease, (b) injury, actual or claimed, of whatsoever kind or character, to property or persons, occurring or allegedly occurring in, on or about the Leased Property during the Lease Term, and/or (c) the breach of any covenant by Lessee herein or any material misrepresentation by Lessee contained herein; provided that (1) Lessee may conduct Lessor's defense through counsel designated by Lessee and approved by Lessor, which approval shall not be unreasonably withheld, and (2) Lessor may retain separate counsel, at the expense of Lessee, if counsel selected by the Lessee fails to actively and competently pursue a defense available to it that are not available to Lessee or that are adverse to or in conflict with those available to Lessee or Lessor believes in good faith cannot be effectively asserted by common counsel. The indemnification arising under this section shall 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.

ARTICLE IX

ASSIGNMENT AND SUBLEASING

Section 9.1. Assignment by Lessor. Lessor's right, title and interest in, to and under this Lease and the Leased Property may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Lessor without the necessity of obtaining the consent of Lessee; provided that any assignment shall not be effective until Lessee has received written notice, signed by the assignor, of the name, address and tax identification number of the assignee. Lessee agrees to keep a record of all such notices of assignment and to execute all documents, including notices of assignment and financing statements that may be reasonably requested by Lessor or any assignee to protect its interests in the Leased Property and in this Lease. Lessee shall not have the right to and shall not assert against any assignee any claim, counterclaim or other right Lessee may have against Lessor.

Section 9.2. Assignment and Subleasing by Lessee. Except as set forth in this Section, none of Lessee's right, title and interest in, to and under this Lease and in the Leased Property may be assigned or encumbered by Lessee for any reason, except that Lessee may sublease all or part of the Leased Property if Lessee obtains the written opinion of nationally recognized counsel in the area of tax-exempt obligations of state and local governments that such subleasing will not adversely affect the exclusion of the interest components of the Rental Payments from gross income for federal income tax purposes. Any such sublease of all or part of the Leased Property will be subject to this Lease and the rights of Lessor in, to and under this Lease and the Leased Property.

ARTICLE X

MAINTENANCE, REPAIRS AND MODIFICATIONS

Section 10.1. Maintenance, Repairs and Modifications. Lessee shall, at its own expense, maintain, preserve and keep the Leased Property in good repair, working order and condition, and shall from time to time make all repairs, replacements and improvements necessary to keep the Leased Property in such

condition. Lessor shall have no responsibility for any repairs, replacements or improvements. In addition, Lessee shall, at its own expense, have the right to remodel any portion of the Leased Property or to make additions, modifications and improvements thereto. All such additions, modifications and improvements shall thereafter comprise part of the Leased Property and be subject to the provisions of this Lease; provided, however, that Lessee may install at its own expense any furniture, furnishings, trade fixtures and business equipment and such furniture, furnishings, trade fixtures and business equipment (specifically excluding lighting fixtures and heating, ventilating and air conditioning equipment and wiring within conduits) shall remain the property of Lessee and shall not be subject to the provisions of this Lease. Such additions, modifications and improvements shall not in any way damage the Leased Property nor cause it to be used for purposes other than those permitted by this Lease and authorized under the provisions of municipal, state and federal law. The Leased Property, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is not substantially less than the value of the Leased Property immediately prior to the making of such additions, modifications and improvements. Any property for which a substitution or replacement is made pursuant to this Section may be disposed of by Lessee in such manner and on such terms as are determined by Lessee. Lessee will not permit any mechanic's or other lien to be established or remain against the Leased Property for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by Lessee pursuant to this Section; provided that if any such lien is established and Lessee shall first notify Lessor of Lessee's intention to do so, Lessee may in good faith contest any lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless Lessor shall notify Lessee that, in the opinion of Counsel, by nonpayment of any such item the interest of Lessor in the Leased Property will be materially endangered or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event Lessee shall promptly pay and cause to be satisfied and discharged all such unpaid items or provide Lessor with full security against any such loss or forfeiture, in form satisfactory to Lessor. Lessor will cooperate fully with Lessee in any such contest, upon request and at the expense of Lessee.

Section 10.2. Liens. Lessee shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, other than the respective rights of Lessor and Lessee as herein and in the Base Lease provided. Except as expressly provided in this Article, Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. Lessee shall reimburse Lessor for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

Section 10.3. Granting of Easements. If no Event of Default or Event of Nonappropriation under this Lease shall have happened and be continuing, the Lessee may at any time or times (a) grant easements, licenses, rights of way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any part of the Leased Property, or (b) release existing easements, licenses, rights of way and other rights or privileges, all with or without consideration and upon such terms and conditions as provided in this Section. Lessor agrees that it will execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right of way or other right or privilege or any such agreement or other arrangement, upon receipt by the Lessor of: (1) a copy of the instrument of grant or release or of the agreement or other arrangement; (2) a written application signed by the Lessee Representative requesting such instrument; and (3) a certificate executed by the Lessee Representative, on which the Lessor shall be entitled to conclusively rely, stating that such grant or release is not detrimental to the proper conduct of the business of Lessee, will not impair the effective use or interfere with the efficient and economical operation of the Leased Property, and will not materially adversely affect the security intended to be given by or under this Lease. If the instrument of grant shall so provide, any such easement or right and the rights of such other parties thereunder shall be superior to the rights of the Lessor under this Lease and shall not be affected by any termination of this Lease or by default on the part of the Lessee hereunder. If no Event of

Default or Event of Nonappropriation shall have happened and be continuing, any payments or other consideration received by the Lessee for any such grant or with respect to or under any such agreement or other arrangement shall be and remain the property of the Lessee, but, in the event of the termination of this Lease subsequent to an Event of Default or an Event of Nonappropriation, all rights of Lessee then existing with respect to or under such grant shall inure to the benefit of and be exercisable by Lessor.

ARTICLE XI

LESSEE'S OPTION TO PURCHASE THE LEASED PROPERTY

Section 11.1. Lessee's Option to Purchase the Leased Property. Lessee may purchase Lessor's interest in the Leased Property, in whole, upon giving written notice to Lessor at least 30 days (unless a shorter notice is satisfactory to Lessor) before the date of purchase, at the following times and upon the following terms:

(a) On or after February 1, 2024, upon payment in full of the Rental Payments and Additional Rent then due hereunder plus the then applicable Purchase Price to Lessor; or

(b) In the event of substantial damage to or destruction or condemnation (other than condemnation by Lessee or any entity controlled by or otherwise affiliated with Lessee) of, or loss of title to, substantially all of the Leased Property, or as a result of changes in the constitution of the State or legislative or administrative action by the State or the United States, the Base Lease or this Lease becomes unenforceable on the Rental Payment Date that Lessee specifies as the purchase date in Lessee's notice to Lessor of its exercise of the purchase option, upon payment in full of the Rental Payments then due hereunder plus all remaining principal portions of Rental Payments set forth on **Exhibit A** to Lessor.

Section 11.2. Partial Prepayment.

(a) The Lessee may prepay Rental Payments in part, at any time after February 1, 2024, upon giving written notice to the Lessor at least 30 days before the date of such prepayment (unless a shorter notice will be satisfactory to Lessor), and upon payment of the Principal Portions of the Rental Payments to be prepaid plus the Interest Portions of the Rental Payments accrued from the immediately preceding Rental Payment Date to such purchase date, without premium.

(b) In the event of a partial prepayment of Rental Payments, the Rental Payment Schedule on **Exhibit A** shall be revised by the Lessor. The Lessor shall provide Lessee with a copy of the revised Rental Payment Schedule.

Section 11.3. Determination of Fair Purchase Price. Lessee and Lessor hereby agree and determine that the Rental Payment hereunder during the Original Term and any Renewal Term represent the fair value of the use of the Leased Property and that the amount required to exercise Lessee's option to purchase Lessor's interest in the Leased Property pursuant to **Section 11.1** hereof represents, as of the end of the applicable Rental Payment Date, the fair purchase price of the Leased Property. Lessee hereby determines that the Rental Payments do not exceed a reasonable amount so as to place Lessee under an economic practical compulsion to renew this Lease or to exercise its option to purchase the Leased Property hereunder. In making such determinations, Lessee and Lessor have given consideration to the uses and purposes for which the Leased Property will be employed by Lessee, the use and occupancy of the Leased Property pursuant to the terms and provisions of this Lease and Lessee's option to purchase the Leased Property. Lessee hereby determines and declares that the Maximum Lease Term does not exceed the useful life of the Leased Property.

ARTICLE XII

DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 12.1. Damage, Destruction and Condemnation. Unless Lessee shall have exercised its option to purchase the Leased Property and terminate this Lease as provided in **Article XI** hereof, if (i) any portion of the Leased Property is destroyed, in whole or in part, or is damaged by fire or other casualty or (ii) title to or the temporary use of the Leased Property or any part thereof will be nonexistent or deficient or taken under the exercise or threat of the power of eminent domain, by any governmental body or by any person, firm or corporation acting under governmental authority, Lessee shall cause the Net Proceeds of any insurance claim, condemnation award or any sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Leased Property by Lessee. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee and will be held and appropriated by Lessee for the exclusive purpose of paying Rental Payments under this Lease.

If Lessee determines that the replacement, repair, restoration, modification or improvement of the Leased Property is not economically feasible or in the best interest of Lessee, then, in lieu of making such replacement, repair, restoration, modification or improvement and if permitted by law, Lessee shall promptly purchase the Lessor's interest in Leased Property pursuant to **Section 11.1(b)** hereof, by paying the Purchase Price to Lessor. The Net Proceeds shall be applied by Lessee to payment of the Purchase Price. Any balance of the Net Proceeds remaining after paying the Purchase Price to Lessor shall belong to Lessee.

Section 12.2. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in **Section 12.1** hereof and Lessee has not elected to purchase Lessor's interest in the Leased Property in accordance with **Section 11.1** hereof, Lessee shall complete such repair, restoration, modification or improvement and pay any cost thereof in excess of the amount of the Net Proceeds. If Lessee makes any payments pursuant to this **Section 12.2**, Lessee shall not be entitled to any reimbursement therefor from Lessor nor will Lessee be entitled to any diminution of any Rental Payment.

Section 12.3. Cooperation of Lessor. Lessor shall cooperate fully with Lessee, at the expense of Lessee, in filing any proof of loss with respect to any insurance policy covering the events described in **Section 12.1** hereof and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Leased Property or any part thereof and will, to the extent it may lawfully do so, permit Lessee to litigate in any proceeding resulting therefrom in the name of and on behalf of Lessor. In no event will Lessor voluntarily settle, or consent to the settlement of, any proceedings arising out of any insurance claim or any prospective or pending condemnation proceeding with respect to the Leased Property or any part thereof without the written consent of Lessee.

ARTICLE XIII

DEFAULT PROVISIONS

Section 13.1. Events of Default Defined. Any of the following shall constitute an "Event of Default" under this Lease:

- (a) Failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder at the time specified herein;

(b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in clause (a) of this Section, for a period of 60 days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor, unless Lessor will agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor shall consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;

(c) Any representation or warranty made by Lessee in or pursuant to any Financing Document or any instrument or the execution, delivery, or performance thereof proves to have been false, incorrect, misleading or breached in any material respect on the date when made;

(d) Any provision of the Base Lease or this Lease at any time for any reason ceases to be valid and binding on Lessee, or is declared to be null and void by a court of competent jurisdiction, or the validity or enforceability thereof is contested by Lessee or any governmental agency or authority or jurisdiction if the loss of such provision would materially adversely affect the rights or security of Lessor; or

(e) Lessee becomes insolvent or admits in writing its inability to pay its debts as they mature or applies for, consents to, or acquiesces in the appointment of a trustee, receiver or custodian for Lessee or a substantial part of its property; or in the absence of such application, consent or acquiescence, a trustee, receiver or custodian is appointed for Lessee or a substantial part of its property and is not discharged within 60 days; or any bankruptcy, reorganization, debt arrangement, moratorium or any proceeding under bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is instituted by or against Lessee and, if instituted against Lessee, is consent to or acquiesced in by Lessee or is not dismissed within 60 days.

Section 13.2. Remedies on Default. Whenever any Event of Default exists, Lessor shall have the right, at its option and without any further demand or notice, to take any one or any combination of the following remedial steps:

(a) By written notice to Lessee, Lessor may declare all Rental Payments and other amounts payable by Lessee hereunder to the end of the then current Original Term or Renewal Term to be due;

(b) With or without terminating this Lease, take possession of the Leased Property, sell Lessor's interest in the Base Lease, or lease the Leased Property or, for the account of Lessee, sublease the Leased Property and continue to hold Lessee liable for the difference between the Rental Payments, Additional Rents and other amounts payable by Lessee hereunder during the Original Term or then current Renewal Term, as the case may be, and the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of Lessor in exercising its remedies under this Lease, including without limitation all expenses of taking possession, removing, storing, reconditioning and selling or leasing or subleasing the Leased Property and all brokerage, auctioneers and attorneys' fees and expenses); or

(c) Take whatever action at law or in equity necessary or desirable to enforce its rights under this Lease.

Section 13.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be

construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor or Lessee to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article.

Section 13.4. No Additional Waiver Implied by One Waiver. If any agreement contained in this Lease is breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE XIV

AMENDMENTS, CHANGES AND MODIFICATIONS

Section 14.1. Amendments, Changes and Modifications. This Lease may be amended, changed or modified in any manner by written agreement of Lessor and Lessee. Any waiver of any provision of this Lease or any right or remedy hereunder must be affirmatively and expressly made in writing and shall not be implied from inaction, course of dealing or otherwise.

ARTICLE XV

MISCELLANEOUS

Section 15.1. Maintenance of Tax Exemption. Lessee shall not take any action or fail to take any action which action or failure would cause the Interest Portions of Rental Payments under this Lease to be includable in gross income for federal income tax purposes. Lessee will comply with all applicable provisions of the Code, including Sections 103 and 148 thereof, and the regulations of the Treasury Department thereunder from time to time proposed or in effect in order to maintain the exclusion from gross income for purposes of federal income taxation of the Interest Portions of Rental Payments under this Lease. Without limiting the generality of the foregoing, Lessee hereby ratifies, confirms and incorporates herein, as though set forth in full at this place, the representations, covenants and warranties contained in the Tax Compliance Agreement.

Section 15.2. Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper required by this Lease to be given or filed with Lessor or Lessee if the same is duly mailed by registered or certified mail with postage prepaid addressed as set forth on **Exhibit B** hereto. Lessor and Lessee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 15.3. Title to Personal Property. Title to any portion of the Leased Property that constitutes personal property will vest in Lessee subject to Lessor's rights under this Lease and the Base Lease; provided, that title thereto will thereafter immediately and without any action by Lessee vest in Lessor and Lessee will immediately surrender possession thereof to Lessor upon (i) any termination of this Lease without Lessee exercising its option to purchase pursuant to **Section 11.1** or (ii) the occurrence of an Event of Default. It is the intent of the parties hereto that any transfer of title to Lessor pursuant to this Section will occur automatically without the necessity of any deed, bill of sale, certificate of title or other instrument of conveyance. Nevertheless, Lessee will execute and deliver any such instruments as Lessor may request to evidence such transfer.

Section 15.4. Security Interest. To secure the payment of all of Lessee's obligations under this Lease, to the extent permitted by law, Lessor retains a security interest in that portion of the Leased Property

consisting of personal property or fixtures and on all additions, attachments, accessions thereto, substitutions therefor and on any proceeds therefrom. Lessee will execute all additional documents, including financing statements, continuation statements, affidavits, notices and similar instruments, necessary or appropriate to establish and maintain such security interest. Lessee will provide Lessor copies of any financing statements it files or causes to be filed in connection with any security interest granted hereunder. Lessee hereby authorizes the filing of financing statements and continuation statements required under the Uniform Commercial Code in connection with any security interest granted hereunder. Lessor may conclusively rely on copies of the financing statements provided to it and has no obligation to determine the sufficiency thereof. Lessor shall be responsible for the preparation and filing of all continuation statements hereunder, and the Lessee shall pay the fees and expenses associated therewith.

Section 15.5. Net Lease. It is the understanding and agreement of the parties hereto that, subject to **Sections 3.3** and **4.3** hereof, this is a clear “net” lease obligation and that Lessee shall bear all expenses and make all payments consistent with the principle of the “net” Lease. Lessee hereby assumes and agrees to perform all duties and obligations relating to the Leased Property, as well as the use, operation, and maintenance thereof, even though such duties and obligations may otherwise be construed to be those of Lessor.

Section 15.6. No Pecuniary Liability. No provision, covenant or agreement contained in this Lease or any obligation herein imposed upon Lessor, or the breach thereof, shall constitute or give rise to or impose upon Lessor a pecuniary liability.

Section 15.7. Access to Premises. Lessee agrees that Lessor or any agent or representative of Lessor shall have the right at all reasonable times to enter upon and to examine and inspect the Leased Property. Lessee further agrees that Lessor and any such agent or representative shall have such rights of access to the Leased Property as may be reasonably necessary to cause the proper maintenance of the Leased Property in the event of failure by Lessee to perform its obligations hereunder.

Section 18.8. Financial Statements. Throughout the Lease Term, Lessee shall deliver to Lessor, as soon as available, a copy of Lessee’s annual audited financial statements.

Section 15.9. Title to the Leased Property. Lessee covenants that the title to the Leased Property is and shall remain in Lessee, subject to the rights of Lessor hereunder and under the Base Lease.

Section 15.10. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

Section 15.11. Execution; Electronic Transactions. This Lease may be executed in any number of counterparts, each of which will be deemed to be an original, but all together will constitute but one and the same Lease. It is also agreed that separate counterparts of this Lease may be executed by Lessor and Lessee all with the same force and effect as though the same counterpart had been executed by both Lessor and Lessee. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents will 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. The parties agree that the transaction described herein may be conducted and related documents may be sent, stored and received by electronic means.

Section 15.12. No Merger. Except as provided in Section 6 of the Base Lease, neither this Lease nor the Base Lease nor any provisions hereof or thereof shall be construed to effect a merger of the title of Lessee to the Leased Property under the Base Lease and Lessee’s leasehold interest therein under this Lease.

Section 15.13. Waiver of Liability.

(a) All liabilities under this Lease on the part of Lessor are solely liabilities of Lessor, and, to the extent permitted by law, Lessee hereby releases each and every director, employee, agent, attorney, and officer of Lessor of and from any individual or personal liability under this Lease. No director, employee, agent, attorney or officer of Lessor will at any time or under any circumstances be individually or personally liable under this Lease for anything done or omitted to be done by Lessor hereunder. Lessor will not be liable in connection with the performance of its duties hereunder, except for its own gross negligence or willful misconduct.

(b) All liabilities under this Lease on the part of Lessee or solely corporate liabilities of Lessee as a municipal corporation, and Lessor hereby releases each and every official, member, employee or agent of Lessee of and from any personal or individual liability under this Lease. No official, member, employee or agent of Lessee will at any time or under any circumstances be individually or personally liable under this Lease for anything done or omitted to be done by Lessee hereunder.

[Remainder of Page Intentionally Left Blank.]

CITY OF MEXICO, MISSOURI
as lessee

[SEAL]

By: _____
Name: Ayanna Shivers
Title: Mayor

ATTEST:

By: _____
Name: Marcy LeCounty
Title: City Clerk

ACKNOWLEDGMENT

STATE OF MISSOURI)
) **SS**
COUNTY OF AUDRAIN)

On this ____ day of November, 2020, before me, the undersigned, a Notary Public, appeared **JIM ARICO**, to me personally known, who, being by me duly sworn, did say that she is the Mayor of the **CITY OF MEXICO, MISSOURI**, a third-class city and political subdivision of the State of Missouri and that the seal affixed to the foregoing instrument is the seal of said City, and that said instrument was signed and sealed on behalf of said City by authority of its City Council, and said individual acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

Notary Public in and for said State
Commission Expires:

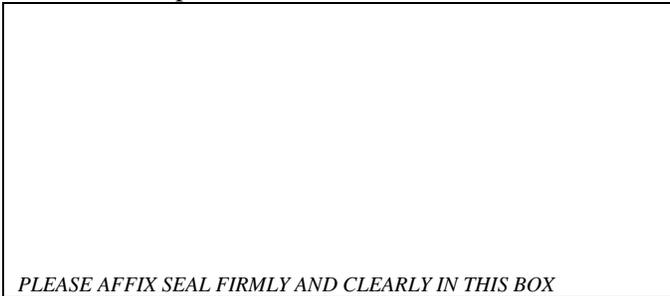


EXHIBIT A TO LEASE PURCHASE AGREEMENT

RENTAL PAYMENT SCHEDULE

Rental Payments will be made on February 1 and August 1 of each year beginning on August 1, 2021. The final Rental Payment will occur on February 1, 2031 (the “Maximum Lease Term”). The Principal Portion of Rental Payments is set forth below; provided that if advances of principal are less than the Maximum Authorized Amount then the Principal Portion of Rental Payment set forth below shall be reduced in inverse order of maturity. The Interest Portion of Rental Payments shall be based on the dates and amounts principal is advanced, which advances shall accrue interest at the Interest Rate set forth on **Exhibit B**.

<u>Rental Payment Date</u> <u>(February 1)</u>	<u>Principal Portion</u>
2022	\$220,000
2023	225,000
2024	230,000
2025	235,000
2026	235,000
2027	240,000
2028	245,000
2029	250,000
2030	250,000
2031	255,000

As soon as practical after the earlier of (a) the Completion Date or (b) the Final Disbursement Date, Lessor will provide to Lessee a final Rental Payment Schedule as described above.

The Lessee has the option to purchase the Leased Property subject to the provisions of **Section 11.1**.

The “**Purchase Price**”, as such term is used in the Lease, shall be the Remaining Principal Portion of the Rental Payments as of the purchase date, plus the unpaid Interest Portion accrued to the purchase date, plus all other amounts due hereunder that remain unpaid on the purchase date.

The Lessee hereby acknowledges the Rental Payments and other terms set forth above.

CITY OF MEXICO, MISSOURI, as Lessee

By: _____
Title: Mayor

EXHIBIT B TO LEASE PURCHASE AGREEMENT

OTHER PROVISIONS

Fiscal Year: Lessee's Fiscal Year currently begins on October 1 and ends on September 30 of each year.

Initial Principal Advance: \$_____.

Maximum Authorized Amount: \$_____.

Interest Rate: 1.65% per annum computed on a 30/360 accrual basis; provided that upon a Determination of Taxability, the Interest Rate shall adjust to 2.65%. "*Determination of Taxability*" means (a) a determination by the commissioner or any district director of the Internal Revenue Service, or (b) a determination by any court of competent jurisdiction, that the Interest Portions of the Rental Payments is includible in gross income for federal income tax purposes of the Lessor; provided, however, that no such Determination of Taxability shall be deemed to have occurred if the Lessee has been afforded the opportunity to contest such determination, has elected to contest such determination in good faith and is proceeding with all reasonable dispatch to prosecute such contest until the earlier of (i) a final determination from which no appeal may be taken with respect to such determination or (ii) abandonment of such appeal by the Lessee.

Final Rental Payment Date: February 1, 2031.

Addresses: The following addresses shall be used as described in **Section 15.2** of the Lease, unless changed as described therein:

- (a) If to Lessor: **First State Community Bank**
201 E. Columbia
Farmington, Missouri 63640
Attention: Governmental Lending

- (b) If to Lessee: **City of Mexico, Missouri**
300 N. Coal Street
Mexico, Missouri 65265
Attention: City Manager

Project: The Project consists of acquiring and constructing a municipal swimming pool.

SCHEDULE 1 TO LEASE PURCHASE AGREEMENT

DESCRIPTION OF THE LEASED PROPERTY

The following described real estate situated in the County of Audrain, State of Missouri, together with all improvements now or hereafter situated thereon:

* * *

FEDERAL TAX CERTIFICATE

Dated as of November 1, 2020

**OF THE
CITY OF MEXICO, MISSOURI**

**NOT TO EXCEED
\$2,385,000
LEASE PURCHASE AGREEMENT
DATED AS OF NOVEMBER 1, 2020**

FEDERAL TAX CERTIFICATE

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Exhibit A - Debt Service Schedule and Proof of Yield on the Lease

Exhibit B - IRS Form 8038-G

Exhibit C - Description of Property Comprising the Financed Facility and List of Reimbursement Expenditures

Exhibit D - Sample Annual Compliance Checklist

Exhibit E - Sample Final Written Allocation

Exhibit F – Resolution of Official Intent

Exhibit G – Compliance Procedure

* * *

FEDERAL TAX CERTIFICATE

THIS FEDERAL TAX CERTIFICATE (this “Tax Certificate”) is dated and executed as of November 1, 2020, by the **CITY OF MEXICO, MISSOURI**, a third-class city and political subdivision organized and existing under the laws of the State of Missouri (the “City”).

RECITALS

1. This Tax Certificate is being executed and delivered in connection with the execution of the Lease Purchase Agreement dated as of November 1, 2020 (the “Lease”), between the City and First State Community Bank (the “Bank”) and the Base Lease dated as of November 1, 2020 (the “Base Lease”), between the City and the Bank, pursuant to which the Bank has deposited the proceeds of the Lease as described herein and therein.

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 Portion of the Rental Payments (as defined in the Lease) will be excluded from gross income for federal income tax purposes.

3. The City is executing this Tax Certificate 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 Portion of Rental Payments from gross income for federal income tax purposes and to provide guidance for complying with the arbitrage rebate and yield reduction amounts provisions of Code § 148(f).

4. The City adopted a Tax and Disclosure Compliance Procedure on August 10, 2020 (the “Tax Compliance Procedure”), for the purpose of setting out general procedures for the City to continuously monitor and comply with the federal income tax requirements set out in the Code and the Regulations.

5. This Tax Certificate 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 Certificate, the City represents, covenants and agrees as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. Except as otherwise provided in this Tax Certificate or unless the context otherwise requires, capitalized words and terms used in this Tax Certificate 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 Certificate have the following meanings:

“Adjusted Gross Proceeds” means the Gross Proceeds of the Lease reduced by amounts (a) in a Bona Fide Debt Service Fund or a reasonably required reserve or replacement fund, (b) that as of the Issue Date are not expected to be Gross Proceeds, but which arise after the end of the applicable spending period, and (c) representing grant repayments or sale or Investment proceeds of any purpose Investment.

“Annual Compliance Checklist” means a checklist for the Lease designed to measure compliance with the requirements of this Tax Certificate and the Tax Compliance Procedure after the Issue Date, as further described in **Section 4.2** and substantially in the form attached hereto as **Exhibit D**.

“Available Construction Proceeds” means the sale proceeds of the Lease, increased by (a) Investment earnings on the sale proceeds, (b) earnings on amounts in a reasonably required reserve or replacement fund allocable to the Lease but not funded from the Lease, and (c) earnings on such earnings, reduced by sale proceeds (1) in any reasonably required reserve fund or (2) used to pay issuance costs of the Lease. But Available Construction Proceeds do not include Investment earnings on amounts in a reasonably required reserve or replacement fund after the earlier of (1) the second anniversary of the Issue Date or (2) the date the Financed Facility is substantially completed.

“Bona Fide Debt Service Fund” means a fund, which may include Lease proceeds, that (a) is used primarily to achieve a proper matching of revenues with principal and interest payments within each Lease Year, and (b) is depleted at least once each Lease Year, except for a reasonable carryover amount not to exceed the greater of (1) the earnings on the fund for the immediately preceding Lease Year, or (2) one-twelfth of the principal and interest payments on the Lease for the immediately preceding Lease Year.

“Bond Compliance Officer” means the Deputy City Manager of the City or other person named in the Tax Compliance Procedure.

“City” means the City of Mexico, Missouri, and its successors and assigns, or any body, agency or instrumentality of the State of Missouri succeeding to or charged with the powers, duties and functions of the City.

“Closing Advance” means the amount of \$_____, paid by the Bank to the City pursuant to the Lease on the Issue Date.

“Code” means the Internal Revenue Code of 1986, as amended.

“Compliance Procedure” means the City’s Tax and Disclosure Compliance Procedure dated August 10, 2020 and attached as **Exhibit G** hereto.

“Computation Date” means each date on which arbitrage rebate and yield reduction amounts for the Lease are computed. The City may treat any date as a Computation Date, subject to the following limits:

- (a) the first rebate installment payment must be made for a Computation Date not later than five years after the Issue Date;
- (b) each subsequent rebate installment payment must be made for a Computation Date not later than five years after the previous Computation Date for which an installment payment was made; and

(c) the date the Lease is discharged is the final Computation Date.

The City selects November 1, 2025 as the first Computation Date but reserves the right to select a different date consistent with the Regulations.

“Final Written Allocation” means the final written allocation of expenditures prepared by the Bond Compliance Officer in accordance with **Section 4.2** and the Tax Compliance Procedure, a form of which is included as **Exhibit E** hereto.

“Financed Facility” means any of the property financed or refinanced with the proceeds of the Lease, as described on **Exhibit C** hereto.

“Gross Proceeds” means (a) sale proceeds (any amounts actually or constructively received by the City from the sale 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 or other Investment 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, and (f) any transferred proceeds. Specifically, Gross Proceeds includes (but is not limited to) amounts held in the Project Account.

“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).

“Interest Portion” means the portion of Rental Payments that represents the payment of interest as set forth in the Lease.

“Investment” means any security, obligation, annuity contract or other investment-type property that is purchased directly with, or otherwise allocated to, Gross Proceeds. Such term does not include a tax-exempt bond, except for “specified private activity bonds” as such term is 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 November 17, 2020, the first date on which aggregate draws on the Lease exceed the lesser of \$50,000 or 5% of the issue price of the Lease.

“Lease Year” means each one-year period (or shorter period for the first Lease Year) ending February 1, or another one-year period selected by the City.

“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 Facility, such as a contract to manage the entire Financed Facility or a portion of the Financed Facility. However, contracts for services that are solely incidental to the primary governmental function of the Financed Facility (for example, contracts for janitorial, office equipment repair, billing, or similar services) are not treated as Management or Service Agreements.

“Measurement Period” means, with respect to each item of property financed as part of the Financed Facility, the period beginning on the later of (a) the Issue Date or (b) the date the property is placed in service and ending on the earlier of (1) the final maturity date of the Lease or (2) the end of 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 when used in reference to the Lease, the sale proceeds of the Lease (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 Facility 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 Facility 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 Facility, will constitute use under Regulations § 1.141-3.

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

“Official Intent Date” means October 26, 2020.

“Opinion of Special Tax Counsel” means the written opinion of Special Tax Counsel to the effect 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 Portion of Rental Payments under the Lease from gross income for federal income tax purposes.

“Principal Advance” means the increase in the principal amount of the Lease as a result of each advance of proceeds of the Lease pursuant to the Lease.

“Principal Portion” means the portion of Rental Payments that represents the payment of principal as set forth in the Lease.

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

“Project” means all of the property being acquired, developed, constructed, renovated, and equipped by the City using Lease proceeds and Qualified Equity, all as described on **Exhibit C**.

“Qualified Equity” means funds that are not derived from proceeds of a tax-exempt financing that are spent on the Project at any time during the period beginning not earlier than the later of (a) 60 days prior to the Official Intent Date or (b) three years prior to the Issue Date, and ending not later than the date the Project is capable of and actually used at substantially its designed level. Qualified Equity excludes an ownership interest in real property or tangible personal property.

“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 Facility on a short-term basis in the ordinary course of the City’s governmental purposes.

(b) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Facility for a period up to 200 days in length pursuant to an arrangement whereby (1) the use of the Financed Facility 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 Facility 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 Facility 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 Facility 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 Facility 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 Facility 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 Facility 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.

“Reasonable Retainage” means Gross Proceeds retained by the City for reasonable business purposes, such as to ensure or promote compliance with a construction contract; provided that such amount may not exceed (a) for purposes of the 18-month spending test, 5% of net sale proceeds of the Lease on the date 18 months after the Issue Date, or (b) for purposes of the 2-year spending test, 5% of the Available Construction Proceeds as of the end of the 2-year spending period.

“Rebate Analyst” means Gilmore & Bell, P.C. or any successor Rebate Analyst selected pursuant to this Tax Certificate.

“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.

“Rental Payments” means rental payments required to be made by the City under the Lease, consisting of an Interest Portion and a Principal Portion.

“Special Tax Counsel” means Gilmore & Bell, P.C., or other firm of nationally recognized bond counsel acceptable to the City.

“Tax Certificate” means this Federal Tax Certificate as it may from time to time be amended and supplemented in accordance with its terms.

“Tax-Advantaged 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 authorization and issuance 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 City. The City represents and covenants as follows:

(a) *Organization and Authority.* The City (1) is a political subdivision organized and existing under the laws of the State of Missouri, (2) has lawful power and authority to execute and deliver the Base Lease, the Lease, and this Tax Certificate and to carry out its obligations under the Base Lease, the Lease and this Tax Certificate, and (3) by all necessary action has been duly authorized to execute and deliver the Base Lease, the Lease and this Tax Certificate, acting by and through its duly authorized officials.

(b) *Tax-Exempt Status of Lease–General Covenants.*

(1) The City (to the extent within its power or direction) will not use any money on deposit in any fund or account maintained in connection with the Lease, whether or not such money was derived from the proceeds of the sale of the Lease or from any other source, in a manner that would cause the Lease to be an “arbitrage bond,” within the meaning of Code § 148, and will not (to the extent within its power or direction) otherwise use or permit the use of any Lease proceeds or any other funds of the City, directly or indirectly, in any manner, or take or permit to be taken any other action or actions, that would cause interest on the Lease to be included in gross income for federal income tax purposes.

(2) The City will finance the Project with Lease proceeds and Qualified Equity. For purposes of the covenants in this **Section 2.1** relating to Non-Qualified Use of the Project, any Non-Qualified Use shall be treated as first allocated entirely to the portion of the Project financed with Qualified Equity, and then, but only to the extent of any excess Non-Qualified Use, to the portion of the Project financed by Lease proceeds (that is, the Financed Facility).

(c) *Governmental Obligations–Use of Proceeds.* Throughout the Measurement Period, (1) all of the Financed Facility is expected to be owned by the City or another Qualified User, (2) no portion of the Financed Facility is expected to be used in a Non-Qualified Use, and (3) the City will not permit any Non-Qualified Use of the Financed Facility without first consulting with Special Tax Counsel.

(d) *Governmental Obligations–Private Security or Payment.* As of the Issue Date, the City expects that none of the Rental Payments will be (under the terms of the Lease or any underlying arrangement), directly or indirectly:

(1) secured by (A) any interest in property used or to be used for a Non-Qualified Use, or (B) any interest in payments in respect of such property; or

(2) derived from payments (whether or not such payments are made to the City) in respect of property, or borrowed money, used or to be used for a Non-Qualified Use.

For purposes of the foregoing, taxes of general application, including payments in lieu of taxes, are not treated as private payments or as private security. The City will not permit any private security or payment with respect to the Lease without first consulting with Special Tax Counsel.

(e) *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.

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

(g) *Leases.* Except for the Base Lease and the Lease, which do not give rise to Non-Qualified Use, as of the Issue Date, the City has not entered into any leases of any portion of the Financed Facility. During the Measurement Period, the City will not enter into any lease or similar agreement or arrangement other than a Qualified Use Agreement without first consulting with Special Tax Counsel.

(h) *Limit on Maturity of Lease.* A list of the assets included in the Financed Facility and a computation of the “average reasonably expected economic life” is attached hereto as **Exhibit C**. Based on this computation, the “average maturity” of the Lease does not exceed the average reasonably expected economic life of the Financed Facility.

(i) *Expenditure of Lease Proceeds.*

(1) The City will evidence each allocation of the proceeds of the Lease and Qualified Equity for the Project to an expenditure in writing. No allocation will be made more than 18 months following the later of (A) the date of the expenditure or (B) the date the Financed Facility was placed in service.

(2) On the Official Intent Date, the governing body of the City passed an ordinance declaring the intent of the City to finance the Financed Facility with tax-exempt obligations and to reimburse the City for expenditures made for the Financed Facility prior to the issuance of those obligations. A copy of the ordinance is attached to this Tax Certificate as **Exhibit F**. [*The City does not expect to allocate any proceeds of the Lease to reimburse an expenditure paid prior to the Issue Date.*][*\$_____ of the proceeds of the Lease will be allocated to expenditures paid by the City prior to the Issue Date and should be shown on line 45a of Form 8038-G.**] No portion of the Net Proceeds of the Lease will be used to reimburse an expenditure paid by the City more than 60 days prior to the date the ordinance was passed. No reimbursement allocation will be made for an expenditure made more than three years before the date of the reimbursement allocation. No reimbursement allocation will be made more than 18 months after the later of the date of the expenditure or the date the Financed Facility is placed in service.

(j) *Record Owner; Registration Requirement.* The City will maintain or cause to be maintained a record of the owner of the Lease and the person/entity entitled to the receipt of the Interest Portions or Principal Portions of Rental Payments on the Lease. Transfer of ownership of the Lease is effective only if entered in these records. Therefore, the Lease will be treated as held in registered form and in compliance with the registration requirement of Code § 149(a).

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

(l) *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 City contained in this Tax Certificate or otherwise provided by the City. Special Tax Counsel will sign the return as a paid preparer following completion and will then deliver copies to the City for execution and for the City’s records. The City 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 and proof of filing are included as **Exhibit B** hereto.

(m) *Hedge Bonds.* At least 85% of the net sale proceeds (the sale proceeds of the Lease less any sale proceeds invested in a reserve fund) 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.

(n) *Compliance with Future Tax Requirements.* The City understands that the Code and the Regulations may impose new or different restrictions and requirements on the City in the future. The City will comply with such future restrictions that are necessary to maintain the exclusion of the Interest Portion of Rental Payments from gross income for federal income tax purposes.

(o) *Single Issue; No Other Issues.* The Lease constitutes a single “issue” under Regulations § 1.150-1(c). No other debt obligations of the City (1) are being sold within 15 days of the 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 insurance).

(p) *Interest Rate Swap.* As of the Issue Date, the City 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 City will not enter into any such arrangement in the future without first consulting with Special Tax Counsel.

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

(r) *Bank Qualified Tax-Exempt Obligation.* The City 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 City 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 City (and all subordinate entities of the City) during the calendar year that the Lease is delivered, including the Lease, will not exceed \$10,000,000; and

(2) the City (including all subordinate entities of the City) 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 delivered, including the Lease, in an aggregate principal amount or aggregate issue price in excess of \$10,000,000, without first consulting with Special Tax Counsel that the designation of the Lease as a “qualified tax-exempt obligation” will not be adversely affected; and

(3) the City acknowledges and understands that, with respect to the City’s Sewerage System Refunding Revenue Bonds, Series 2020 previously issued during the current calendar year, \$3,935,000 principal amount was designated as qualified tax-exempt obligations under Code § 265(b)(3)(B)(i) and \$3,220,000 principal amount was “deemed designated” as qualified tax-exempt obligations under Code § 265(b)(3)(D)(ii).

Section 2.2. Survival of Representations and Covenants. All representations, covenants and certifications contained in this Tax Certificate or in any certificate or other instrument delivered by the City under this Tax Certificate, will survive the execution and delivery of such documents and the delivery of 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 the defeasance of the Lease.

ARTICLE III

ARBITRAGE CERTIFICATIONS AND COVENANTS

Section 3.1. General. The purpose of this Article is to certify, under Regulations § 1.148-2(b), the City’s expectations as to the sources, uses and investment of Lease proceeds and other money, in order to support the City’s conclusion that the Lease is not an arbitrage bond. The persons executing this Tax Certificate on behalf of the City are officers of the City responsible for delivering the Lease.

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

Section 3.3. Purpose of Financing. The Lease is being issued to provide funds to (a) pay the costs of the Project and (b) pay the costs of delivering the documents in connection therewith.

Section 3.4. Accounts. The Project Account is established in the custody of First State Community Bank pursuant to the Account Control Agreement dated as of November 1, 2020, among the City, the Bank and First State Community Bank.

Section 3.5. Amount and Use of Lease Proceeds.

(a) *Draw-Down Loan.* The Lease is being issued as a “draw-down loan” within the meaning of Regulations §1.150-1(c)(4)(i). The Bank has committed to execute and enter the Lease with the City for an aggregate purchase price of not to exceed \$2,385,000. On the Issue Date, the Bank will advance the Closing Advance of \$_____, which amount exceeds the lesser of \$50,000 or 5% of the Lease. Thereafter, the Bank will make subsequent Principal Advances, provided that (1) the maximum amount of proceeds to be received by the City from the Lease, including the Closing Advance, does not exceed \$2,385,000. All of the proceeds of the Lease will be drawn by the earlier of three years from the Issue Date or the date the Lease is refunded or refinanced by the City. Therefore, the Lease will be treated as a “single issue” under Regulations §1.150-1(c) that is issued on the Issue Date.

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

(1) \$_____ from the proceeds of the Closing Advance will be deposited in the Project Account and used to pay costs of delivering the Lease.

(2) \$_____ from proceeds of the Closing Advance, together with future Principal Advances in an aggregate amount not to exceed \$_____, will be deposited in the Project Account and used to pay costs of the Financed Facility.

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

Section 3.7. Project Completion. The City has incurred, or will incur within six 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 Facility. The completion of the Financed Facility 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 Facility within three years after the Issue Date.

Section 3.8. No Sinking Funds. Pursuant to the Lease, the City is required to make periodic payments in amounts sufficient to pay the Rental Payments. The City expects to make Rental Payments from legally available funds of the City, but such funds have not been pledged to such repayment. Therefore, no sinking fund or other similar fund that is expected to be used to pay the Rental Payments has been established or is expected to be established. In the event the City holds money pledged to pay the Rental Payments for more than seven days, the City will provide information on these funds to the Rebate Analyst.

Section 3.9. Reserve, Replacement and Pledged Funds.

(a) *No 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 Facility and that instead have been or will be used to acquire higher Yielding Investments. There are no funds or accounts pledged or committed in a manner that provides a reasonable assurance that such funds would be available for payment of the Rental Payments under the Lease if the City encounters financial difficulty.

Section 3.10. Purpose Investment Yield. The Lease proceeds 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 certifications of the Bank in the Bank's closing certificate, the issue price of the Lease pursuant to Regulations § 1.148-1(f)(2)(i) (relating to the so-called "private placement rule") is the price paid by the Bank (\$2,385,000).

(b) *Yield on the Lease.* Based on the issue price, the Yield on the Lease is _____% as computed by Special Tax Counsel and shown on **Exhibit A** hereto. The City has not entered into an interest rate swap agreement with respect to any portion of the Lease proceeds.

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 City 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 City, 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 Certificate, the City does not expect that the Lease proceeds will be used in a manner that would cause the Lease to be an "arbitrage bond" within the meaning of Code § 148 and the Regulations.

ARTICLE IV

POST-ISSUANCE TAX REQUIREMENTS, POLICIES AND PROCEDURES

Section 4.1. General.

(a) *Purpose of Article.* The purpose of this Article is to supplement the Tax Compliance Procedure and to set out specific policies and procedures governing compliance with the federal income tax requirements that apply after the Lease is issued. The City recognizes that the Interest Portion of Rental Payments pursuant to the Lease will remain excludable from gross income only if the Post-Issuance Tax Requirements are followed after the Issue Date. The City 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 Portion of Rental Payments under the Lease is exempt from gross income in the event of an audit of the Lease by the IRS.

(b) *Written Policies and Procedures of the City.* The City intends for the Tax Compliance Procedure, as supplemented by this Tax Certificate, 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 tax compliance that the City has established. The provisions of this Tax Certificate are intended to be consistent with the Tax Compliance Procedure. In the event of any inconsistency between the Tax Compliance Procedure and this Tax Certificate, the terms of this Tax Certificate will govern.

(c) *Bond Compliance Officer.* The City 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 procedure (VCAP) or undertake a remedial action procedure pursuant to Regulations § 1.141-12. In each case, all costs and expenses incurred by the City shall be treated as a reasonable cost of administering the Lease and the City shall be entitled to reimbursement and recovery of its costs to the same extent as provided in the ordinance or state law.

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

(a) *Record Keeping.* The Bond Compliance Officer will maintain the Tax-Advantaged Bond File for the Lease in accordance with the Tax Compliance Procedure. Unless otherwise specifically instructed in written advice or a written Opinion of Special Tax Counsel or to the extent otherwise provided in this Tax Certificate, the Bond Compliance Officer shall retain records related to Post-Issuance Tax Requirements until three years following the final maturity of (1) the Lease, or (2) any obligation issued to refund 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 (A) ensure an accurate and complete transfer of the hardcopy records which indexes, stores, preserves, retrieves and reproduces the electronic records, (B) include reasonable controls to ensure integrity, accuracy and reliability of the electronic storage system and to prevent unauthorized alteration or deterioration of electronic records, (C) exhibit a high degree of legibility and readability both electronically and in hardcopy, (D) provide support for other books and records of the City, and (E) not be subject to any agreement that would limit the ability of the IRS to access and use the electronic storage system on the City's premises.

(b) *Accounting and Allocation of Lease Proceeds and Qualified Equity 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 and Qualified Equity 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 E**.

(c) *Annual Compliance Checklist.* Attached as **Exhibit D** is a sample Annual Compliance Checklist for the Lease. The Bond Compliance Officer will prepare and complete an Annual Compliance Checklist for the Financed Facility at least annually 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 Certificate, the Bond Compliance Officer will take the actions identified in advice of Special Tax Counsel or as described in 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 City any advice or Opinion of Special Tax Counsel required by this Tax Certificate or the Annual Compliance Checklist.

Section 4.3. Temporary Periods/Yield Restriction. Except as described below, the City will not invest Gross Proceeds at a Yield greater than the Yield on the Lease:

(a) *Project Account.* Lease proceeds deposited in the Project Account and investment earnings on those proceeds may be invested without Yield restriction for up to three years following the Issue Date. If any unspent proceeds remain in the Project Account after three years, those amounts may continue to be invested without Yield restriction so long as the City 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 Regulation § 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 Regulation § 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 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 City 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, or are made available on an internet website or other similar electronic media that is regularly used to post bid specifications to potential bidders. A writing includes a hard copy, a fax, or an electronic e-mail copy.

(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 City 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 City 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 City’s reasonably expected deposit and draw-down schedule for the amounts to be invested.

(F) All potential providers have an equal opportunity to bid. If the bidding process affords any opportunity for a potential provider to review other bids before providing a bid, then providers have an equal opportunity to bid only if all potential providers have an equal opportunity to review other bids. Thus, no potential provider may be given an opportunity to review other bids that is not equally given to all potential providers (that is no exclusive “last look”).

(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, (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 City retains the following records with the Lease documents until three years after the Lease is redeemed:

(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 City, 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 the 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

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

(4)

Section 4.5. Bonds Exempt from the Rebate Requirement.

(a) *The Bonds Qualify as a Rebate-Exempt Small Issue*. The City represents and covenants as follows:

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

(2) no Bond is a “private activity bond” as defined in Code § 141;

(3) 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the City;

(4) the aggregate face amount of all tax-exempt bonds (other than private activity bonds) to be issued by the City during the current calendar year is not reasonably expected to exceed \$5,000,000. The City understands that, for this purpose, (i) the City and all entities which issue bonds on behalf of the City are treated as issued by the City, (ii) all bonds issued by an entity subordinate to the City are treated as issued by the City, and (iii) bonds issued by the City to currently refund prior bonds are not taken into account to the extent that the amount of such refunding bonds does not exceed the outstanding amount of the prior bonds.

(b) *Conclusion as to Small Issuer Exemption*. Based on these certifications, Bond Counsel has advised the City that the Bonds are exempt from the arbitrage rebate requirements of Code § 148(f), under the small-issuer exception set forth in Code § 148(f)(4)(D).

Section 4.6. Filing Requirements. The City will file or cause to be filed with the IRS such reports or other documents as are required by the Code in accordance with advice of Special Tax Counsel.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.1. Term of Tax Certificate. This Tax Certificate will be effective concurrently with the delivery of the Lease and will continue in force and effect until the Principal Portion and Interest Portion of Rental Payments under the Lease have been fully paid and the Lease is terminated; provided that, the provisions of **Article IV** regarding payment of arbitrage rebate and yield reduction amounts and all related penalties and interest will remain in effect until all such amounts are paid to the United States and the provisions of **Section 4.2** relating to record keeping shall continue in force for the period described therein for records to be retained.

Section 5.2. Amendments. This Tax Certificate may be amended from time to time by the City without notice to or the consent of the Bank or any of its successors or assigns, 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 Certificate as so amended such amendment will not cause the Interest Portion of any Rental Payment under the Lease to be included in gross income for federal income tax purposes. No such amendment will become effective until the City receives this Opinion of Special Tax Counsel.

Section 5.3. Opinion of Special Tax Counsel. The City may deviate from the provisions of this Tax Certificate if furnished with an Opinion of Special Tax Counsel addressed to it to the effect that the proposed deviation will not adversely affect the exclusion of the Interest Portion of Rental Payments under the Lease from gross income for federal income tax purposes. The City 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 the Interest Portion of Rental Payments under the Lease.

Section 5.4. Reliance. In delivering this Tax Certificate, the City is making only those certifications, representations and agreements as are specifically attributed to it in this Tax Certificate. The City is not 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 Certificate and, to the best of its knowledge, those facts, circumstances, estimates and expectations are reasonable. The City understands that its certifications will be relied upon by Special Tax Counsel, in rendering its opinion as to the validity of the Lease and the exclusion from federal gross income of the Interest Portion of Rental Payments under the Lease.

Section 5.5. Severability. If any provision in this Tax Certificate 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 Agreement. This Tax Certificate is binding upon the City and its respective successors and assigns, and inures to the benefit of the Bank and its successors or assigns. Nothing in this Tax Certificate, or the Lease, express or implied, gives to any person, other than the Bank

and its successors or assigns, any benefit or any legal or equitable right, remedy or claim under this Tax Certificate.

Section 5.7. Default; Breach and Enforcement. Any misrepresentation of the City contained herein or any breach of a covenant contained in this Tax Certificate may be pursued by the Bank and its successors or assigns pursuant to the terms of the Lease or any other document which references this Tax Certificate and gives remedies for a misrepresentation or breach thereof.

Section 5.8. Execution in Counterparts. This Tax Certificate 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 Certificate will be governed by and construed in accordance with the laws of the State of Missouri.

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

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the undersigned Mayor and Deputy City Manager of the City, by their execution of this Tax Certificate hereby make the foregoing certifications, representations, and agreements contained in this Tax Certificate on behalf of the City, as of the Issue Date.

CITY OF MEXICO, MISSOURI

By: _____
Title: Mayor

By: _____
Title: Deputy City Manager

EXHIBIT A

DEBT SERVICE SCHEDULE AND PROOF OF YIELD ON THE LEASE

EXHIBIT B

IRS FORM 8038-G

EXHIBIT C

**DESCRIPTION OF PROPERTY COMPRISING THE PROJECT
[*AND LIST OF REIMBURSEMENT EXPENDITURES*]**

EXHIBIT D

SAMPLE ANNUAL COMPLIANCE CHECKLIST

Name of tax-exempt obligations financing the Financed Facility:	Not to Exceed \$2,385,000 Lease Purchase Agreement dated as of November 1, 2020
Issue Date:	November ____, 2020
Placed in service date of the Financed Facility:	_____
Name of Bond Compliance Officer:	_____
Period covered by request (“Annual Period”):	_____

Item	Question	Response
1 Ownership	Was the entire Financed Facility owned by the City during the entire Annual Period? If “Yes,” skip to Item 2.	<input type="checkbox"/> Yes <input type="checkbox"/> 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-Advantaged Bond File. If “No,” contact Special Tax Counsel and include description of resolution in the Tax-Advantaged Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

2 Leases & Other Rights to Possession	During the Annual Period, was any part of the Financed Facility leased at any time pursuant to a lease or similar agreement for more than 50 days? If “No,” skip to Item 3.	<input type="checkbox"/> Yes <input type="checkbox"/> 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-Advantaged Bond File. If “No,” contact Special Tax Counsel and include description of resolution in the Tax-Advantaged Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

Item	Question	Response
3 Management or Service Agreements	During the Annual Period, has the management of all or any part of the operations of the Financed Asset (e.g., operations, maintenance, etc.) been assumed by or transferred to another entity? If “No,” skip to Item 4.	<input type="checkbox"/> Yes <input type="checkbox"/> 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-Advantaged Bond File. If “No,” contact Special Tax Counsel and include description of resolution in the Tax-Advantaged Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
4 Other Use	Was any other agreement entered into with an individual or entity that grants special legal rights or privileges to such individual or entity that are not otherwise available to the general public? If “No,” skip to Item 5.	<input type="checkbox"/> Yes <input type="checkbox"/> 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-Advantaged Bond File. If “No,” contact Special Tax Counsel and include description of resolution in the Tax-Advantaged Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
5 Arbitrage & Yield Restriction	Have all rebate and yield reduction calculations mandated in the Federal Tax Certificate been prepared for the current year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If “No,” contact Rebate Analyst and incorporate report or include description of resolution in the Tax-Advantaged Bond File.	

Bond Compliance Officer: _____

Date Completed: _____

EXHIBIT E

SAMPLE FINAL WRITTEN ALLOCATION

CITY OF MEXICO, MISSOURI

LEASE PURCHASE AGREEMENT DATED AS OF NOVEMBER 1, 2020

Final Written Allocation

The undersigned is the Bond Compliance Officer of the City of Mexico, Missouri (the “City”), and in that capacity is authorized to execute federal income tax returns required to be filed by the City and to make appropriate elections and designations regarding federal income tax matters on behalf of the City. This allocation of the proceeds of the lease purchase agreement referenced above (the “Lease”) is necessary for the City 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 of 1986, as amended (the “Code”). All allocations are or were previously made no later than 18 months following the date the expenditure was made by the City 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 (defined below).

Background. The Lease was delivered on November ____, 2020 (the “Issue Date”) in order to provide funds needed to pay the costs of a project, as further described in the Lease (the “Project”). The Lease was authorized to be executed by the City pursuant to an ordinance of the City. The proceeds of the Lease were deposited to the Project Account to pay the costs of the Project.

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 proceeds and from other money of the City 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 Facility” referenced in the Federal Tax Certificate) 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 City 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 City for an amount it had previously paid or incurred.

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 designed 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 City reserves the right to amend this allocation to the extent permitted by future Treasury Regulations or similar authorities.

CITY OF MEXICO, 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

* * *

**SCHEDULE 2
TO FINAL WRITTEN ALLOCATION**

**IDENTIFICATION OF FINANCED ASSETS
&
DETAILED LISTING OF EXPENDITURES**

EXHIBIT F

RESOLUTION OF OFFICIAL INTENT

EXHIBIT G
COMPLIANCE PROCEDURE

ACCOUNT CONTROL AGREEMENT

This Account Control Agreement (the "Agreement"), dated as of November 1, 2020, and entered into among **FIRST STATE COMMUNITY BANK**, a state-chartered bank organized and existing under the laws of the State of Missouri, as lessor under the herein-described Lease (together with its successors and assigns, "Lessor"), **CITY OF MEXICO, MISSOURI**, a third-class city and political subdivision existing under the laws of the State of Missouri, as lessee under the herein-described Lease ("Lessee"), and **FIRST STATE COMMUNITY BANK**, a state-chartered bank organized and existing under the laws of the State of Missouri, as deposit bank (together with its successors and assigns, "Deposit Bank").

Account Name: City of Mexico, Missouri, Project Account for Lease Purchase Agreement dated as of November 1, 2020

Account Number:

Amount of Initial Deposit: \$ _____

TERMS AND CONDITIONS

Section 1. This Agreement relates to and is hereby made a part of the Lease Purchase Agreement dated as of November 1, 2020 (the "Lease"), between Lessor and Lessee. Except as otherwise defined herein, all terms defined in the Lease will have the same meaning for the purposes of this Agreement as in the Lease.

Section 2. Deposit Bank has agreed to establish and maintain the project account as set forth on **Exhibit A** hereto (the "Project Account") for Lessee.

Section 3. As collateral security for the obligations and liabilities of Lessee under the Lease, Lessee has and hereby does grant to Lessor a present and continuing security interest in the following, or proceeds thereof: (a) the Project Account and (b) all contract rights, claims and privileges in respect of the Project Account, and all proceeds of the foregoing, and Deposit Bank acknowledges that this Agreement constitutes notice of Lessor's security interest in such collateral and does hereby consent thereto.

Section 4. To give Lessor control over the Project Account, as control is defined in the Uniform Commercial Code, Deposit Bank hereby agrees to comply with any and all instructions from time to time originated by Lessor directing disposition of funds in the Project Account, without further consent by Lessee (the "Instructions"). Lessor agrees that it will not give any Instructions unless there is a default under the Lease. Deposit Bank further agrees that it will institute procedures to prevent Lessee from making withdrawals from the Project Account, without approval of Lessor, in the event Instructions are given. The parties hereto agree that (i) the Instructions may include, without limitation, the giving of stop payment orders and may further include instructions to transfer funds to or for Lessor's benefit and (ii) Deposit Bank shall have no duty to inquire or determine whether Lessor is entitled, under the Lease, to give any Instructions. Prior to Deposit Bank's receipt of any Instructions, Deposit Bank shall be entitled to honor Lessee's instructions and directions with respect to any transfer or withdrawal of funds from the Project Account, subject to the restrictions of **Section 6**. Lessee hereby agrees that Deposit Bank shall be entitled to rely on any Instructions, as set forth herein, even if (i) the Instructions are contrary to any instructions or demands that Lessee may deliver to Deposit Bank and/or (ii) a result of such Instructions is the dishonoring by Deposit Bank of items which may be presented for payment.

Section 5. In accordance with the Lease, Lessor will deposit from time to time moneys in the Project Account; provided that the aggregate amount of moneys deposited in the Project Account shall not exceed the amount specified on **Exhibit A** attached hereto. Moneys held by Deposit Bank hereunder will be held in an account in accordance with the Arbitrage Instructions attached as **Exhibit D**, and fully insured or collateralized as required by deposits of public funds. All interest and gain earned on deposits in the account will be deposited in the Project Account.

Section 6. Moneys in the Project Account will be used to pay or reimburse Lessee for the Costs of the Project. Such payment will be made from the Project Account upon presentation to Deposit Bank of one or more properly executed Payment Request and Acceptance Certificates, a form of which is attached as **Exhibit B**, together with all required attachments referenced in **Exhibit B**, and approved for payment in writing by Lessor. In making any disbursement pursuant to this **Section 6**, Deposit Bank may conclusively rely as to the completeness and accuracy of all statements in such Payment Request and Acceptance Certificate, and Deposit Bank will not be required to make any inquiry, inspection or investigation in connection therewith. The submission of each Payment Request and Acceptance Certificate will constitute unto Deposit Bank and Lessor an irrevocable determination by Lessee that all conditions precedent to the payment of the amounts set forth therein have been completed.

Section 7. The Project Account will terminate upon the occurrence of the earlier of (a) the presentation to Lessor of a Completion Certificate, a form of which is attached hereto as **Exhibit C**, which must be accompanied by a certificate of insurance evidencing compliance with **Section 8.1** of the Lease or (b) written notification by the Lessor that an Event of Default has occurred or that Lessee has terminated the Lease pursuant to **Section 3.3** of the Lease. The Completion Certificate may 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 (a), any amount remaining in the Project Account shall be paid to Lessor and applied in the manner described in the Lease. Upon termination as described in (b), any amount remaining in the Project Account shall immediately be paid to Lessor.

Section 8. Deposit Bank 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 Deposit Bank. The substitution of another Deposit Bank or trust company to act as Deposit Bank under this Agreement may occur by written agreement of Lessor and Lessee. In addition, Deposit Bank 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 Deposit Bank, a successor Deposit Bank will be appointed by an instrument in writing executed by Lessor and Lessee. Such successor Deposit Bank will indicate its acceptance of such appointment by an instrument in writing delivered to Lessor, Lessee and the predecessor Deposit Bank. Thereupon such successor Deposit Bank will, without any further act or deed, be fully vested with all the powers, rights, duties and obligations of Deposit Bank under this Agreement and the predecessor Deposit Bank will deliver all moneys and securities held by it under this Agreement to such successor Deposit Bank whereupon the duties and obligations of the predecessor Deposit Bank will cease and terminate. If a successor Deposit Bank has not been so appointed within 90 days of such resignation or removal, Deposit Bank may petition a court of competent jurisdiction to have a successor Deposit Bank appointed.

Section 9. Any corporation or association into which Deposit Bank may be merged or converted or with or into which it may be consolidated, or to which it may sell or transfer its depository banking business and assets as a whole or substantially as a whole, or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which it is a party, will be and become successor Deposit Bank hereunder and will be vested with all the powers, rights, obligations, duties,

remedies, immunities and privileges hereunder as was its predecessor, without the execution or filing of any instrument or any further act on the part of any of the parties hereto.

Section 10. Deposit Bank incurs no responsibility to make any disbursements pursuant to this Agreement except from funds held in the Project Account. Deposit Bank makes no representations or warranties as to the title to any property or equipment listed in the Lease or as to the performance of any obligations of Lessor or Lessee.

Section 11. Deposit Bank may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument, and may assume that any person purporting to give any writing, notice, advice or instructions in connection with the provisions hereof has been duly authorized to do so. Deposit Bank will not be liable in any manner for the sufficiency or correctness as to form, manner, execution or validity of this Agreement (other than its own execution thereof) or any instrument deposited with it, nor as to the identity, authority or right of any person executing the same; and its duties hereunder will be limited to those specifically provided herein.

Section 12. Unless Deposit Bank is guilty of negligence or willful misconduct with regard to its duties hereunder, Lessee, to the extent permitted by law, and Lessor jointly and severally hereby agree to indemnify Deposit Bank and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Deposit Bank under this Agreement; and in connection therewith, to indemnify Deposit Bank against any and all expenses, including reasonable attorneys' fees and the cost of defending any action, suit or proceeding or resisting any claim.

Section 13. As long as this Agreement remains in effect, transactions involving the Project Account shall be subject, except to the extent inconsistent herewith, to the provisions of such deposit account agreements, disclosures and fee schedules, as are in effect from time to time with respect to the Project Account.

Notwithstanding the preceding paragraph, Deposit Bank will be entitled to reimbursement from Lessee of reasonable out-of-pocket, legal or extraordinary expenses incurred in carrying out the duties, terms or provisions of this Agreement. Claims for such reimbursement may be made to Lessee and in no event will such reimbursement be made from funds held by Deposit Bank pursuant to this Agreement. Deposit Bank agrees that it will not assert any lien whatsoever on any of the money on deposit in the Project Account for the payment of fees and expenses for services rendered by Deposit Bank under this Agreement or otherwise.

Section 14. If Lessee, Lessor or Deposit Bank are in disagreement about the interpretation of the Lease or this Agreement, or about the rights and obligations, or the propriety of any action contemplated by Deposit Bank hereunder, Deposit Bank may, but will not be required to, file an appropriate civil action to resolve the disagreement. Deposit Bank will be indemnified by Lessor and Lessee, to the extent permitted by law, for all costs, including reasonable attorneys' fees and expenses, in connection with such civil action, and will be fully protected in suspending all or part of its activities under this Agreement until a final judgment in such action is received.

Section 15. Deposit Bank may consult with counsel of its own choice and will have full and complete authorization and protection for any action or non-action taken by Deposit Bank in accordance with the opinion of such counsel. Deposit Bank will otherwise not be liable for any mistakes of facts or

errors of judgment, or for any acts or omissions of any kind unless caused by its negligence or willful misconduct.

Section 16. This Agreement will be governed by and construed in accordance with the laws of the State of Missouri.

Section 17. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Section 18. This Agreement may not be amended except by a written instrument executed by Lessor, Lessee and Deposit Bank.

Section 19. This Agreement may be executed in several counterparts, each of which so executed will be an original.

Section 20. The parties agree that the transaction described herein may be conducted 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.

[Remainder of Page Intentionally Left Blank.]

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

**FIRST STATE COMMUNITY BANK,
as Lessor**

By: _____
Name: Curtis Gilliam
Title: Authorized Officer

**CITY OF MEXICO, MISSOURI,
as Lessee**

By: _____
Name: Ayanna Shivers
Title: Mayor

**FIRST STATE COMMUNITY BANK,
as Deposit Bank**

By: _____
Name: Ron Hopkins
Title: President

EXHIBIT A
Other Provisions (Project Account)

Name of Account: "City of Mexico, Missouri Project Account"

Deposit to Project Account not to Exceed: \$2,385,000, with initial deposit to be \$_____.

* * *

EXHIBIT B

FORM OF PAYMENT REQUEST AND ACCEPTANCE CERTIFICATE

To: First State Community Bank, as Deposit Bank
201 E. Columbia
Farmington, Missouri 63640

Re: City of Mexico, Missouri Project Account Established by the Account Control Agreement, dated as of November 1, 2020 (the "Agreement") among First State Community Bank, as lessor ("Lessor"), City of Mexico, Missouri, as lessee ("Lessee") and First State Community Bank, as deposit bank (the "Deposit Bank")

Ladies and Gentlemen:

Pursuant to **Section 6** of the above-referenced Account Control Agreement, Lessee hereby requests payment in accordance with this request and said **Section 6** and hereby states and certifies as follows:

- (a) All terms in this request are used with the meanings used in the 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 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 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) 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 Agreement.
- (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 under the Lease.
- (g) All such materials, equipment or furnishings have been, or will be, delivered to, and are, or will be, part of the Project.
- (h) The amount remaining to be paid from the Project Account will, after payment of the amounts requested, be sufficient to pay the Costs of the Project in accordance with the Project Documents and an estimate of the cost of the work not under contract, if any.

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

(j) 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.

(k) *Attached hereto* are supporting invoices.

If this box is checked, (i) Lessee represents that all amounts requested to be paid are closing costs and (ii) Lessee is not required to make, and does not make, the representations set forth above in paragraphs (g) through (j).

CITY OF MEXICO, MISSOURI

By: _____
Name: _____
Title: Authorized Representative

APPROVED FOR PAYMENT:

FIRST STATE COMMUNITY BANK,
Lessor

By: _____
Name: _____
Title: Authorized Representative

ATTACHMENT I

**TO WRITTEN REQUEST FOR DISBURSEMENT
FROM PROJECT ACCOUNT**

SCHEDULE OF PAYMENTS REQUESTED

Payee and Address	Amount	Description

EXHIBIT C

FORM OF COMPLETION CERTIFICATE

First State Community Bank
201 E. Columbia
Farmington, Missouri 63640
Attention: Government Lending

Re: Lease Purchase Agreement dated as of November 1, 2020 (the "Lease"), between First State Community Bank and the City of Mexico, Missouri

Ladies and Gentlemen:

Pursuant to **Section 7** of the Account Control Agreement dated as of November 1, 2020 (the "Agreement"), among First State Community Bank, as lessor, City of Mexico, Missouri, as lessee, and First State Community Bank, as Deposit Bank, the undersigned hereby certifies (a) all terms in this certificate are used with the meanings used in said Agreement, (b) the Project was completed on _____, 20__, (c) all other facilities necessary in connection with the Project have been acquired, constructed, equipped and installed, (d) the Project and such other facilities have been acquired, constructed, equipped and installed in accordance with the Project Documents and in conformance with all applicable zoning, planning, building, environmental and other similar governmental regulations, and (e) all Costs of the Project have been paid. As required by **Section 8** of the Agreement, attached to this certificate are certificates of insurance evidencing compliance with **Section 8.1** of the Lease. This certificate is given without prejudice to any rights of Lessee that exist or may subsequently come into being against third parties.

Pursuant to the Agreement, Lessee hereby states and certifies that (a) each of Lessee's representations contained in the Lease is true, correct and not misleading as though made as of the date hereof, and (b) no event exists that constitutes, or with the giving of notice of the passage of time or both would constitute, an Event of Default.

Date: _____, 20__.

CITY OF MEXICO, MISSOURI

By: _____
Name: _____
Title: Authorized Representative

ACKNOWLEDGED:

FIRST STATE COMMUNITY BANK,

By: _____
Name: _____
Title: Authorized Representative

EXHIBIT D

ARBITRAGE INSTRUCTIONS

These Arbitrage Instructions provide procedures for complying with § 148 of the Internal Revenue Code of 1986, as amended (the “Code”), to preserve the exclusion from federal gross income of the interest components of Rental Payments paid by the Lessee under the Lease.

Section 1. Temporary Periods/Yield Restriction. The proceeds of the Lease deposited in the Project Account and investment earnings thereon may be invested without yield restriction for three years after the date of the Lease. If any unspent proceeds remain in the Project Account after three years, such amounts may continue to be invested without yield restriction so long as the Lessee computes and pays to the IRS all yield reduction payments in accordance with Treas. Reg § 1.148-5(c). These payments are required whether or not the Lease is exempt from the arbitrage rebate requirements of Code § 148.

Section 2. Investments Must Be Acquired For Amounts Not Exceeding Fair Market Value. No investment may be acquired with amounts deposited in the Project Account 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. 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. The purchase price of a certificate of deposit (a “CD”) is treated as its fair market value on the purchase date if (a) the CD has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal, (b) the Yield on the CD is not less than the Yield on reasonably comparable direct obligations of the United States, and (c) 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. For investments not previously described, the fair market value may be established through a competitive bidding process, in which (1) at least three bids on the investment are 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. *Amounts in the Project Account shall not be invested in an investment with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (sometimes referred to as a guaranteed investment contract or a forward supply agreement).*

Section 3. Opinion of Special Tax Counsel. The requirements of these Arbitrage Instructions may be modified or amended in whole or in part upon receipt of the advice of Gilmore & Bell, P.C. or other nationally recognized bond counsel acceptable to Lessor, to the effect that such modifications and amendments will not adversely affect the exclusion from federal gross income of the Interest Portion of Rental Payments.

City of Mexico, Missouri
 Series 2020, Lease Purchase Agreement
 Summary of Request for Terms

	First State Community Bank	The Bank of Missouri	Homebank	Central Bank	Clayton Holdings, LLC (Commerce Bank)
Indicative Rate	10 Year Rate: 1.65% Option of 6 month drawdown structure 30/360 Day Count	10 Year Rate: 1.72% Day Count Not Addressed	10 Year Rate: 1.75% Day Count Not Addressed	10 Year Rate: 1.93% 30/360 Day Count	10 Year Rate: 1.98% Actual/360 Day Count
Other Fees	None	None	Loan Fee: \$500	None	Fees: \$2,775
Call Feature	Callable 2/1/2024	No Prepayment Penalty	No Prepayment Penalty	No Prepayment Penalty	Prepayment Penalty Year 1: 103% Year 2: 102% Year 3-maturity: 101%
Reporting Requirements	None Addressed	None Addressed	None Addressed	None Addressed	None Addressed
Other Documentation Requirements / Covenants	Named as additional insured	None Addressed	None Addressed	None Addressed	Lessee will obtain hazard insurance, general liability insurance, payment bonds, performance bonds, builder's risk, workmen's compensation, and flood insurance