

**\$3,658,000**  
**CITY OF LEE'S SUMMIT, MISSOURI**  
**GENERAL OBLIGATION BONDS**  
**SERIES 2018A**

**October 16, 2018**

**BOND PURCHASE AGREEMENT**

City of Lee's Summit, Missouri  
220 SE Green Street  
Lee's Summit, Missouri 64063

Ladies and Gentlemen:

The undersigned, ZMFU II, Inc. (the "Purchaser"), hereby offers to purchase from the City of Lee's Summit, Missouri (the "City"), \$3,658,000 aggregate principal amount of General Obligation Bonds, Series 2018A (the "Bonds") to be issued by the City under and pursuant to an ordinance adopted by the City Council on October 16, 2018 (the "Bond Ordinance"). The words and terms used herein shall have the respective meanings ascribed to them in the Bond Ordinance unless some other meaning is plainly indicated.

The Bonds are to be issued by the City pursuant to and in accordance with the provisions of the Constitution and laws of the State of Missouri, including particularly Article VI, Section 26 of the Constitution of Missouri, 1945, as amended, the City's Charter, and Chapters 95 and 108 of the Revised Statutes of Missouri, as amended (collectively, the "Act"). The Bonds are being issued for the purpose of providing funds to (a) finance the costs of certain projects for the City and (b) pay the costs of issuance of the Bonds.

The Bonds and the interest thereon are general obligations of the City payable from ad valorem taxes that may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City. The full faith, credit and resources of the City are irrevocably pledged for the prompt payment of the Bonds as the same become due, all as provided in the Bond Ordinance.

The Bonds shall mature, shall bear interest, shall be subject to redemption and to certain other terms in **Schedule I** hereto.

This offer is made subject to your acceptance of this Bond Purchase Agreement on or before 10:00 p.m., Kansas City, Missouri time, on October 16, 2018 (the "Sale Date"). Upon your acceptance of the offer, the following agreement will be binding upon you and the Purchaser.

The words "Transaction Documents" when used herein shall mean, individually and collectively, the following: the Bonds; the Bond Ordinance; this Bond Purchase Agreement; the Federal Tax Certificate and any and all other documents or instruments that evidence or are a part of the transactions referred to herein or contemplated hereby; provided, however, that when the words "Transaction Documents" are used in the context of the authorization, execution, delivery, approval or performance of Transaction Documents by a party hereto, the same shall mean only those Transaction Documents that provide for or contemplate authorization, execution, delivery, approval or performance by such party.

1. **Purchase of Bonds.** Upon the terms and conditions and upon the basis of the respective representations, warranties and covenants hereinafter set forth, the Purchaser hereby agrees to purchase from the City, and the City hereby agrees to sell to the Purchaser, all (but not less than all) of the Bonds at a purchase price of \$3,658,000, equal to the principal amount of the Bonds.

2. **Private Placement.** The Purchaser is purchasing the Bonds for its own loan account and has no present intention of distributing or selling the Bonds or any portion thereof or any interest therein. The Purchaser represents as of the date hereof, and at or prior to the Closing, the Purchaser will deliver to the City a certificate that shall certify the following:

(a) Purchaser has full power and authority to carry on its business as now conducted, deliver this Bond Purchase Agreement and make the representations and certifications contained herein. The duties and obligations of the Purchaser related to the Bond and the compliance with the provisions thereof will not conflict with or constitute a breach of or default under any laws, administrative regulations, consent decree or any agreement or other instrument to which the Purchaser is subject. The persons who have executed and delivered documents on behalf of the Purchaser related to the Bond were at that time and still are at the date hereof the duly elected or appointed, qualified and acting officers or signatories of the Purchaser holding the offices set forth under their signature and were and still are at the date hereof authorized to perform said acts. At the request of the City, we will provide information explaining the factual basis for this Certificate. This agreement to provide such information will continue to apply after the issue date of the Bond if (1) the City requests the information in connection with an audit or inquiry by the Internal Revenue Service or the Securities and Exchange Commission or (2) the information is required to be retained by the City pursuant to future regulation or similar guidance from the Internal Revenue Service, the Securities and Exchange Commission or other federal or state regulatory authority.

(b) The Purchaser is a “qualified institutional buyer” under Rule 144A promulgated under the Securities Act of 1933 or an “accredited investor” under Rule 501(a) of Regulation D promulgated under the Securities Act of 1933.

(c) Purchaser has conducted its own investigation of the financial condition of the City, the purpose for which the Bond is being executed and delivered and of the security for the payment of the principal of and interest on the Bond, and has obtained such information regarding the Bond and the City and its operations, financial condition and financial prospects as the Purchaser has requested of the City as a result of the Purchaser having attached significance thereto in order to make an informed investment decision with respect to the purchase of the Bond.

(d) Purchaser is purchasing the Bond at 100% of the principal amount thereof as a vehicle for making a commercial loan for its own loan account and without any present intention of distributing or selling any interest therein or portion thereof, provided that Purchaser retains the right at any time to dispose of the Bond or any interest therein or portion thereof, but agrees that any such sale, transfer or distribution by Purchaser shall be made in accordance with applicable law and the provisions of the Bond and related documents to:

- (1) an affiliate of Purchaser; or

(2) a “qualified institutional buyer” under Rule 144A promulgated under the Securities Act of 1933; or

(3) an “accredited investor” under Rule 501(a) of Regulation D promulgated under the Securities Act of 1933.

(e) Purchaser acknowledges that the Bond (a) has not been registered under the Securities Act of 1933, as amended, and has not been registered or otherwise qualified for sale under the securities laws of any state, (b) will not be listed on any securities exchange and (c) there is no established market for the Bond and that none is likely to develop. Purchaser understands and acknowledges that (i) its purchase of the Bond is not intended to be subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, (ii) in connection with its purchase of the Bond, the City has not prepared or caused to be prepared, any official statement, private placement memorandum or other offering document, and (iii) no credit rating has been sought or obtained with respect to the Bond.

(f) Purchaser is acting solely for its own loan account and not as a fiduciary for the City or in the capacity of broker, dealer, placement agent, municipal securities underwriter, municipal advisor or fiduciary. It has not provided, and will not provide, financial, legal (including securities law), tax, accounting or other advice to or on behalf of the City (including to Columbia Capital Management, LLC (the “Municipal Advisor”) or Commerce Bank (the “Placement Agent”) engaged by the City) with respect to the structuring, issuance, sale or delivery of the Bond. Purchaser has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the City with respect to the transactions relating to the structuring, issuance, sale or delivery of the Bond and the discussions, undertakings and procedures leading thereto. Each of the City, its Municipal Advisor and its Placement Agent has sought and shall seek and obtain financial, legal (including securities law), tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters and compliance with legal requirements applicable to such parties) with respect to the Bond from its own financial, legal, tax and other advisors (and not from the undersigned or its affiliates) to the extent that the City, its Municipal Advisor or its Placement Agent desires, should or needs to obtain such advice. The undersigned expresses no view regarding the legal sufficiency of its representations for purposes of compliance with any legal requirements applicable to any other party, including but not limited to the City’s Municipal Advisor or Placement Agent, or the correctness of any legal interpretation made by counsel to any other party, including but not limited to counsel to the City’s Municipal Advisor or Placement Agent, with respect to any such matters. The transactions between the City and Purchaser are arm’s length, commercial transactions in which Purchaser is acting and has acted solely as a principal and for its own interest and Purchaser has not made recommendations to the City with respect to the transactions relating to the Bond.

(g) The Purchaser acknowledges that in connection with the Bond: (i) Columbia Capital Management, LLC, as Municipal Advisor to the City, has acted at arm’s length, is not an agent or financial advisor of, and owes no fiduciary duties to the Purchaser or any other person irrespective of whether the Municipal Advisor has advised or is advising the Purchaser on other matters, and (ii) the Purchaser represents it has had the opportunity to consult with its own legal counsel and to negotiate this certificate prior to execution. The Purchaser waives to the fullest extent permitted by law any

claims it may have against the Municipal Advisor arising from an alleged breach of fiduciary duty in connection with the placement of the Bond.

3. ***City's Representations and Warranties.*** The City hereby represents and warrants to the Purchaser that:

(a) The City is and will be at Closing a body corporate and political subdivision of the State of Missouri created and existing under the laws of the State of Missouri, with the power and authority set forth in the Act.

(b) The City is authorized by the laws of the State of Missouri, including particularly the Act, (i) to issue, sell and deliver the Bonds for the purposes set forth in the opening paragraphs hereof and in the Bond Ordinance and (ii) to enter into and perform its obligations under this Bond Purchase Agreement and the Bond Ordinance.

(c) The City has full power and authority to consummate the transactions contemplated by the Transaction Documents and has duly authorized and approved the execution and delivery of this Bond Purchase Agreement.

(d) Prior to the Closing, the City shall have duly authorized all necessary action to be taken by it for: (i) the issuance and sale of the Bonds upon the terms set forth herein and (ii) the approval, execution, delivery and receipt by the City of the Transaction Documents and any and all such other agreements and documents as may be required to be executed, delivered and received by the City in order to carry out, give effect to, and consummate the transactions contemplated hereby.

(e) The Bonds when executed, issued, authenticated, delivered and paid for as herein and in the Bond Ordinance provided and the Transaction Documents to which the City is a party when executed will have been duly authorized and issued and will constitute valid and binding obligations of the City enforceable in accordance with their terms (subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar law or laws affecting the enforcement of creditors' rights generally or against municipal corporations such as the City from time to time in effect and further subject to the availability of equitable remedies).

(f) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body, pending or, to the knowledge of the City, threatened against the City wherein an unfavorable decision, ruling or finding would materially adversely affect (i) the transactions contemplated hereby, (ii) the validity or enforceability in accordance with their respective terms of the Bonds, the Bond Ordinance, this Bond Purchase Agreement or any agreement or instrument to which the City is a party, used or contemplated for use in the consummation of the transactions contemplated hereby, (iii) the exclusion of the interest on the Bonds from gross income for purposes of federal income taxation, or (iv) the existence or powers of the City.

(g) The execution and delivery by the City of this Bond Purchase Agreement, the Bonds, the Bond Ordinance and the other documents contemplated hereby to be executed and delivered by the City, and compliance with the provisions thereof do not conflict with or constitute on the part of the City a breach of or a default under any existing law, court or

administrative regulation, decree, order, agreement, indenture, mortgage or lease by which the City is or may be bound.

(h) Any certificate signed by an authorized officer of the City and delivered to the Purchaser shall be deemed a representation and warranty by the City to the Purchaser as to the statements made therein.

(i) All authorizations, approvals, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction that are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect, the issuance of the Bonds or the due performance by the City of its obligations under the Act, the Transaction Documents and the Bonds have been duly obtained or will be obtained prior to the Closing.

(j) The financial statements of the City presented to the Purchaser, except as noted therein, present fairly and accurately the financial condition of the City as of the dates indicated and the results of its operations for the periods specified, and such financial statements are prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units, consistently applied in all material respects for the periods involved. The City has not, since the date of such financial statements, incurred any material liabilities and there has been no material adverse change in the condition of the City, financial or otherwise, other than as set forth in such financial statements.

4. ***The Purchaser's Representations and Warranties.*** The Purchaser hereby agrees with, and makes the following representations and warranties to, the City, as of the date hereof and as of the Closing Date, which representations and warranties shall survive the Closing:

(a) The Purchaser is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization.

(b) This Bond Purchase Agreement has been duly authorized, executed and delivered by the Purchaser and, assuming the due authorization, execution and delivery by the City, is the legal, valid and binding obligation of the Purchaser enforceable in accordance with its terms, except as the enforceability of this Bond Purchase Agreement may be limited by application of creditors' rights laws.

5. ***Closing.*** Prior to or at 12:00 noon, Kansas City, Missouri time, on October 25, 2018, or at such other time or such other date as shall have been mutually agreed upon by the City and the Purchaser (the "Closing Time"), the City will deliver, or cause to be delivered, to the Purchaser, the Bonds, in definitive form duly executed and authenticated by the Paying Agent, together with the other documents hereinafter mentioned; and the Purchaser will accept such delivery and pay the purchase price of the Bonds by delivery to the City by electronic transfer of funds immediately available in Kansas City, Missouri in an amount equal to the purchase price. Such payment and delivery is herein called the "Closing." The Bonds will be delivered in denominations as set forth in the Bond Ordinance as definitive Bonds in fully registered form.

6. ***Events Permitting Purchaser To Terminate.***

(a) The Purchaser shall have the right to cancel its obligations to purchase the Bonds if between the date hereof and the date of the Closing,

(i)(A) legislation shall be enacted or be actively considered for enactment by the Congress, or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, or (B) a decision by a Federal court of the United States or the United States Tax Court shall be rendered, or a ruling or regulation by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made with respect to the Federal taxation upon interest on the Bonds, or (C) other action or events shall have occurred or transpired, any of the foregoing of which has the purpose or effect, directly or indirectly, of adversely affecting the Federal income tax consequences of any of the transactions contemplated in connection herewith;

(ii) legislation shall be enacted, or actively considered for enactment by the Congress, with an effective date on or prior to the date of Closing, or a decision by a court of the United States shall be rendered, or a ruling or regulation by the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made, the effect of which is that the Bonds are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended, and as then in effect, or the Securities Exchange Act of 1934, as amended, and as then in effect;

(iii) a stop order, ruling or regulation by the Securities and Exchange Commission shall be issued or made, the effect of which is that the issuance, offering or sale of the Bonds, as contemplated herein, is in violation of any provision of the Securities Act of 1933, as amended, and as then in effect, the Securities Exchange Act of 1934, as amended, and as then in effect, or the Trust Indenture Act of 1939, as amended, and as then in effect;

(iv) any legislation, ordinance, rule or regulation shall be introduced in or be enacted by the Legislature of the State or by any other governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State shall be rendered, or litigation challenging the law under which the Bonds are to be issued shall be filed in any court in the State;

(v) any general banking moratorium shall have been established by federal, or State authorities;

(vi) any proceeding shall be pending or threatened by the SEC against the City;

(vii) a war involving the United States shall have been declared, or any conflict or crisis involving the armed forces of the United States shall have escalated, or any other national emergency relating to the effective operation of government or the financial community shall have occurred, materially affecting, in the Purchaser's opinion, the market price of the obligations; or

(viii) there shall have been a material adverse change in the financial condition of the City.

The Purchaser acknowledges that no such event exists as of the date hereof that would permit the Purchaser to cancel its obligations pursuant to this Bond Purchase Agreement.

(b) The City shall have the right to terminate this Bond Purchase Agreement if the Bonds are not purchased by the Purchaser for any reason on or prior to the Closing Time.

7. **Conditions to Closing.** The obligations hereunder of each party hereto shall be subject (i) to the performance by the other party of its obligations to be performed hereunder at and prior to the Closing Time, (ii) to the accuracy in all material respects of the representations and warranties herein of the other party as of the date hereof and as of the Closing Time, and (iii) to the following conditions, including the delivery by the appropriate party or parties hereto or other entities of such documents as are enumerated herein:

(a) At the Closing Time, (i) the Transaction Documents shall have been authorized, executed and delivered, and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Purchaser and the City, the Closing in all events, however, to be deemed such approval, (ii) the proceeds of the sale of the Bonds shall have been deposited and applied as described in the Bond Ordinance, and (iii) the City shall have duly adopted and there shall be in full force and effect such resolutions or ordinances as, in the opinion of Gilmore & Bell, P.C., Kansas City, Missouri (herein called "Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby.

(b) At least 24 hours prior to the Closing Time, the Purchaser and the City shall have received counterparts, copies or certified copies (as appropriate) of the following documents in such number as shall be reasonably required:

(1) The approving opinion of Bond Counsel, dated the date of Closing, addressed to the City and the Purchaser, in form and substance satisfactory to the Purchaser.

(2) A certificate of the City, dated the date of Closing, signed by an official of the City, in form and substance satisfactory to the Purchaser.

(3) Copies of the executed Transaction Documents.

(4) Other certificates listed on a closing agenda to be approved by counsel to the City, Bond Counsel, and the Purchaser, including any certificates or representations of the City required in order for Bond Counsel to deliver the opinion referred to in section (b)(1) above.

(5) Such additional legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel, the Purchaser, or counsel to the City may reasonably request to evidence compliance with all legal requirements, the truth and accuracy, as of the Closing, of the representations herein and the due performance or satisfaction of all agreements then to be performed and all conditions then to be satisfied.

Unless performance is waived by the party or parties for whose benefit a condition or obligation is intended, if any person shall be unable to satisfy the above conditions to the obligations of any party to this Bond Purchase Agreement, or if the obligations hereunder of any party shall be terminated for any reason permitted by this Bond Purchase Agreement and unless otherwise waived, this Bond Purchase Agreement shall terminate and neither the Purchaser nor the City shall be under further obligation hereunder.

8. **Conditions To City's Obligations.** The obligations of the City hereunder are subject to the performance by the Purchaser of its obligations hereunder.

9. **Survival of Representations, Warranties and Agreements.** All representations, warranties and agreements of the City and the Purchaser, respectively, shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of any other party and shall survive the Closing.

10. **Expenses.** If the Bonds are sold to the Purchaser by the City on or prior to the Closing Time, the City shall pay out of the proceeds of the Bonds the following expenses incident to the performance of its obligations hereunder: (i) the cost of the preparation, printing and distribution of the Transaction Documents (for distribution on or subsequent to the date of execution of this Bond Purchase Agreement); (ii) the cost of preparation and printing of the definitive Bonds; (iii) the fees and expenses of Bond Counsel, the City's municipal advisor and any other experts or consultants retained by the City; (iv) the fees of the Commerce Bank, as Placement Agent, in the amount of \$2,500, and (v) all other customary costs of issuance.

11. **Third Party Beneficiary.** The City agrees that the Purchaser is and shall be a third party beneficiary of any and all representations and warranties made by the City in the Transaction Documents, to the same effect as if the City had made such representations and warranties to the Purchaser in this Bond Purchase Agreement.

12. **No Fiduciary Relationship.** The City acknowledges that (a) the transaction contemplated by this Bond Purchase Agreement is an arm's length, commercial transaction between the City and the Purchaser in which the Purchaser is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the City; (b) the Purchaser has not assumed any advisory or fiduciary responsibility to the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Purchaser has provided other services or is currently providing other services to the City on other matters); (c) the only obligations the Purchaser has to the City with respect to the transaction contemplated hereby are expressly set forth in this Bond Purchase Agreement; and (d) the City has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate. The City waives to the full extent permitted by applicable law any claims it may have against the Purchaser arising from an alleged breach of fiduciary duty in connection with the sale of the Bonds.

13. **Notices.** Any notice or other communication to be given to the City under this Bond Purchase Agreement may be given by delivering the same in writing at its address set forth above, and any notice or other communications to be given to the Purchaser under this Bond Purchase Agreement may be given by delivering the same in writing to the Purchaser at the following addresses:



ZMFU II, Inc.  
One South Main Street, Suite 1800  
Salt Lake City, Utah, 84133  
Attention: Todd Harris

14. **Successors.** This Bond Purchase Agreement is made for the benefit of the City and the Purchaser (including the successors or assigns of the Purchaser) and no other person including any purchaser of the Bonds shall acquire or have any rights hereunder or by virtue hereof.

15. **Governing Law.** This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Missouri.

16. **Effectiveness.** This Bond Purchase Agreement shall become effective upon acceptance by the City.

17. **Counterparts.** This Bond Purchase Agreement may be executed in any number of counterparts, each of which so executed and delivered shall constitute an original and all together shall constitute but one and the same instrument.

18. **Captions.** The captions or headings in this Bond Purchase Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or section of this Bond Purchase Agreement.

19. **Electronic Transaction.** The transaction described herein may be conducted and this Bond Purchase Agreement and related documents may be stored, delivered and received 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]*

Very truly yours,

**ZMFU II, INC.**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Accepted and agreed to as of  
the date first above written:

**CITY OF LEE'S SUMMIT, MISSOURI**

By: \_\_\_\_\_  
Title: Mayor

**SCHEDULE I  
TO BOND PURCHASE AGREEMENT**

**MATURITY SCHEDULE**

**Term Bonds**

<b><u>Maturity April 1</u></b>	<b><u>Principal Amount</u></b>	<b><u>Interest Rate</u></b>	<b><u>Price</u></b>
2020	\$3,658,000	2.74%	100.00%

**Redemption of Bonds.**

(a) *Optional Redemption of Bonds.* The Bonds are not subject to optional redemption prior to maturity.

(b) *Mandatory Redemption.* The Bonds will be subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements set forth below at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date:

<b><u>April 1</u></b>	<b><u>Principal Amount</u></b>
2019	\$1,867,000
2020	1,791,000 *

\*Final Maturity