
BILL NO. 20-05

ORDINANCE NO. 8794(a)

OF

CITY OF LEE'S SUMMIT, MISSOURI

PASSED

January 14, 2020

AUTHORIZING

**\$9,055,000
GENERAL OBLIGATION BONDS
SERIES 2020A**

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Exhibit A – Form of Bonds

**AN ORDINANCE AUTHORIZING AND DIRECTING THE
ISSUANCE OF \$9,055,000 PRINCIPAL AMOUNT OF GENERAL
OBLIGATION BONDS, SERIES 2020A, AND AUTHORIZING
CERTAIN OTHER DOCUMENTS AND ACTIONS BY THE CITY.**

WHEREAS, the City of Lee's Summit, Missouri (the "City"), is a constitutional charter city and political subdivision of the State of Missouri, duly created, organized and existing under and by virtue of the Constitution and laws of the State of Missouri;

WHEREAS, the City is authorized under the General Obligation Bond Law (as defined below), to incur indebtedness and issue and sell general obligation bonds of the City to evidence such indebtedness for lawful purposes, upon obtaining the approval of at least four-sevenths of the qualified electors of the City voting on the question to incur indebtedness at certain municipal, primary or general elections or two-thirds of the qualified electors of the City voting on the question to incur indebtedness at other elections;

WHEREAS, pursuant to the provisions of the laws of the State of Missouri, the voters of the City, on August 6, 2019, approved the issuance of \$19,475,000 of general obligation bonds for the purpose of acquiring land, making certain improvements and acquiring equipment for public safety purposes including (a) the acquisition, construction, furnishing and equipping of a new fire station and the purchase of associated apparatus to replace Fire Station No. 4, (b) the acquisition, construction, furnishing and equipping of a new fire station to replace Fire Station No. 5, (c) the acquisition and installation of new police automobile video systems and police body-worn camera systems, (d) renovations and improvements to enhance facility security, public access, customer service and operational efficiency in the Police and Courts Municipal Building and (e) purchasing and installing new infrastructure to renovate, improve and upgrade the City's wireless and fiber optic communications network among City Hall and other City facilities (the "Improvements");

WHEREAS, it is hereby found and determined that it is necessary for the City at this time to issue \$9,055,000 of general obligation bonds to finance a portion of the costs of the Improvements (leaving a balance of \$10,760,000 of authorized but unissued bonds for the Improvements); and

WHEREAS, it is hereby found and determined that it is necessary and advisable and in the best interest of the City and of its inhabitants at this time to authorize the issuance and delivery of said bonds pursuant to the General Obligation Bond Law for the purposes aforesaid as herein provided.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein, the following words and terms as used in this Ordinance shall have the following meanings:

“Bond Counsel” means Gilmore & Bell, P.C., Kansas City, Missouri, or other attorneys or firm of attorneys with a nationally recognized standing in the field of municipal bond financing selected by the City.

“Bond Payment Date” means any date on which principal of or interest on any Bond is payable.

“Bond Register” means the books for the registration, transfer and exchange of Bonds kept at the office of the Paying Agent.

“Bondowner” or **“Registered Owner”** means, when used with respect to any Bond, the Person in whose name such Bond is registered on the Bond Register.

“Bonds” means the General Obligation Bonds, Series 2020A authorized and issued by the City pursuant to this Ordinance.

“Business Day” means a day other than a Saturday, Sunday or holiday on which the Paying Agent and the Lender are scheduled in the normal course of its operations to be open to the public for conduct of its banking operations.

“City” means the City of Lee’s Summit, Missouri, and any successors or assigns.

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the Treasury Department proposed or promulgated thereunder.

“Debt Service Fund” means the fund by that name referred to in **Section 501** hereof.

“Defaulted Interest” means interest on any Bond payable but not paid on any Interest Payment Date.

“Defeasance Obligations” means any of the following obligations:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates;

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust; and

(5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; or

(c) cash.

“Determination of Taxability” means and shall be deemed to have occurred on the first to occur of the following:

(a) on the date the City files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability has in fact occurred;

(b) on the date when any current or former Registered Owner notifies the City that it has received a written opinion of a firm of attorneys of national reputation experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds, reasonably acceptable to the City, to the effect that an Event of Taxability shall have occurred;

(c) on the date the City is advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the City or upon any review or audit of the City, an Event of Taxability has occurred; or

(d) on the date the City receives notice from the Bondowner or any former Bondowner that the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such Bondowner or such former Bondowner the interest on the Bonds due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (c) or (d) hereunder unless the City has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined in a non-appealable order or ruling; provided that the period for any such contest and for receiving any such non-appealable order or ruling shall not exceed 90 days; provided further, however, that upon demand from the Bondowner or any former Bondowner, the City shall promptly reimburse the Bondowner or former Bondowner for any payments, including any taxes, interest, penalties or other charges, such Bondowner or former Bondowner is obligated to make as a result of the Determination of Taxability.

“Event of Taxability” means (a) the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the City, the failure to take any action by the City, or the making by the City of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of the Bonds) that has the effect of causing interest paid or payable on the Bonds to become includable, in whole or in part, in the gross income of the Bondowner or any former Bondowner for federal income tax purposes or (b) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action is final and non-appealable under applicable procedural law, in either case, which has the effect of causing interest paid or payable on the Bonds to become includable, in whole or in part, in the gross income of the Bondowner or any former Bondowner for federal income tax purposes with respect to the Bonds.

“Federal Tax Certificate” means the City’s Federal Tax Certificate relating to the Bonds, as the same may be amended or supplemented in accordance with the provisions thereof.

“General Obligation Bond Law” means Article VI, Section 26 of the Constitution of Missouri, 1945, as amended and Section 95.115 et seq., of the Revised Statutes of Missouri, as amended.

“Improvements” means the improvements referred to in the recitals to this Ordinance.

“Interest Payment Date” means the Stated Maturity of an installment of interest on any Bond.

“Lender” means Regions Capital Advantage, Inc., the purchaser of the Bonds, and its permitted successors and assigns.

“Maturity” means, when used with respect to any Bond, the date on which the principal of such Bond becomes due and payable as therein and herein provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

“Ordinance” means this Ordinance adopted by the governing body of the City, authorizing the issuance of the Bonds, as amended from time to time.

“Outstanding” means, when used with reference to the Bonds, as of any particular date of determination, all Bonds theretofore authenticated and delivered hereunder, except the following Bonds:

(a) Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;

(b) Bonds deemed to be paid in accordance with the provisions of **Section 701** hereof; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered hereunder.

“Paying Agent” means UMB Bank, N.A., Kansas City, Missouri, and any successors or assigns.

“Permitted Investments” means any of the following securities, if and to the extent the same are at the time legal for investment of the City’s funds:

- (a) United States Government Obligations;
- (b) bonds, notes or other obligations of the State of Missouri, or any political subdivision of the State of Missouri, that at the time of their purchase are rated in either of the two highest rating categories by a nationally recognized rating service;
- (c) repurchase agreements with any bank, bank holding company, savings and loan association, trust company, or other financial institution organized under the laws of the United States or any state, that are continuously and fully secured by any one or more of the securities described in clause (a), (b) or (d) and have a market value at all times at least equal to the principal amount of such repurchase agreement and are held in a custodial or trust account for the benefit of the City;
- (d) obligations of Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Corporation, Federal Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks and Farm Service Agency;
- (e) certificates of deposit or time deposits, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of the United States or any state, provided that such certificates of deposit or time deposits shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by such securities as are described above in clauses (a) through (d) above, inclusive, which shall have a market value at all times at least equal to the principal amount of such certificates of deposit or time deposits;
- (f) money market mutual funds (1) that invest in United States Government Obligations, and (2) that are rated in either of the two highest categories by a nationally recognized rating service; and
- (g) any other securities or investments that are lawful for the investment of moneys held in such funds or accounts under the laws of the State of Missouri.

“**Person**” means any natural person, corporation, partnership, limited liability company, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

“**Project Fund**” means the fund by that name referred to in **Section 501**.

“**Purchase Price**” means the amount equal to the principal amount of the Bonds.

“**Record Date**” for the interest payable on the Bonds on any Interest Payment Date means the 15th day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

“**Redemption Date**” means, when used with respect to any Bond to be redeemed, the date fixed for the redemption of such Bond pursuant to the terms of this Ordinance.

“Redemption Price” means, when used with respect to any Bond to be redeemed, the price at which such Bond is to be redeemed pursuant to the terms of this Ordinance, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

“Special Record Date” means the date fixed by the Paying Agent pursuant to Section 204 hereof for the payment of Defaulted Interest.

“Stated Maturity” means, when used with respect to any Bond or any installment of interest thereon, the date specified in such Bond as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

“United States Government Obligations” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payments on obligations issued or guaranteed by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities that represent an undivided interest in such obligations, which obligations are held in a custodial or trust account for the benefit of the City.

ARTICLE II

AUTHORIZATION OF BONDS

Section 201. Authorization of Bonds. There shall be issued and hereby are authorized and directed to be issued the General Obligation Bonds, Series 2020A of the City in a principal amount of \$9,055,000 (the “Bonds”), for the purpose of financing a portion of the costs of the Improvements and paying costs related to the issuance of the Bonds.

Section 202. Description of Bonds. The Bonds shall consist of fully registered bonds without coupons, numbered from R-1 upward in order of issuance, and shall be issued in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof or, if the Outstanding principal amount of the Bonds is less than \$100,000, an amount equal to the Outstanding principal amount of the Bonds. The Bonds shall be substantially in the form set forth in **Exhibit A** attached hereto, and shall be subject to registration, transfer and exchange as provided in **Section 205** hereof. All of the Bonds shall be dated their date of delivery, shall become due as set forth below, shall be subject to redemption and payment prior to their Stated Maturities as provided in **Article III** and shall bear interest at the rates per annum, as follows:

TERM BONDS

Stated Maturity <u>April 1</u>	Principal <u>Amount</u>	Annual Rate <u>of Interest</u>
2023	\$9,055,000	1.89%

The Bonds shall bear interest at the above-specified rate (computed on the basis of a 360-day year of twelve 30-day months) from the date thereof or from the most recent Interest Payment Date to which

interest has been paid or duly provided for, payable semiannually on April 1 and October 1 in each year, beginning on April 1, 2020.

Upon the occurrence of a Determination of Taxability, the City agrees: (i) the rate of interest on the Bonds will be increased to a rate providing an after-tax yield on the then outstanding principal amount of the Bonds at least equal to the after-tax yield the Lender could have received if a Determination of Taxability had not occurred (the "Taxable Rate"); (ii) to pay to the Lender on demand an amount equal to the difference between (1) the amount of interest that would have been paid to the Lender from the date of the issuance of the Bonds to and including the date of the Determination of Taxability, had the Bonds borne interest at the Taxable Rate during such period, and (2) the amount of interest actually paid to the Lender during such period, and (iii) to pay to the Lender on demand, any interest, penalties or charges owed by the Lender as a result of interest on the Bonds becoming included in the gross income of the Lender, together with any and all attorneys' fees, court costs, or other out-of-pocket costs incurred by the Lender in connection therewith. The Taxable Rate is 2.55%.

Section 203. Designation of Paying Agent. UMB Bank, N.A., Kansas City, Missouri, is hereby designated as the City's paying agent for the payment of principal of and interest on the Bonds and bond registrar with respect to the registration, transfer and exchange of Bonds (the "Paying Agent").

The City will at all times maintain a Paying Agent meeting the qualifications herein described for the performance of the duties hereunder. The City reserves the right to appoint a successor Paying Agent by (1) filing with the Paying Agent then performing such function a certified copy of the proceedings giving notice of the termination of such Paying Agent and appointing a successor, and (2) causing notice of the appointment of the successor Paying Agent to be given by first class mail to each Bondowner. The Paying Agent may resign upon giving written notice by first class mail to the City and the Registered Owners not less than 60 days prior to the date such resignation is to take effect. No resignation or removal of the Paying Agent shall become effective until a successor acceptable to the City has been appointed and has accepted the duties of Paying Agent.

Every Paying Agent appointed hereunder shall at all times be a commercial banking association or corporation or trust company authorized to do business in the State of Missouri, organized and doing business under the laws of the United States of America or of the State of Missouri, authorized under such laws to exercise trust powers and subject to supervision or examination by federal or state regulatory authority.

Section 204. Method and Place of Payment of Bonds. The principal of or Redemption Price and interest on the Bonds shall be payable in any coin or currency of the United States of America that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

The principal or Redemption Price of each Bond shall be paid at Maturity by check or draft to the Person in whose name such Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Bond at the payment office of the Paying Agent. The principal or Redemption Price of and interest on the Bonds shall be paid other than at Maturity to the Person in whose name the Bonds are registered on the Bond Register on the Record Date thereof by check or draft or electronic transfer as described herein for the payment of interest. Upon payment other than at Maturity without presentation of the Bond, the Paying Agent shall record the amount of such principal payment on the registration books for the Bonds maintained by the Paying Agent on behalf of the City. If any Bond is presented to the Paying Agent for such payment, the Paying Agent shall also record the amount of such principal payment on the registration books for the Bonds maintained by the Paying Agent on behalf of the City. Notwithstanding the foregoing, the

registration books maintained by the Paying Agent shall be the official record of the principal amount on the Bonds at any time, and the Bondowner is not required to present the Bonds for action by the Paying Agent with each payment of principal on the Bond other than for payments at Maturity. The records of the Paying Agent related to the principal amount Outstanding from time to time shall be conclusive, absent manifest error.

The principal of and interest on each Bond payable on any Bond Payment Date shall be paid to the Registered Owner of such Bond as shown on the Bond Register at the close of business on the Record Date by check or draft mailed by the Paying Agent to such Registered Owner at the address shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by any Registered Owner of Bonds, or by electronic transfer to such Registered Owner upon written notice signed by such Registered Owner given to the Paying Agent not less than 5 days prior to the Record Date, and containing the electronic transfer instructions including the bank (which shall be in the continental United States), ABA routing number, address and account name and account number to which such Registered Owner wishes to have such transfer directed and an acknowledgment that an electronic transfer fee is payable.

Notwithstanding the foregoing provisions of this Section, any Defaulted Interest with respect to any Bond shall cease to be payable to the Registered Owner of such Bond on the relevant Record Date and shall be payable to the Registered Owner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified in this paragraph. The City shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent) and shall deposit with the Paying Agent at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest that shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall promptly notify the City of such Special Record Date and, in the name and at the expense of the City, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Registered Owner of a Bond entitled to such notice at the address of such Registered Owner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

The Paying Agent shall keep a record of payment of principal and Redemption Price of and interest on all Bonds and shall upon the written request of the City forward a copy or summary of such records to the City.

Section 205. Registration, Transfer and Exchange of Bonds. The City covenants that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be kept at the office of the Paying Agent as herein provided. Each Bond when issued shall be registered in the name of the owner thereof on the Bond Register.

Bonds may be transferred and exchanged only on the Bond Register as provided in this Section. Upon surrender of any Bond at the payment office of the Paying Agent, the Paying Agent shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or

authorization for exchange, in a form satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or by the Registered Owner's duly authorized agent. The registered owner of the Bonds shall have the right at any time to assign, transfer or convey Bonds or any interest therein or portion thereof, but no such assignment, transfer or conveyance shall be effective as against the City unless and until such registered owner has delivered to the City and the Paying Agent written notice thereof that discloses the name and address of the assignee and such assignment, transfer or conveyance shall be made only to (i) an affiliate of the registered owner, (ii) a "qualified institutional buyer" under Rule 144A promulgated under the Securities Act of 1933 or (iii) an "accredited investor" under Rule 501(a) of Regulation D promulgated under the Securities Act of 1933. Nothing herein shall limit the right of the registered owner or its assignees to sell or assign the Bonds to one or more entities listed in (i), (ii) or (iii).

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. The City shall pay the fees and expenses of the Paying Agent for the registration, transfer and exchange of Bonds provided for by this Ordinance and the cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees and expenses of the Paying Agent, are the responsibility of the Registered Owners of the Bonds. In the event any Registered Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Registered Owner hereunder or under the Bonds.

The City and the Paying Agent shall not be required (a) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent pursuant to **Section 303** hereof and during the period of 15 days next preceding the date of mailing of such notice of redemption, or (b) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the City of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to **Section 204** hereof.

The City and the Paying Agent may deem and treat the Person in whose name any Bond is registered on the Bond Register as the absolute owner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, said Bond and for all other purposes. All payments so made to any such Registered Owner or upon the Registered Owner's order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor the Paying Agent shall be affected by any notice to the contrary.

At reasonable times and under reasonable regulations established by the Paying Agent, the Bond Register may be inspected and copied by the Registered Owners of 10% or more in principal amount of the Bonds then Outstanding or any designated representative of such Registered Owners whose authority is evidenced to the satisfaction of the Paying Agent.

Section 206. Execution, Registration, Authentication and Delivery of Bonds. Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk and shall have the official seal of the City affixed or imprinted thereon. In case any officer whose signature appears on any Bond ceases to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery.

Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

The Mayor and City Clerk are hereby authorized and directed to prepare and execute the Bonds in the manner herein specified, and, when duly executed and registered, to deliver the Bonds to the Paying Agent for authentication.

The Bonds shall have endorsed thereon a certificate of authentication substantially in the form set forth in **Exhibit A** attached hereto, which shall be manually executed by an authorized signatory of the Paying Agent, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. No Bond shall be entitled to any security or benefit under this Ordinance or be valid or obligatory for any purpose unless and until such certificate of authentication has been duly executed by the Paying Agent. Such executed certificate of authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Ordinance. Upon authentication, the Paying Agent shall deliver the Bonds to or upon the order of the Lender upon payment of the Purchase Price to the City.

Section 207. Mutilated, Destroyed, Lost and Stolen Bonds. If (a) any mutilated Bond is surrendered to the Paying Agent or the Paying Agent receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the City and the Paying Agent such security or indemnity as may be required by the Paying Agent, then, in the absence of notice to the City and the Paying Agent that such Bond has been acquired by a bona fide purchaser, the City shall execute and the Paying Agent shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount.

If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Paying Agent, in its discretion, may pay such Bond instead of delivering a new Bond.

Upon the issuance of any new Bond under this Section, the City or the Paying Agent may require the payment by the Registered Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

Every new Bond issued pursuant to this Section shall constitute a replacement of the prior obligation of the City, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds.

Section 208. Cancellation and Destruction of Bonds Upon Payment. All Bonds that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before Maturity, shall be canceled by the Paying Agent immediately upon the payment, redemption and surrender thereof to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent. The Paying Agent shall execute a certificate describing the Bonds so canceled and shall file an executed counterpart of such certificate with the City.

Section 209. Sale of Bonds. The sale of the Bonds to the Lender is hereby authorized at the Purchase Price. Delivery of the Bonds shall be made to the Lender as soon as practicable after the adoption of this Ordinance, upon payment therefor at the Purchase Price.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption of Bonds.

(a) *Optional Redemption by City.* The Bonds (including the respective installments of principal corresponding thereto) shall be subject to optional redemption and prepayment prior to Stated Maturity, in whole or in part on or after April 1, 2022, at the option of the City, upon payment of the principal amount, plus accrued interest thereon to the Redemption Date.

(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. The City shall redeem on April 1 in each year, the following principal amounts of such Bonds:

<u>April 1</u>	<u>Principal Amount</u>
2021	\$4,000,000
2022	4,000,000
2023	1,055,000*

*Final Maturity

At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date, the City may: (1) deliver to the Paying Agent for cancellation Bonds subject to mandatory redemption on said mandatory Redemption Date, in any aggregate principal amount desired; or (2) furnish the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any Bonds subject to mandatory redemption on said mandatory Redemption Date from any Registered Owner thereof whereupon the Paying Agent shall expend such funds for such purpose to such extent as may be practical; or (3) receive a credit with respect to the mandatory redemption obligation of the City under this Section for any Bonds subject to mandatory redemption on said mandatory Redemption Date that, prior to such date, have been redeemed (other than through the operation of the mandatory redemption requirements of this subsection (b)) and canceled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this subsection (b). Each Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the City to redeem Bonds of the same Stated Maturity on such mandatory Redemption Date, and any excess of such amount shall be credited on future mandatory redemption obligations for Bonds of the same Stated Maturity in chronological order, and the principal amount of Bonds of the same Stated Maturity to be redeemed by operation of the requirements of this Section shall be accordingly reduced. If the City intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the City will, on or before the 45th day next preceding each mandatory Redemption Date, furnish the Paying Agent a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with respect to such mandatory redemption payment and any Bonds to be credited pursuant to (3) above.

Section 302. Selection of Bonds to Be Redeemed.

(a) The Paying Agent shall call Bonds for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Paying Agent at least 45 days prior to the Redemption Date of written instructions of the City specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption. If the Bonds are refunded more than 90 days in advance of such Redemption Date, any escrow agreement entered into by the City in connection with such refunding shall provide that such written instructions to the Paying Agent shall be given by or on behalf of the City not more than 90 days prior to the Redemption Date. The Paying Agent may in its discretion waive such notice period so long as the notice requirements set forth in **Section 303** hereof are met. The foregoing provisions of this paragraph shall not apply to the mandatory redemption of Bonds hereunder, and the Bonds shall be called by the Paying Agent for redemption pursuant to such mandatory redemption requirements without the necessity of any action by the City and whether or not the Paying Agent shall hold moneys available and sufficient to effect the required redemption.

(b) Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof; provided, however, that the Bonds shall remain Outstanding in authorized denominations. When less than all of the Outstanding Bonds are to be redeemed, such Bonds shall be redeemed in the inverse order of maturity, and Bonds of less than a full Stated Maturity shall be selected by the Paying Agent in \$5,000 of principal amount by lot or in such other equitable manner as the Paying Agent may determine; provided, however, in all cases Bonds shall be redeemed in amounts such that the Bonds remaining Outstanding are in authorized denominations as provided in this Ordinance.

(c) In the case of a partial redemption of Bonds when Bonds of denominations greater than \$5,000 are then Outstanding, then for all purposes in connection with such redemption each \$5,000 of face value shall be treated as though it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of face value represented by any Bond are selected for redemption, then upon notice of intention to redeem such \$5,000 unit or units, the Registered Owner of such Bond or the Registered Owner's duly authorized agent shall present and surrender such Bond to the Paying Agent (1) for payment of the Redemption Price and interest to the Redemption Date of such \$5,000 unit or units of face value called for redemption, and (2) for exchange, without charge to the Registered Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond; provided, however, that the Bonds shall remain Outstanding in authorized denominations. If the Registered Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the redemption date to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only). Notwithstanding anything contained herein to the contrary, this Section 302(c) shall not apply to a mandatory redemption of the Bonds, and the Bonds shall only need to be presented for payment upon final Maturity or redemption in full.

Section 303. Notice and Effect of Call for Redemption. Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption shall be given by the Paying Agent on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 30 days prior to the Redemption Date to each Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register.

All official notices of redemption shall be dated and shall contain the following information:

- (a) the Redemption Date;

- (b) the Redemption Price;
- (c) if less than all Outstanding Bonds are to be redeemed, the identification of the Bonds to be redeemed (such identification to include interest rates, maturities, and such additional information as the Paying Agent may reasonably determine);
- (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and
- (e) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the payment office of the Paying Agent.

The failure of any Registered Owner to receive notice given as heretofore provided or a defect therein shall not invalidate any redemption.

Prior to any Redemption Date, the City shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds that are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the City defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Paying Agent. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of the same series and Stated Maturity in the amount of the unpaid principal as provided herein. All Bonds that have been surrendered for redemption shall be canceled and destroyed by the Paying Agent as provided herein and shall not be reissued.

In addition to the foregoing notice, further notice shall be given by the Paying Agent on behalf of the City as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if official notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (1) the date of issue of the Bonds as originally issued; (2) the rate of interest borne by each Bond being redeemed; (3) the maturity date of each Bond being redeemed; and (4) any other descriptive information needed to identify accurately the Bonds being redeemed.

The Paying Agent is also directed to comply with any mandatory standards then in effect for processing redemptions of municipal obligations established by the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

ARTICLE IV

SECURITY FOR AND PAYMENT OF BONDS

Section 401. Security for the Bonds. The Bonds shall be 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 hereby irrevocably pledged for the prompt payment of the Bonds as the same become due.

Section 402. Levy and Collection of Annual Tax. For the purpose of providing for the payment of the Bonds as the same become due, there is hereby levied upon all of the taxable tangible property within the City a direct annual tax sufficient to produce the amounts necessary for the payment of the Bonds as the same become due and payable in each year.

The taxes referred to above shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the City are levied and collected. The proceeds derived from said taxes shall be deposited in the Debt Service Fund, shall be kept separate and apart from all other funds of the City and shall be used for the payment of the Bonds as and when the same become due and the fees and expenses of the Paying Agent.

If at any time said taxes are not collected in time to pay the Bonds when due, the Finance Director is hereby authorized and directed to pay said Bonds out of the general funds of the City and to reimburse said general funds for money so expended when said taxes are collected.

ARTICLE V

ESTABLISHMENT OF FUNDS;
DEPOSIT AND APPLICATION OF MONEYS

Section 501. Establishment of Funds. There have been or shall be established in the treasury of the City and shall be held and administered by the Finance Director of the City the following separate funds:

- (a) Project Fund.
- (b) Debt Service Fund.

Section 502. Deposit of Bond Proceeds. The net proceeds received from the sale of the Bonds shall be deposited simultaneously with the delivery of the Bonds in the Project Fund.

Section 503. Application of Moneys in Debt Service Fund. All amounts paid and credited to the Debt Service Fund shall be expended and used by the City for the purpose of paying the Bonds as and when the same become due and the usual and customary fees and expenses of the Paying Agent. The Finance Director is authorized and directed to withdraw from the Debt Service Fund sums sufficient to pay the Bonds and the fees and expenses of the Paying Agent as and when the same become due, and to forward such sums to the Paying Agent in a manner that ensures that the Paying Agent will receive immediately available funds

in such amounts on or before the Business Day immediately preceding the dates when such principal, interest and fees of the Paying Agent will become due. If, through the lapse of time or otherwise, the Registered Owners of Bonds are no longer entitled to enforce payment of the Bonds or the interest thereon, the Paying Agent shall return said funds to the City. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Ordinance and shall be held in trust by the Paying Agent for the benefit of the Registered Owners of the Bonds entitled to payment from such moneys.

Any moneys or investments remaining in the Debt Service Fund after the retirement of the indebtedness for which the Bonds were issued and all other indebtedness of the City shall be transferred and paid into the general fund of the City or as otherwise required by law.

Section 504. Deposits and Investment of Moneys. Moneys in each of the funds created by and referred to in this Ordinance shall be deposited in a bank or banks or other legally permitted financial institutions authorized to do business in the State of Missouri that are members of the Federal Deposit Insurance Corporation. All such deposits shall be continuously and adequately secured by the financial institutions holding such deposits as provided by the laws of the State of Missouri. All moneys held in the funds created by this Ordinance shall be kept separate and apart from all other funds of the City so that there shall be no commingling of such funds with any other funds of the City.

Moneys held in any fund referred to in this Ordinance may be invested by the Finance Director at the direction of the City Council, in accordance with this Ordinance and the Federal Tax Certificate, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any fund shall accrue to and become a part of such fund.

Section 505. Nonpresentment of Bonds. If any Bond is not presented for payment when due, if funds sufficient to pay such Bond have been made available to the Paying Agent, all liability of the City to the Registered Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Registered Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Ordinance or on, or with respect to, said Bond. If any Bond is not presented for payment within one year following the date when such Bond becomes due at Maturity, the Paying Agent shall repay to the City without liability for interest thereon the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the City, and the Registered Owner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the City or the Paying Agent shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 506. Payments Due on Saturdays, Sundays and Holidays. In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

Section 507. Application of Moneys in the Project Fund. Moneys in the Project Fund shall be used by the City solely for the purpose of paying the costs of the Improvements for which the Bonds have

been voted and authorized, in accordance with the plans and specifications therefor prepared by the City’s architects or engineers heretofore approved by the City Council and on file in the office of the City Clerk, including any alterations in or amendments to said plans and specifications deemed advisable and approved by the City, and paying the costs and expenses of issuing the Bonds.

The Finance Director shall make withdrawals from the Project Fund only upon duly authorized and executed order of the City Council therefor for a purpose within the scope of this Ordinance. Upon completion of the purpose for which the Bonds have been issued, any surplus remaining in the Project Fund shall be transferred to and deposited in the Debt Service Fund.

For so long as the Bonds remain outstanding and are held by the Lender, the City agrees to hold the Project Fund in an account with Regions Bank, and to deposit the proceeds of the Bonds in such account until such proceeds are expended by the City.

ARTICLE VI

REMEDIES

Section 601. Remedies. The provisions of this Ordinance, including the covenants and agreements herein contained, shall constitute a contract between the City and the Registered Owners of the Bonds, and the Registered Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Registered Owners of Bonds similarly situated:

- (a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Registered Owner or Owners against the City and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of this Ordinance or by the constitution and laws of the State of Missouri;
- (b) by suit, action or other proceedings in equity or at law to require the City, its officers, agents and employees to account as if they were the trustees of an express trust; and
- (c) by suit, action or other proceedings in equity or at law to enjoin any acts or things that may be unlawful or in violation of the rights of the Registered Owners of the Bonds.
- (d) if the City does not pay the principal (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements, or otherwise) or interest on any of the Bonds within three Business Days after any Bond Payment Date, then the interest rate on the Bonds shall be adjusted to 5% above the rate then in effect (Taxable Rate or otherwise) (“**Default Rate**”), and the Bonds shall bear interest at the Default Rate until such principal or interest is paid.
- (e) if the City or the City Council or any of the officers, agents or employees thereof fail or refuse to comply with any of the provisions of this Ordinance, and such default continues for a period of 30 days after written notice specifying such default has been given to the City by the Registered Owner of the Bonds then Outstanding, then the interest rate on the Bonds shall be adjusted to the Default Rate, and the Bonds shall bear interest at the Default Rate until such default is cured.

Section 602. Limitation on Rights of Bondowners. The covenants and agreements of the City contained herein and in the Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Bonds. All of the Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the Bonds, or otherwise, except as to rate of interest, or date of Maturity or right of prior redemption as provided in this Ordinance. No one or more Bondowners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Registered Owners of such Outstanding Bonds.

Section 603. Remedies Cumulative. No remedy conferred herein upon the Bondowners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the Registered Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies consequent thereon. No delay or omission of any Bondowner 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 of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Registered Owners of the Bonds by this Ordinance may be enforced and exercised from time to time and as often as may be deemed expedient. If any suit, action or proceedings taken by any Bondowner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or has been determined adversely to such Bondowner, then, and in every such case, the City and the Registered Owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Bondowners shall continue as if no such suit, action or other proceedings had been brought or taken.

ARTICLE VII

DEFEASANCE

Section 701. Defeasance. When any or all of the Bonds or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Ordinance and the pledge of the City's faith and credit hereunder and all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Ordinance if there has been deposited with the Paying Agent, or other commercial bank or trust company authorized to do business in the State of Missouri and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations that, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the Bonds to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments; provided, however, that if any such Bonds are to be redeemed prior to their Stated Maturity, (1) the City has elected to redeem such Bonds, and (2) either notice of such redemption shall have been given, or the City shall have given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Paying Agent to give such notice of redemption in compliance with **Section 303** hereof. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the City, for the purpose of paying and discharging any of the Bonds, shall be and

are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Registered Owners of the Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All money and Defeasance Obligations deposited with the Paying Agent or other bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of this Ordinance.

In the event of an advance refunding, the City shall cause to be delivered a verification report of an independent recognized public accountant verifying the sufficiency of the amounts on deposit with the Paying Agent or other escrow agent to provide for payment in full of the Bonds as provided herein.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 801. Tax Covenants.

(a) The City covenants and agrees that (1) it will comply with all applicable provisions of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds, and (2) all provisions and requirements of the Federal Tax Certificate. The Mayor is hereby authorized to execute and deliver the Federal Tax Certificate in a form approved by Bond Counsel, for and on behalf of and as the act and deed of the City. The City will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Bonds will remain excluded from gross income for federal income tax purposes, to the extent any such actions can be taken by the City.

(b) The covenants contained in this Section and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to **Article VII** hereof or any other provision of this Ordinance until such time as is set forth in the Federal Tax Certificate.

Section 802. Annual Audit. Annually, promptly after the end of the fiscal year, the City will cause an audit to be made of its funds and accounts for the preceding fiscal year by an independent certified public accountant or firm of independent certified public accountants.

Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the City Clerk. The City shall deliver a copy of each such audit to the Lender within 180 days after the end of each fiscal year.

As soon as possible after the completion of the annual audit, the governing body of the City shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of this Ordinance, the City shall promptly cure such deficiency.

Section 803. Amendments. The rights and duties of the City and the Bondowners, and the terms and provisions of the Bonds or of this Ordinance, may be amended or modified at any time in any respect by ordinance of the City with the written consent of the Registered Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed

by such Registered Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the City Clerk, but no such modification or alteration shall:

- (a) extend the maturity or redemption date of any payment of principal or interest due upon any Bond;
- (b) effect a reduction in the amount that the City is required to pay by way of principal or interest on any Bond;
- (c) permit preference or priority of any Bond over any other Bond; or
- (d) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of this Ordinance.

Any provision of the Bonds or of this Ordinance may, however, be amended or modified by ordinance duly adopted by the governing body of the City at any time in any legal respect with the written consent of the Registered Owners of all of the Bonds at the time Outstanding.

Without notice to or the consent of any Bondowners, the City may amend or supplement this Ordinance for the purpose of curing any formal defect, omission, inconsistency or ambiguity therein or in connection with any other change therein that is not materially adverse to the security of the Bondowners.

Every amendment or modification of the provisions of the Bonds or of this Ordinance, to which the written consent of the Bondowners is given, as above provided, shall be expressed in an ordinance adopted by the governing body of the City amending or supplementing the provisions of this Ordinance and shall be deemed to be a part of this Ordinance. A certified copy of every such amendatory or supplemental ordinance, if any, and a certified copy of this Ordinance shall always be kept on file in the office of the City Clerk and shall be made available for inspection by the Registered Owner of any Bond or a prospective purchaser or owner of any Bond authorized by this Ordinance, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental ordinance or of this Ordinance will be sent by the City Clerk to any such Bondowner or prospective Bondowner.

Any and all modifications made in the manner hereinabove provided shall not become effective until there has been filed with the City Clerk a copy of the ordinance of the City hereinabove provided for, duly certified, as well as proof of any required consent to such modification by the Registered Owners of the Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification.

The City shall furnish to the Paying Agent a copy of any amendment to the Bonds or this Ordinance that affects the duties or obligations of the Paying Agent under this Ordinance.

Section 804. Notices, Consents and Other Instruments by Bondowners. Any notice, consent, request, direction, approval or other instrument to be signed and executed by the Bondowners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondowners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, (except for the assignment of ownership of a Bond as provided for in the form of the Bond set forth in **Exhibit A** attached hereto), if made in the following manner, shall be

sufficient for any of the purposes of this Ordinance, and shall be conclusive in favor of the City and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any person of any such instrument may be proved by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before such officer the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of ownership of Bonds, the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the Bond Register.

In determining whether the Registered Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Ordinance, Bonds owned by the City shall be disregarded and deemed not to be Outstanding under this Ordinance, except that, in determining whether the Bondowners shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Bondowners know to be so owned shall be so disregarded. Notwithstanding the foregoing, Bonds so owned that have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Bondowners the pledgee's right so to act with respect to such Bonds and that the pledgee is not the City.

Section 805. Further Authority. The officers of the City, including the Mayor and City Clerk, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Ordinance and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 806. Severability. If any section or other part of this Ordinance, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Ordinance.

Section 807. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State of Missouri.

Section 808. 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.

Section 809. Electronic Transaction. The transaction described herein may be conducted and related documents may be received, delivered 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. Notwithstanding the foregoing, any optional redemption notices provided pursuant to Section 303 hereof shall be provided in electronic and hard copy form mailed to the Lender at the address on file with the Paying Agent.

Section 810. Loan. The City hereby acknowledges that the Lender is purchasing the Bonds as evidence of a privately negotiated loan. Therefore, the City will not take any affirmative action to cause the Bonds to be (a) assigned a separate rating by any municipal securities rating agency, (b) registered with

The Depository Trust Company or any other securities depository, (c) issued pursuant to any type of offering document or official statement or (d) assigned a CUSIP number by Standard & Poor's CUSIP Service.

Section 811. Role of Lender. The City hereby acknowledges that the Lender and its representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services. With respect to any information, materials or communications provided by the Lender, the City acknowledges that: (a) the Lender and its representatives are not recommending any action to the City; (b) the Lender and its representatives are not acting as an advisor to the City and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the City with respect to any information, materials or communications; (c) the Lender and its representatives are acting for their own interests; and (d) the City has been informed that it should discuss any such information, materials or communications with any and all internal and external advisors and experts that the City deems appropriate before acting on any such information, materials or communications.

Section 812. Patriot Act. The City represents and warrants to the Lender that neither it nor any of its principals, shareholders, members, partners, or affiliates, as applicable, is a person named as a Specially Designated National and Blocked Person (both as defined or described in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of any such person. The City further represents to the Lender that the City and its principals, shareholders, members, partners, or affiliates, as applicable, are not directly or indirectly, engaged in, nor facilitating, the transactions contemplated in connection with the Bonds on behalf of any person named as a Specially Designated National and Blocked Person.

[Remainder of page intentionally left blank]

PASSED by the City Council of the City of Lee's Summit, Missouri, this 15th day of January, 2020.

[SEAL]



Mayor *William A. Baird*

ATTEST:


Acting City Clerk ~~Trisha Fowler Arcuri~~ Julie Pryor


APPROVED by the Mayor of the City of Lee's Summit, Missouri, this 16th day of January, 2020.

[SEAL]



Mayor *William A. Baird*

ATTEST:


Acting City Clerk ~~Trisha Fowler Arcuri~~ Julie Pryor

APPROVED AS TO FORM:



City Attorney *Brian W. Head*

**EXHIBIT A
TO ORDINANCE**

(FORM OF BONDS)

THIS BOND MAY ONLY BE TRANSFERRED IN ACCORDANCE WITH THE RESTRICTIONS APPLICABLE TO TRANSFERS OF THE BOND PROVIDED IN THE ORDINANCE AND THIS BOND.

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

**Registered
No. R-1**

**Registered
\$9,055,000**

**CITY OF LEE'S SUMMIT, MISSOURI
GENERAL OBLIGATION BOND
SERIES 2020A**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>
1.89%, subject to adjustment as provided in the Ordinance	April 1, 2023	January 22, 2020

REGISTERED OWNER: REGIONS CAPITAL ADVANTAGE, INC.

PRINCIPAL AMOUNT: NINE MILLION FIFTY-FIVE THOUSAND DOLLARS

THE CITY OF LEE'S SUMMIT, MISSOURI, a constitutional charter city and political subdivision of the State of Missouri (the "City"), for value received, hereby acknowledges itself to be indebted and promises to pay to the registered owner shown above, or registered assigns, the principal amount shown above on the maturity date shown above unless called for redemption prior to said maturity date, and to pay interest thereon at the interest rate per annum shown above (computed on the basis of a 360-day year of twelve 30-day months) from the Dated Date shown above or from the most recent interest payment date to which interest has been paid or duly provided for, payable semiannually on April 1 and October 1 in each year, beginning on April 1, 2020, until said principal amount has been paid.

The principal or redemption price of this Bond shall be paid at maturity or upon earlier redemption by check or draft to the Person in whose name this Bond is registered on the Bond Register at the maturity or redemption date thereof, upon presentation and surrender of this Bond at the payment office of **UMB BANK, N.A.**, Kansas City, Missouri (the "Paying Agent"). The principal or Redemption Price of the Bonds shall be paid other than at Maturity to the Person in whose name the Bonds are registered on the Bond Register on the Record Date thereof by check or draft or electronic transfer as described herein for the payment of interest. Upon payment other than at Maturity without presentation of this Bond, the Paying Agent shall record the amount of such principal payment on the registration books for the Bonds maintained by the Paying Agent on behalf of the City. If this Bond is presented to the Paying Agent for such payment, the Paying Agent shall also record the amount of such principal payment on the registration books for the Bonds maintained by the

Paying Agent on behalf of the City. The registration books maintained by the Paying Agent shall be the official record of the principal amount on this Bond at any time, and the Bondowner is not required to present this Bond for action by the Paying Agent with each payment of principal on the Bond other than for payments at Maturity. The records of the Paying Agent related to the principal amount Outstanding from time to time shall be conclusive, absent manifest error. Notwithstanding anything contained herein this Bond shall only need to be presented for payment upon final maturity or redemption in full.

The principal of and interest on this Bond payable on any Bond Payment Date shall be paid to the person in whose name this Bond is registered on the Bond Register at the close of business on the Record Date by check or draft mailed by the Paying Agent to such registered owner at the address shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such registered owner or by electronic transfer to such registered owner upon written notice given to the Paying Agent signed by such registered owner not less than 5 days prior to the Record Date, and containing the electronic transfer instructions including the bank (which shall be in the continental United States), ABA routing number, address and account name and account number to which such Registered Owner wishes to have such transfer directed and an acknowledgment that an electronic transfer fee is payable.

This Bond is one of an authorized series of bonds of the City designated “General Obligation Bonds, Series 2020A,” aggregating the principal amount of \$9,055,000 (the “Bonds”), issued by the City for the purpose of financing the costs of the Improvements, under the authority of and in full compliance with the constitution and laws of the State of Missouri, and pursuant to an ordinance duly passed (the “Ordinance”) and proceedings duly and legally had by the governing body of the City. Capitalized terms not defined herein shall have the meanings set forth in the Ordinance.

The Bonds (including the respective installments of principal corresponding thereto) shall be subject to optional redemption and prepayment prior to Stated Maturity, in whole or in part on or after April 1, 2022, at the option of the City, upon payment of the principal amount, plus accrued interest thereon to the Redemption Date.

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. The City shall redeem on April 1 in each year, the following principal amounts of such Bonds:

<u>April 1</u>	<u>Principal Amount</u>
2021	\$4,000,000
2022	4,000,000
2023	1,055,000*

*Final Maturity

Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple of \$5,000 in excess thereof. When less than all of the Outstanding Bonds are to be redeemed, such Bonds shall be redeemed in inverse order of maturity, and Bonds of less than a full Stated Maturity shall be selected by the Paying Agent in \$5,000 units of principal amount by lot or in such other equitable manner as the Paying Agent may determine; provided, however, in all cases Bonds shall be redeemed in amounts such that the Bonds remaining Outstanding are in authorized denominations as provided in this Ordinance.

Notice of redemption, unless waived, is to be given by the Paying Agent by mailing an official redemption notice by first class mail at least 30 days prior to the redemption date to the owner of the Bonds

and each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register maintained by the Paying Agent. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City defaults in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

The Bonds constitute 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.

The Bonds are issuable in the form of fully registered Bonds without coupons in the denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof or, if the Outstanding principal amount of the Bonds is less than \$100,000, an amount equal to the Outstanding principal amount of the Bonds.

This Bond may be transferred or exchanged, as provided in the Ordinance, only on the Bond Register kept for that purpose at the payment office of the Paying Agent, upon surrender of this Bond together with a written instrument of transfer or authorization for exchange satisfactory to the Paying Agent duly executed by the Registered Owner or the Registered Owner's duly authorized agent, and thereupon a new Bond or Bonds in any authorized denomination of the same maturity and in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Ordinance and upon payment of the charges therein prescribed. The City and the Paying Agent may deem and treat the Person in whose name this Bond is registered on the Bond Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes. No assignment, transfer or conveyance shall be effective as against the City unless and until such Registered Owner has delivered to the City and the Paying Agent written notice thereof that discloses the name and address of the assignee. Each holder of this Bond agrees that it will only sell, pledge, transfer or exchange the Bonds it purchases (1) in accordance with an available exemption from the registration requirements of Section 5 of the Securities Act of 1933, as amended, (2) in accordance with any applicable state securities laws, (3) to an institution that is an "accredited investor" as defined in Regulation D under the Securities Act of 1933 and/or a "qualified institutional buyer" under Rule 144A promulgated under the Securities Act of 1933, and (4) in accordance with the provisions of the Ordinance.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Ordinance until the Certificate of Authentication hereon has been executed by the Paying Agent.

IT IS HEREBY DECLARED AND CERTIFIED that all acts, conditions and things required to be done and to exist precedent to and in the issuance of the Bonds have been done and performed and do exist in due and regular form and manner as required by the constitution and laws of the State of Missouri; that a direct annual tax upon all taxable tangible property situated in the City has been levied for the purpose of paying the Bonds when due; and that the total indebtedness of the City, including this Bond and the series of which it is one, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the CITY OF LEE'S SUMMIT, MISSOURI, has caused this Bond to be executed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk and its official seal to be affixed or imprinted hereon.

[Remainder of page intentionally left blank]

CERTIFICATE OF AUTHENTICATION

CITY OF LEE'S SUMMIT, MISSOURI

This Bond is one of the Bonds
of the issue described in the
within-mentioned Ordinance.

Registration Date: _____

UMB BANK, N.A.,
Paying Agent

By _____
Authorized Signatory

By: _____
Mayor

(Seal)

ATTEST:

City Clerk

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ agent to transfer the within Bond on the books kept by the Paying Agent for the registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular.

Medallion Signature Guarantee:

LEGAL OPINION

The following is a true and correct copy of the approving legal opinion of Gilmore & Bell, P.C., Bond Counsel, which was dated and issued as of the date of original issuance and delivery of the Bonds:

GILMORE & BELL
A Professional Corporation
2405 Grand Boulevard
Suite 1100
Kansas City, Missouri 64108

(LEGAL OPINION OF BOND COUNSEL)

REGIONS CAPITAL ADVANTAGE, INC.

December 20, 2019

James Prichard, Senior Vice President
Columbia Capital Management, LLC
6330 Lamar Avenue
Overland Park, Kansas 66202

Bette Wordelman, Finance Director
City of Lee's Summit, Missouri
220 SE Green Street
Lee's Summit, Missouri 64063

Reference: \$9,055,000 Non-Bank Qualified Term Loan (the "Loan")

Dear Mr. Prichard and Ms. Wordelman:

Regions Capital Advantage, Inc. (the "Lender") is pleased to furnish this Term Sheet (this "Term Sheet") to the City of Lee's Summit, Missouri (the "Borrower"). This Term Sheet contains an outline of suggested terms only, and it does not represent a commitment by the Lender or create any obligation whatsoever on the Lender's part. It is for discussion purposes only, and the outlined terms have not received final approval by the appropriate lending authorities within Regions Capital Advantage, Inc.

Borrower: City of Lee's Summit, Missouri

Lender: Regions Capital Advantage, Inc.

Role of Lender: The Lender and its representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services. With respect to this Term Sheet and any other information, materials or communications provided by the Lender: (a) the Lender and its representatives are not recommending an action to any municipal entity or obligated person; (b) the Lender and its representatives are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to this Term Sheet, information, materials or communications; (c) the Lender and its representatives are acting for their own interests; and (d) the Borrower has been informed that the Borrower should discuss this Term Sheet and any such other information, materials or communications with any and all internal and external advisors and experts that the Borrower deems appropriate before acting on this Term Sheet or any such other information, materials or communications.

REGIONS CAPITAL ADVANTAGE, INC.

Privately Negotiated Loan: The Borrower acknowledges and agrees that the Lender is purchasing the Debt Instrument (as hereinafter defined) in evidence of a privately negotiated loan and in that connection the Debt Instrument shall not be (i) assigned a separate rating by any municipal securities rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement or (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service.

Purpose: The proceeds of the Loan will be used to for the purpose of acquiring land, making certain improvements and acquiring equipment for public safety purposes including (a) the acquisition, construction, furnishing and equipping of a new fire station and the purchase of associated apparatus to replace Fire Station No. 4, (b) the acquisition, construction, furnishing and equipping of a new fire station to replace Fire Station No. 5, (c) the acquisition and installation of new police automobile video systems and police body worn camera systems, (d) renovations and improvements to enhance facility security, public access, customer service and operational efficiency in the Police and Courts Municipal Building, (e) purchasing and installing new infrastructure to renovate, improve and upgrade the City's wireless and fiber optic communications network among City Hall and other City facilities and (f) funding costs of issuance (collectively, the "Project").

Loan Amount: \$9,055,000.

Structure: Non-Bank Qualified Tax-Exempt General Obligation Term Loan evidenced by a promissory note, bond or other debt instrument (the "Debt Instrument" or the "Bonds"). The Bonds shall be issued in denominations of \$100,000 and or integral multiples of \$5,000 in excess thereof.

Interest Rate: The Loan is a Tax-Exempt, Non-Bank Qualified Loan.

The Loan will bear interest at a fixed rate per annum of 1.89% through the Maturity Date. The aforementioned interest rate assumes closing occurs on or before January 22, 2020. If closing occurs after January 22, 2020, the rate is subject to change based upon current market conditions.

Default Rate: The interest rate otherwise applicable to the Debt Instrument plus 5%.

Repayment: Interest will be payable semi-annually (calculated on the basis of a 30 day month and a 360 day year) on each April 1 and October 1, commencing April 1, 2020. Annual principal payments will be payable each April 1, commencing April 1, 2021. Graduated principal payments due as set forth in Exhibit A. All payments are due on the same calendar day of the month.

Maturity Date: April 1, 2023. Maturity date must fall on a payment due date.

Prepayment: The Borrower may, beginning 2 years after closing of the Loan, pay in advance the entire unpaid principal amount of this Debt Instrument or any lesser portion or portions thereof by paying to the Lender the principal amount to be prepaid, plus interest accrued on such principal amount to the date of such prepayment. All partial prepayments of principal shall be applied in the inverse order of maturities. The Borrower will provide not less than 30 days' written notice of any prepayment to the Lender.

REGIONS CAPITAL ADVANTAGE, INC.

Other Fees, Costs and Expenses: The Borrower will be responsible for all out-of-pocket fees, costs and expenses of the Lender (including, without limitation, counsel fees and expenses and costs associated with lien searches, and recordation, if any) incurred in connection with the negotiation, execution, delivery, administration and enforcement of the Loan Documents (as hereinafter defined). In consideration of the undertakings of the Lender hereunder, and recognizing that in connection herewith the Lender will be incurring such fees, costs and expenses, the Borrower agrees to reimburse the Lender for all such fees, costs and expenses, regardless of whether, or to what extent, any of the transactions contemplated hereby are consummated. Lender's Counsel fees are not expected to exceed \$3,500, which amount assumes the Borrower's Bond Counsel will prepare the Loan Documents.

Security: The Debt Instrument will be a general obligation of the Borrower payable as to both principal and interest from ad valorem taxes which may be levied, without limit as to rate or amount, upon all taxable tangible property, real and personal, within the territorial limits of the Borrower.

Determination of Taxability: Upon the occurrence of a Determination of Taxability of the Loan, the Borrower agrees: (i) the rate of interest on the Loan will be increased to a rate providing an after-tax yield on the then outstanding principal amount of the Loan at least equal to the after-tax yield the Lender could have received if a Determination of Taxability had not occurred (the "Taxable Rate"); (ii) to pay to the Lender on demand an amount equal to the difference between (1) the amount of interest that would have been paid to the Lender from the date of the closing of the Loan to and including the date of the Determination of Taxability, had the Loan borne interest at the Taxable Rate during such period, and (2) the amount of interest actually paid to the Lender during such period, and (iii) to pay to the Lender on demand, any interest, penalties or charges owed by the Lender as a result of interest on the Loan becoming included in the gross income of the Lender, together with any and all attorneys' fees, court costs, or other out-of-pocket costs incurred by the Lender in connection therewith. The taxable equivalent rate is 2.55%.

Representations and Warranties: Usual and customary for this type of financing.

Covenants: Usual and customary for this type of financing, including but not limited to the following:

- 1) The Borrower shall deliver to the Lender, in form and substance satisfactory to the Lender, audited financial statements within 180 days after the end of each of the Borrower's fiscal year's.
-

Defaults: Usual and customary, including but not limited to the following:

- (1) The Borrower fails to pay when due any fee or expense payable under the Debt Instrument or the related documents (the "Loan Documents"); and
 - (2) Default shall be made by the Borrower in performance or observance of any of the other covenants, agreements or conditions on its part in the Loan Documents, and such default shall continue for a period of 30 days after written notice thereof to the Borrower by the Lender.
-

REGIONS CAPITAL ADVANTAGE, INC.

Remedies: The Lender shall have all of the rights and remedies set forth in the Loan Documents, and available at law and in equity, for the enforcement thereof. Additionally, upon the occurrence of an event of default, the Default Rate shall apply to the Loan.

Deposit Requirement: The credit terms proposed are contingent upon the Borrower depositing all proceeds from the Debt Instrument into a custodial account maintained at Regions Bank (the "Deposit Bank").

Legal Opinions: As an additional condition precedent to the Lender making the Loan, the Borrower shall provide, among other things, the following opinions to the Lender:

an opinion of bond counsel in form and substance satisfactory to the Lender and its counsel in all respects, which shall include opinions to the effect that (a) the Borrower has the authority under the laws of the State of Missouri to issue the Debt Instrument and execute and deliver the Loan Documents, (b) that the Debt Instrument has been duly issued and each of the Debt Instrument and the other Loan Documents to which the Borrower is a party has been duly authorized, executed and delivered by the Borrower, (c) that each of the Debt Instrument and the other Loan Documents to which the Borrower is a party is a valid and binding obligation of the Borrower, duly enforceable in accordance with its terms, (d) that interest on the Debt Instrument is (i) excludable from gross income of the holders thereof for federal income tax purposes and (ii) is exempt from present income taxation in the State of Missouri, and (e) the Debt Instrument is a valid and legally binding general obligation of the Borrower payable as to both principal and interest from ad valorem taxes which may be levied, without limit as to rate or amount, upon all the taxable tangible property, real and personal, within the territorial limits of the Borrower.

Transfer Provisions: The Lender shall maintain the right to transfer and/or assign, in whole, its rights hereunder, the Debt Instrument and/or the Loan, or, in either case, any interest therein, in its sole and absolute discretion. The Lender agrees that in the event of any transfer of the Bonds it will only transfer the Bonds to an entity that is an "accredited investor" as defined in Regulation D under the Securities Act of 1933 and/or a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933. The Borrower may not assign its rights hereunder or under any of the Loan Documents to any person without the prior written consent of the Lender. The Lender will agree in the Loan Documents to comply with any and all applicable state and federal laws in any assignment or transfer of the Bonds or the Loan Documents.

Disclaimer: This Term Sheet describes some of the basic terms and conditions proposed to be included in the documents between the Lender and the Borrower. This Term Sheet does not purport to summarize all the conditions, covenants, representations, warranties, assignments, events of default, cross default, acceleration events, remedies or other provisions that may be contained in documents required to consummate this financing.

REGIONS CAPITAL ADVANTAGE, INC.

US Patriot Act: The Borrower represents and warrants to the Lender that neither it nor any of its principals, shareholders, members, partners, or Affiliates, as applicable, is a Person named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of any such person. The Borrower further represents and warrants to the Lender that the Borrower and its principals, shareholders, members, partners, or Affiliates, as applicable, are not directly or indirectly, engaged in, nor facilitating, the transactions contemplated by this transaction on behalf of any Person named as a Specially Designated National and Blocked Person.

Confidentiality: The Borrower acknowledges and agrees that this Term Sheet and the information set forth herein is confidential and proprietary, and further agrees to keep this Term Sheet and the information set forth herein CONFIDENTIAL. The Borrower shall not disclose this Term Sheet or any of its material terms to anyone, without the prior written consent of the Lender in each instance, except as such disclosure is required by law or regulation or as a result of any legal or administrative procedure.

Governing Law: State of Missouri

Thank you for providing the Lender with this opportunity to be involved in a financial partnership with the Borrower. The Lender is willing to discuss the terms reflected herein through 2:00pm CST on December 23, 2019. After such date, terms, conditions and pricing may change based on prevailing market conditions and further discussion will be at Lender's sole discretion. We are grateful for your consideration and remain available to promptly respond to any questions that you may have regarding this document. We look forward to hearing from you.

REGIONS CAPITAL ADVANTAGE, INC.

EXHIBIT A

Estimated Principal Repayment Schedule

<u>Date</u>	<u>Principal</u>
4/1/2020	-
4/1/2021	\$ 4,000,000
4/1/2022	4,000,000
4/1/2023	<u>1,055,000</u>
Total	\$ 9,055,000

REGIONS CAPITAL ADVANTAGE, INC.

EXHIBIT B

In the event Borrower requests Lender to move forward with the approval process after discussion of the aforementioned terms and conditions contained in the Term Sheet, Borrower agrees to reimburse Lender on demand for all out of pocket expenses incurred by Lender if the transaction fails to close for any reason other than Lender's decision not to approve the transaction. Such expenses shall include, but not be limited to, legal expenses incurred by Lender.

ACCEPTANCE:

Borrower does hereby agree to all provisions contained in Exhibit B.

City of Lee's Summit, Missouri

Borrower Signature:

By: Bette Wordelman

Name: Bette Wordelman

Title: Finance Director

THIS BOND MAY ONLY BE TRANSFERRED IN ACCORDANCE WITH THE RESTRICTIONS APPLICABLE TO TRANSFERS OF THE BOND PROVIDED IN THE ORDINANCE AND THIS BOND.

UNITED STATES OF AMERICA
STATE OF MISSOURI

Registered
No. R-1

Registered
\$9,055,000

CITY OF LEE'S SUMMIT, MISSOURI
GENERAL OBLIGATION BOND
SERIES 2020A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>
1.89%, subject to adjustment as provided in the Ordinance	April 1, 2023	January 22, 2020

REGISTERED OWNER: REGIONS CAPITAL ADVANTAGE, INC.

PRINCIPAL AMOUNT: NINE MILLION FIFTY-FIVE THOUSAND DOLLARS

THE CITY OF LEE'S SUMMIT, MISSOURI, a constitutional charter city and political subdivision of the State of Missouri (the "City"), for value received, hereby acknowledges itself to be indebted and promises to pay to the registered owner shown above, or registered assigns, the principal amount shown above on the maturity date shown above unless called for redemption prior to said maturity date, and to pay interest thereon at the interest rate per annum shown above (computed on the basis of a 360-day year of twelve 30-day months) from the Dated Date shown above or from the most recent interest payment date to which interest has been paid or duly provided for, payable semiannually on April 1 and October 1 in each year, beginning on April 1, 2020, until said principal amount has been paid.

The principal or redemption price of this Bond shall be paid at maturity or upon earlier redemption by check or draft to the Person in whose name this Bond is registered on the Bond Register at the maturity or redemption date thereof, upon presentation and surrender of this Bond at the payment office of UMB BANK, N.A., Kansas City, Missouri (the "Paying Agent"). The principal or Redemption Price of the Bonds shall be paid other than at Maturity to the Person in whose name the Bonds are registered on the Bond Register on the Record Date thereof by check or draft or electronic transfer as described herein for the payment of interest. Upon payment other than at Maturity without presentation of this Bond, the Paying Agent shall record the amount of such principal payment on the registration books for the Bonds maintained by the Paying Agent on behalf of the City. If this Bond is presented to the Paying Agent for such payment, the Paying Agent shall also record the amount of such principal payment on the registration books for the Bonds maintained by the Paying Agent on behalf of the City. The registration books maintained by the Paying Agent shall be the official record of the principal amount on this Bond at any time, and the Bondowner is not required to present this Bond for action by the Paying Agent with each payment of principal on the Bond other than for payments at Maturity. The records of the Paying Agent related to the principal amount Outstanding from time to time shall be conclusive, absent manifest error. Notwithstanding anything contained herein this Bond shall only need to be presented for payment upon final maturity or redemption in full.

The principal of and interest on this Bond payable on any Bond Payment Date shall be paid to the person in whose name this Bond is registered on the Bond Register at the close of business on the Record Date by check or draft mailed by the Paying Agent to such registered owner at the address shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such registered owner or by electronic transfer to such registered owner upon written notice given to the Paying Agent signed by such registered owner not less than 5 days prior to the Record Date, and containing the electronic transfer instructions including the bank (which shall be in the continental United States), ABA routing number, address and account name and account number to which such Registered Owner wishes to have such transfer directed and an acknowledgment that an electronic transfer fee is payable.

This Bond is one of an authorized series of bonds of the City designated "General Obligation Bonds, Series 2020A," aggregating the principal amount of \$9,055,000 (the "Bonds"), issued by the City for the purpose of financing the costs of the Improvements, under the authority of and in full compliance with the constitution and laws of the State of Missouri, and pursuant to an ordinance duly passed (the "Ordinance") and proceedings duly and legally had by the governing body of the City. Capitalized terms not defined herein shall have the meanings set forth in the Ordinance.

The Bonds (including the respective installments of principal corresponding thereto) shall be subject to optional redemption and prepayment prior to Stated Maturity, in whole or in part on or after April 1, 2022, at the option of the City, upon payment of the principal amount, plus accrued interest thereon to the Redemption Date.

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. The City shall redeem on April 1 in each year, the following principal amounts of such Bonds:

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2023	1,055,000*

*Final Maturity

Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple of \$5,000 in excess thereof. When less than all of the Outstanding Bonds are to be redeemed, such Bonds shall be redeemed in inverse order of maturity, and Bonds of less than a full Stated Maturity shall be selected by the Paying Agent in \$5,000 units of principal amount by lot or in such other equitable manner as the Paying Agent may determine; provided, however, in all cases Bonds shall be redeemed in amounts such that the Bonds remaining Outstanding are in authorized denominations as provided in this Ordinance.

Notice of redemption, unless waived, is to be given by the Paying Agent by mailing an official redemption notice by first class mail at least 30 days prior to the redemption date to the owner of the Bonds and each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register maintained by the Paying Agent. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City defaults in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

The Bonds constitute 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.

The Bonds are issuable in the form of fully registered Bonds without coupons in the denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof or, if the Outstanding principal amount of the Bonds is less than \$100,000, an amount equal to the Outstanding principal amount of the Bonds.

This Bond may be transferred or exchanged, as provided in the Ordinance, only on the Bond Register kept for that purpose at the payment office of the Paying Agent, upon surrender of this Bond together with a written instrument of transfer or authorization for exchange satisfactory to the Paying Agent duly executed by the Registered Owner or the Registered Owner's duly authorized agent, and thereupon a new Bond or Bonds in any authorized denomination of the same maturity and in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Ordinance and upon payment of the charges therein prescribed. The City and the Paying Agent may deem and treat the Person in whose name this Bond is registered on the Bond Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes. No assignment, transfer or conveyance shall be effective as against the City unless and until such Registered Owner has delivered to the City and the Paying Agent written notice thereof that discloses the name and address of the assignee. Each holder of this Bond agrees that it will only sell, pledge, transfer or exchange the Bonds it purchases (1) in accordance with an available exemption from the registration requirements of Section 5 of the Securities Act of 1933, as amended, (2) in accordance with any applicable state securities laws, (3) to an institution that is an "accredited investor" as defined in Regulation D under the Securities Act of 1933 and/or a "qualified institutional buyer" under Rule 144A promulgated under the Securities Act of 1933, and (4) in accordance with the provisions of the Ordinance.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Ordinance until the Certificate of Authentication hereon has been executed by the Paying Agent.

IT IS HEREBY DECLARED AND CERTIFIED that all acts, conditions and things required to be done and to exist precedent to and in the issuance of the Bonds have been done and performed and do exist in due and regular form and manner as required by the constitution and laws of the State of Missouri; that a direct annual tax upon all taxable tangible property situated in the City has been levied for the purpose of paying the Bonds when due; and that the total indebtedness of the City, including this Bond and the series of which it is one, does not exceed any constitutional or statutory limitation.


IN WITNESS WHEREOF, the CITY OF LEE'S SUMMIT, MISSOURI, has caused this Bond to be executed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk and its official seal to be affixed or imprinted hereon.

[Remainder of page intentionally left blank]

CERTIFICATE OF AUTHENTICATION

CITY OF LEE'S SUMMIT, MISSOURI

This Bond is one of the Bonds
of the issue described in the
within-mentioned Ordinance.

By: 
Mayor

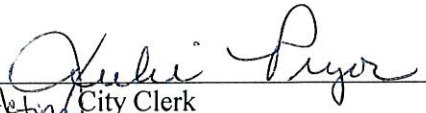
Registration Date: _____

UMB BANK, N.A.,
Paying Agent

(Seal)

ATTEST:

By _____
Authorized Signatory


Acting City Clerk

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ agent to transfer the within Bond on the books kept by the Paying Agent for the registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular.

Medallion Signature Guarantee:

LEGAL OPINION

The following is a true and correct copy of the approving legal opinion of Gilmore & Bell, P.C., Bond Counsel, which was dated and issued as of the date of original issuance and delivery of the Bonds:

GILMORE & BELL
A Professional Corporation
2405 Grand Boulevard
Suite 1100
Kansas City, Missouri 64108

City of Lee's Summit, Missouri
Lee's Summit, Missouri

Regions Capital Advantage, Inc.
Birmingham, Alabama

Re: \$9,055,000 City of Lee's Summit, Missouri, General Obligation Bonds, Series 2020A

Ladies and Gentlemen:

We have acted as bond counsel to the City of Lee's Summit, Missouri (the "Issuer"), in connection with the issuance of the above-captioned bonds (the "Bonds"). In this capacity, we have examined the law and such certified proceedings, certifications and other documents that we deem necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and legally binding general obligations of the Issuer.

2. The Bonds are payable as to both principal and interest 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 Issuer. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

3. The interest on the Bonds (i) is excludable from gross income for federal income tax purposes, (ii) is exempt from income taxation by the State of Missouri, and (iii) is not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in

order that interest thereon be, or continue to be, excludable from gross income for federal and Missouri income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have not been designated as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Code.

We express no opinion regarding the accuracy, completeness or sufficiency of any offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Very truly yours,

GILMORE & BELL, P.C.

\$9,055,000
City of Lee's Summit, Missouri
General Obligation Bonds, Series 2020A
(the "Bonds")

TAX COMPLIANCE CERTIFICATE

This Tax Compliance Certificate and all accompanying Exhibits (the "**Tax Certificate**") have been prepared and are being signed in conjunction with the closing and issuance of the Bonds. The funding date for the Bonds is January 22, 2020 (the "**Closing Date**"). The City of Lee's Summit, Missouri (the "**Issuer**") and Regions Capital Advantage, Inc., the purchaser of the Bonds (the "**Lender**"), intend that interest on the Bonds will be excludable from gross income for federal income tax purposes (hereafter referred to as "**Tax-Exempt Bonds**"). One purpose of this Tax Certificate is to document the steps the Issuer agrees to take in the future so that the Bonds will continue to be Tax-Exempt Bonds. The Issuer acknowledges and agrees that its future compliance with this Tax Certificate is required to comply with the general covenant and agreement it has made in the Ordinance to take no action that would result in the Bonds ceasing to be Tax-Exempt Bonds. Gilmore & Bell, P.C. ("**Bond Counsel**") also will rely on the Issuer's representations in this Tax Certificate and assume continued compliance with the Tax Certificate as a basis for its opinion that the Bonds are Tax-Exempt Bonds. 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 Ordinance.

1. Continuing Requirements; Bond Counsel Written Advice.

The Issuer acknowledges that the requirements related to the expenditure and investment of money and the uses of property financed in whole or in part with the proceeds of the Bonds (the "**Financed Property**") will continue to apply until all principal and interest on the Bonds have been paid. "Defeating" the Bonds pursuant to the Ordinance does not constitute "payment" of the Bonds for purposes of these requirements. This Tax Certificate requires the Issuer to keep records of expenditures, investments and use of proceeds of the Bonds and Financed Property. The Issuer agrees to separately maintain these records as part of a **Bond Compliance File** in paper or electronic format until three years following the date all of the Bonds have been repaid. Further, the Issuer acknowledges that it may need to obtain written legal advice from an attorney or firm of attorneys experienced in the rules related to Tax-Exempt Bonds confirming that a contemplated transaction or action will not cause the Bonds to cease to be Tax-Exempt Bonds before undertaking certain actions described in this Tax Certificate. This written advice is referred to as "**Bond Counsel Written Advice.**" The Issuer agrees to obtain Bond Counsel Written Advice at the times specified in this Tax Certificate.

2. Financed Assets; Use of Proceeds; Use of Financed Property.

a. *Lender's Certification of Issue Price.* As set out in the Lender's Receipt for Bonds and Representation (the "**Lender's Certificate**"), the Lender is acquiring the Bonds in a private placement for purposes of making a loan. Based on the Lender's Certificate, the issue price of the Bonds (the "**Issue Price**") is the price paid by the Lender (\$9,055,000). The Issue Price of the Bonds is the amount of sale proceeds of the Bonds for which the Issuer must account and is referred throughout the rest of this Tax Certificate as the "**Sale Proceeds.**"

b. *Records of Expenditures; Close Out.* On **Exhibit A-1**, the Issuer has described its expected uses of Sale Proceeds and earnings from the investment of Sale Proceeds (referred to throughout the rest of this Tax Certificate as "**Investment Proceeds**") to pay for the cost of the Financed Property. The Issuer will keep contemporaneous records of expenditures of Sale Proceeds and Investment Proceeds of the Bonds

as part of the Bond Compliance File. Expenditure records will include the following information: (1) the person or entity paid, (2) the amount paid, (3) a statement of the general purpose of the expenditure, and (4) the date the expenditure was paid. The Issuer will assemble the records of expenditures and complete a written “**Close Out**” for the Bonds in substantially the form included on **Exhibit A-2** not later than the due date for the “**Annual Checklist**” (described below in paragraph 2(f)) that immediately follows the date all of the Financed Property is placed in service (or the date all Sale Proceeds of the Bonds have been spent, if earlier), but in all events not later than the 5th anniversary of the Closing Date.

c. *Financed Assets; Reimbursement of Costs Paid Before Closing Date.* The Issuer has identified assets it expects to finance in whole or in part with the Bonds on **Exhibit E-1**. No Sale Proceeds are expected to be used to reimburse costs of the Financed Property paid by the Issuer prior to the Closing Date.

d. *Restrictions on Use of Financed Property.* The Issuer understands that the use of Financed Property is generally limited to use by (1) a State or local government or an agency or instrumentality of the State or a local government (an “**Eligible User**”) or (2) use by any individual or entity as a member of the general public. The Issuer will not enter into any of the following transactions in the future involving any of the Financed Property unless it obtains Bond Counsel Written Advice: (1) transferring ownership of any part of the Financed Property to a person other than an Eligible User (a “**Private Person**”); (2) leasing or otherwise entering into an agreement granting possession or a right to use any part of the Financed Property to a Private Person for a time period of more than 50 days; or (3) entering into a management or service agreement with a Private Person related to the management, operation or use of any part of the Financed Property.

e. *Loan of Proceeds; Special Assessment.* No proceeds of the Bonds will be loaned to a Private Person.

f. *Annual Checklist.* An “**Annual Checklist**” is attached as **Exhibit F**. Until all of the Bonds have been paid, the Issuer will complete an Annual Checklist within sixty days following the date specified as the end of the annual reporting period. The completed Annual Checklist will be retained as part of the Bond Compliance File.

3. Investment Rules.

a. *Restricted Money.* All money subject to the investment rules described in this Tax Certificate is referred to as “**Restricted Money.**” The investment rules apply to Sale Proceeds and Investment Proceeds of the Bonds. In addition, any money the Issuer either expects to use to repay the Bonds or which has been set aside in a manner that makes it reasonably likely the money will be available to repay the Bonds even if the Issuer were to encounter financial difficulty is subject to the investment rules (this money is referred to as “**Replacement Proceeds**”). These investment rules apply to Restricted Money without regard to the account or fund in which the money is held or whether the money is commingled with other funds. Bond Counsel has listed the funds and accounts of the Ordinance that are expected to contain Restricted Money on **Exhibit C** along with a description of those investment restrictions. Unless Bond Counsel Written Advice is obtained, the investment rules apply until the Restricted Money is *spent* or until all of the Bonds are repaid. Generally, except Bond Proceeds used to reimburse expenditures made prior to the Closing Date (describe on **Exhibit 2(c)** which can be treated as “*spent*” on the Closing Date), Restricted Money is “*spent*” only when it is transferred to an entity that is not related to the Issuer in order to satisfy a currently existing contract payment liability or “*allocated*” by the Issuer on its books and records to reimburse such an expenditure previously made from other funds of the Issuer on a date following the Closing Date. Additionally, in order to be counted as an “*expenditure*” of Restricted Money, the amount paid generally must be (1) a capital expenditure and not an operating cost of the Issuer, (2) paid as interest

on or principal of the Bonds, or (3) paid as a cost of issuing the Bonds or providing credit enhancement for the Bonds.

b. *Accounting for the Investment of Restricted Money.* The investment of Restricted Money will be accounted for by the Issuer on its books and records. These books and records may consist of statements provided to the Issuer by a third-party banking institution, a trust company or an investment provider. The Issuer will keep these records as part of the Bond Compliance File. The records must contain sufficient information to identify the type of investment acquired, the acquisition date and amount paid for the investment, all principal and interest payment dates and the amounts paid, and the date and amount received when the investment is sold, redeemed or matured.

c. *Investments Requiring Bond Counsel Written Advice.* In addition to the investment restrictions set out in the Ordinance and on **Exhibit C**, the Issuer will obtain Bond Counsel Written Advice prior to (1) investing Restricted Money in any investment agreement that has specially negotiated rates and terms of investment and withdrawal or (2) investing Restricted Money in any escrow designed to defease the Bonds pursuant to the terms of the Ordinance. The Issuer will always attempt to obtain a market yield on the investment of Restricted Money unless the investment acquired is a United States Treasury Obligation (State and Local Government Series) (“**SLGS**”) or a Tax-Exempt Bond.

d. *Yield on Bonds; Weighted Average Maturity.* Bond Counsel has advised that the yield on the Bonds is _____%, and the weighted average maturity of the Bonds is _____ years (as computed on **Exhibit D**).

e. *Yield Restriction; Rebate.* Bond Counsel has prepared the table on **Exhibit C** that contains a list of the funds and accounts established under the Ordinance. The table identifies: (1) the funds and accounts that are expected to contain Restricted Money, (2) when the investment Restricted Money is limited to a yield that is not materially higher than the yield on the Bonds and the materially higher yield limit (stated as a percentage), (3) funds or accounts where the investment restrictions may be satisfied by making yield reduction payments to the IRS and (4) the funds or accounts containing Restricted Money that must be included in a calculation of arbitrage rebate, and any spending exception to arbitrage rebate that may apply. The Issuer will follow the investment yield restrictions and rebate compliance directions set out on **Exhibit C** and in the Annual Checklist.

f. *Temporary Periods.* The Issuer expects to spend at least 85% of the Sale Proceeds of the Bonds within 3 years following the Closing Date; the Issuer has or will enter into a binding obligation to spend at least 5% of the Sale Proceeds of the Bonds within 6 months following the Closing Date for the Financed Property; and the Issuer will exercise due diligence to complete the project of which the Financed Property is a part.

g. *Hedge Bonds.* At least 85% of the Sale Proceeds of the Bonds will be used to carry out the governmental purpose of the Bonds within 3 years after the Issue Date, and not more than 50% of the Sale Proceeds of the Bonds will be invested in Investments having a substantially guaranteed Yield for 4 years or more.

4. Miscellaneous.

a. *Not Bank Qualified Tax-Exempt Bonds.* The Bonds are not “bank qualified” obligations.

b. *Status for Arbitrage Rebate Purposes.* The Bonds are not exempt from arbitrage rebate. The Issuer will follow the instructions contained in the Annual Checklist to cause any arbitrage liability to

be determined and paid to the United States at least once every five years and as of the date all of the Bonds are paid.

c. *Federal Guaranty.* The Issuer will not permit the payment of debt service on the Bonds to be guaranteed by the United States or any agency of the United States.

d. *Record Owner.* The Issuer will maintain or cause to be maintained records of the owner of the Bonds and the person entitled to the receipt of interest and principal of the Bonds.

e. *Written Compliance Procedures.* On May 3, 2012, the Issuer adopted written compliance procedures for all tax-exempt obligations it has issued. The Issuer intends to comply with those procedures as supplemented and modified by this Tax Certificate.

f. *Form 8038-G.* Attached as **Exhibit B** is a completed Form 8038-G signed by Bond Counsel as paid preparer. On or following the Closing Date, the Issuer will timely sign and cause to be filed the Form 8038-G with the Internal Revenue Service.

g. *Effective Date of Agreement.* This Tax Certificate is effective on and after the Closing Date. If this Tax Certificate is actually executed prior to the Closing Date, it is subject to the express condition that the individual executing the Tax Certificate will immediately notify Bond Counsel and the Lender if any of the representations made in this Tax Certificate are not true and correct as of the Closing Date.

h. *Electronic Transactions.* The transactions 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]

Dated: January 22, 2020.

CITY OF LEE'S SUMMIT, MISSOURI

By: W Baird
Name: William A. Baird
Title: Mayor

Approved as to Form:
[Signature]
Office of the City Attorney

ATTEST:
Stacy Lombardo
Deputy CITY CLERK

Exhibit A-1
Expected Expenditure of Bond Proceeds & Investment Proceeds

Expected Sources	Amount Expected to be Allocated to Financed Property
Issue Price (Sale Proceeds)	<u>\$9,055,000.00</u>
Total Sources	<u>\$9,055,000.00</u>

Expected Uses of Sale Proceeds	Amount Expected to be Allocated to Financed Property
Public Safety Improvements	
Costs of Issuance	
Total Uses	\$9,055,000.00

Investment Earnings: Unless otherwise indicated above, the Issuer intends to allocate all investment earnings to the payment of costs of the Series 2020 Projects or, if the Series 2020 Projects are complete, to the payment of interest on the Bonds.

Expected Useful Life of Financed Property: The average expected useful life of the Financed Property will exceed _____ years (the weighted average maturity of the Bonds).

**Exhibit A-2
Form of Close-Out**

Complete as of the earliest of
(1) the date the Financed Property is Placed in Service,
(2) the date all Sale Proceeds of the Bonds have been spent, or
(3) the 5th Anniversary of the Closing Date¹

\$9,055,000
City of Lee's Summit, Missouri
General Obligation Bonds, Series 2020A
(the "Bonds")

Bond Issue Close Out

This Bond Issue Close Out confirms the allocation and expenditure of Sale Proceeds of the above-referenced Bonds, and to the extent noted, other funds of the Issuer.

Sources	Financed Property Expected Amount	Finance Property Actual Amount
Issue Price (Sale Proceeds)	\$9,055,000.00	
Total Sources		

Uses of Sale Proceeds		
Public Safety Improvements		
Costs of Issuance		
Total Uses	\$9,055,000.00	

Investment Earnings: Unless otherwise indicated above, the Issuer intends to allocate all investment earnings to the payment of costs of the Series 2020 Projects or, if the Series 2020 Projects are complete, to the payment of interest on the Bonds.

Placed In Service: The Financed Project [has not been placed in service as of this date] [was "placed in service" no earlier than [Month][Year]. Assets are considered to be "placed in service" as of the date on which, based on all the facts and circumstances: (1) the constructing and equipping of the asset has reached a degree of completion which would permit its operation at substantially its design level; and (2) the asset is, in fact, in operation at that level.

Expenditure Records: Attached are written records of expenditures are required to be maintained pursuant to Section 2(b) of the Tax Certificate for the Bonds as part of the Bond Compliance File.

¹ If all Sale Proceeds have not been spent by the end of the 5th Anniversary of the Closing Date, contact Bond Counsel and obtain instructions regarding what to do with remaining money.

City of Lee's Summit, Missouri

By: _____
Title: _____

Dated: _____

Bond Issue Close Out

Exhibit B
Form 8038-G

Exhibit C
Table of Funds and Restricted Money Investment Restriction

Fund/Account	Restricted Money Yes/No¹	Temporary Period for Unrestricted Investment:²	Materially Higher Yield Limit for Money Not Qualifying for Unrestricted Investment	Yield Reduction Payments Permitted Yes/No³	Subject to Rebate⁴ Yes/No – Eligible for Spending Exception⁵
Project Fund subaccounts for improvements	Yes	Yes; 3 years from Closing Date & Minor Portion thereafter	Bond Yield + 1/8%	Yes	Yes; 6 month; 18 month; 2 year
Cost of Issuance Subaccount of the Project Fund	Yes	Yes; 3 years from Closing Date; & Minor Portion thereafter	Bond Yield + 1/8%	Yes	Yes; 6 month; 18 month; 2 year
Debt Service Fund	Yes	Yes; 13 months from receipt to extent part of bona fide debt service fund ⁶ & Minor Portion	Bond Yield + 1/1000 %	No	No - So long as qualifying for bona fide debt service fund; otherwise - Yes

¹ Assumes money in fund/account is held for purposes described in the financing documents related to the Bonds. Any money intended by the Issuer to be used to pay debt service on the Bonds must be invested at a yield not exceeding the Bond Yield unless Bond Counsel Written Advice is obtained.

² Minor Portion – Money not qualifying for any other temporary period for unrestricted investment or as part of a bona fide debt service fund (see below) may be invested at an unrestricted yield so long as the aggregate amount of money invested for the Bond issue does not exceed \$100,000 (or 5% of the Sale Proceeds, if less).

³ See Exhibit F (Annual Checklist) regarding calculation and payment of Yield Reduction Amount.

⁴ See Exhibit F (Annual Checklist) regarding calculation and payment of Arbitrage Rebate.

⁵ Spending Exceptions – Are intended for use by Rebate Analyst in connection with preparation of the Annual Checklist (See Exhibit F).

⁶ Bona Fide Debt Service Fund – Means a fund or account or a portion of the fund or account used by the issuer to match annual revenues and debt service on the Bonds so long as the fund or account is reduced each year to an amount not exceeding 1/12th of the annual debt service on the Bonds.

Exhibit D
Debt Service Schedule, Computation of Bond Yield
and Weighted Average Maturity

Exhibit E-1
Description of Property Comprising the Financed Property

Expected Sources	Amount Expected to be Allocated to Financed Property
Issue Price (Sale Proceeds)	<u>\$9,055,000.00</u>
Total Sources	<u>\$9,055,000.00</u>

Expected Uses of Sale Proceeds	Amount Expected to be Allocated to Financed Property
Public Safety Improvements	
Costs of Issuance	
Total Uses	<u>\$9,055,000.00</u>

Investment Earnings: Unless otherwise indicated above, the Issuer intends to allocate all investment earnings to the payment of costs of the Series 2020 Projects or, if the Series 2020 Projects are complete, to the payment of interest on the Bonds.

Expected Useful Life of Financed Property: The average expected useful life of the Financed Property will exceed ____ years (the weighted average maturity of the Bonds).

Exhibit F

**\$9,055,000
City of Lee's Summit, Missouri
General Obligation Bonds, Series 2020A
(the "Bonds")**

**COMPLIANCE CHECKLIST FORM
(Prepare annually and retain in Bond Compliance File)**

<p>Name of Issuer Bond Compliance Officer: _____</p> <p>Period covered ("Annual Period" ending): _____</p> <p>The first Annual Period should end as of the first day of the month that Bonds closed for the year immediately following the Closing Date. The checklist should be completed annually thereafter as of the anniversary of that date. Each Report should be completed within 30 days following the end of the annual period to which it relates.</p>

Item 1	Question	Response
Placed in Service	As of the Date of the Checklist, has the Financed Property been placed in service (available for use and actually used for its intended purpose)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If "Yes," attach a completed Close Out to the Checklist.	

Item 2	Question	Response
Ownership	Was the entire Financed Property owned by the Issuer during the entire Annual Period?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "No," was advice of legal counsel obtained prior to the transfer?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If "Yes," include a description of the conclusions in the Tax-Exempt Bond File.	
	If "No," contact legal counsel and include a description of the conclusions in the Tax-Exempt Bond File.	

Item 3	Question	Response
Leases & Other Rights to Possession	During the Annual Period, was any part of the Financed Property leased at any time pursuant to a lease or similar agreement for more than 50 days?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<p>If answer above was “Yes,” was advice of legal counsel obtained prior to entering into the lease or other arrangement?</p> <p>If “Yes,” include a description of the conclusions in the Tax-Exempt Bond File.</p> <p>If “No,” contact legal counsel and include a description of the conclusions in the Tax-Exempt Bond File.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No

Item 4	Question	Response
Management or Service Agreements	During the Annual Period, has the management of all or any part of the operations of the Financed Property been assumed by or transferred to another entity?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<p>If answer above was “Yes,” was advice of legal counsel obtained prior to entering into the management agreement?</p> <p>If “Yes,” include description of the conclusions in the Tax-Exempt Bond File.</p> <p>If “No,” contact legal counsel and include description of the conclusions in the Tax-Exempt Bond File.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No

Item 5	Question	Response
Other Use	Was any other agreement entered into with an individual or entity that grants special legal rights to use the Financed Facility?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<p>If answer above was “Yes,” was advice of legal counsel obtained prior to entering into the agreement?</p> <p>If “Yes,” include description of the conclusions in the Tax-Exempt Bond File.</p> <p>If “No,” contact legal counsel and include a description of the conclusions in the Tax-Exempt Bond File.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No

Item 6	Question	Response
<p>Arbitrage & Rebate Compliance</p>	<p>Were all Sale Proceeds and Investment Proceeds of the Bonds spent within three years of the Closing Date? If this checklist is being completed within the first three years of the Closing Date, please check N/A.</p> <p>If “No,” contact Bond Counsel and follow instructions regarding additional arbitrage compliance that may be required for the remaining unspent proceeds of the Bonds.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p>
	<p>The Issuer should engage Bond Counsel or another person eligible to represent third parties before the Internal Revenue Service (a “Rebate Analyst”) to prepare an arbitrage rebate calculation prior to each 5th anniversary (or a yield reduction calculation, as applicable) of the Closing Date on other dates determined by the Rebate Analyst thereafter.</p> <p>Has the Issuer engaged a Rebate Analyst for the Bonds?</p> <p>If “Yes,” include copy of latest computations in the Bond Compliance File. Also, if there was a rebate or yield reduction amount liability, include a copy of Form 8038-T, and evidence of filing and payment to the United States Treasury of any calculated arbitrage rebate or yield reduction amount in the Bond Compliance File.</p> <p>If “No,” and this checklist is being prepared as of or after January 22, 2023, contact Bond Counsel and obtain written confirmation that no computation or arbitrage analysis is required.</p> <p>Has the Issuer established any fund or account which it expects to be used to pay debt service on the Bonds other than those identified in the Ordinance for the Bonds or deposited to any fund or account established under the Ordinance amounts in excess of that needed to pay debt service on the Bonds coming due in a period more than 12 months in advance?</p> <p>If “Yes,” contact Bond Counsel and follow instructions regarding additional arbitrage compliance that may be required for the remaining unspent proceeds of the Bonds.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>

Issuer Bond Compliance Officer: _____

Date Completed: _____

CITY'S CLOSING CERTIFICATE

**\$9,055,000
CITY OF LEE'S SUMMIT, MISSOURI
GENERAL OBLIGATION BONDS
SERIES 2020A**

We, the undersigned, are duly qualified and authorized officials of the City of Lee's Summit, Missouri (the "City"), and we hereby certify in connection with the issuance of the above-described bonds (the "Bonds"), as follows:

1. Meaning of Words and Terms. Capitalized words and terms used herein, unless otherwise defined herein or the context requires otherwise, shall have the same meanings ascribed to such words and terms in the Ordinance of the City authorizing the Bonds (the "Ordinance").

2. Organization. The City is a legally constituted constitutional charter city and political subdivision duly organized and existing under the laws of the State of Missouri.

3. Transcript of Proceedings. The transcript of proceedings (the "Transcript") relating to the authorization and issuance of the Bonds furnished to the original purchaser of the Bonds (the "Purchaser") is, to the best of our knowledge, information and belief, full and complete; none of such proceedings contained in the Transcript have been modified, amended or repealed; and the facts as are stated in the Transcript still exist.

4. Meetings. All meetings of the City Council as shown in the Transcript were regular meetings, or meetings held pursuant to regular adjournment at the next preceding meeting, or special meetings called and held as shown in the Transcript. All such meetings were open to the public and a quorum was present and acted throughout, and proper notice of all such meetings was given in the manner required by law, including Chapter 610 of the Revised Statutes of Missouri, as amended ("RSMo"). The notices of meetings attached hereto as **Exhibit A** was posted at least 24 hours prior to the commencement of the meeting on a bulletin board or other prominent place that is easily accessible to the public and clearly designated for posting notices at City Hall, the principal office and meeting place of the City Council and was made available at least 24 hours prior to the commencement of said meeting to any representative of the news media who requested notice of the meeting.

5. Incumbency of Officers. The following named persons were the duly qualified and acting officials of the City at all times during which such persons participated in the proceedings authorizing the Bonds as shown in the Transcript:

<u>Name</u>	<u>Title</u>
William A. Baird	Mayor
Rob Binney	Councilmember
Diane Forte	Councilmember
Craig Faith	Councilmember
Trish Carlyle	Councilmember
Phyllis Q. Edson	Councilmember
Beto Lopez	Councilmember
Fred DeMoro	Councilmember
Bob Johnson	Councilmember
Trisha Fowler Arcuri	City Clerk
Bette Wordelman	Finance Director
Stephen Arbo	City Manager

6. **Execution of Bonds.** The Bonds in the principal amount of \$9,055,000 consisting of fully registered bonds in the denomination of \$100,000 or integral multiples of \$5,000 in excess thereof, numbered from R-1 consecutively upward, have been duly signed and executed by the manual signatures of the Mayor and City Clerk as the duly qualified, constituted and authorized officials of the City. On the date of the Bonds, and on the date when the Bonds were executed, such officials were and at the date hereof are the officials indicated by their signatures on the Bonds. The signatures of such officials on the Bonds are their true and genuine signatures, and the seal affixed or imprinted on the Bonds was and is the duly authorized seal of the City and was affixed or imprinted on the Bonds by the authority and direction of the City Council, and is the seal affixed to this Certificate. Affidavits containing the respective signatures of the Mayor and City Clerk, copies of which are attached hereto as **Exhibit B**, have been filed in the Office of the Secretary of State of Missouri pursuant to § 105.274, RSMo. The facsimile signatures on the Bonds are hereby ratified, confirmed and adopted as a proper execution of the Bonds.

7. **Sale of Bonds.** The Bonds have been sold in a private placement at a rate not exceeding 10% per annum, and at a price not less than 95% of the par value thereof, in compliance with the requirements of § 108.170, RSMo, and for purposes of §108.170, RSMo, the interest rate on the Series 2018A Bonds is _____%. Proof of true interest costs is attached hereto as **Exhibit C**.

8. **Non-litigation.** There is no litigation, suit or other proceeding of any kind pending, or to our knowledge threatened, (a) seeking to restrain or enjoin the issuance or delivery of the Bonds, or (b) contesting, disputing or affecting in any way (1) the legal organization of the City or its boundaries, (2) the right or title of any of its officers to their respective offices, (3) the legality of any of its official acts shown to have been done in the Transcript, (4) the constitutionality or validity of the Bonds or the indebtedness represented by the Bonds, or any of the proceedings had in relation to the authorization, issuance or sale thereof, (5) the legality, validity or enforceability of the Ordinance, (6) the levy and collection of an annual tax to pay the principal of and interest on the Bonds, or (7) the federal or state tax-exempt status of the interest on the Bonds, or (c) that could have a material adverse effect on the financial condition or operations of the City or its ability to make payments on the Bonds or to perform its agreements and obligations under the Ordinance.

9. Request to Authenticate and Deliver Bonds. UMB Bank, N.A., as Paying Agent under the Ordinance authorizing the Bonds, is hereby requested and authorized pursuant to the Ordinance to authenticate the Bonds in authorized denominations under the Ordinance and registered in such names as shall be specified by the Purchaser, and to deliver the Bonds to the Purchaser upon payment for the account of the City of the purchase price for the Bonds.

10. Receipt for Purchase Price. The City received on the date hereof from the Purchaser the full purchase price of the Bonds, said purchase price being hereby acknowledged to be calculated as follows:

Principal Amount	<u>\$9,055,000.00</u>
Total Purchase Price	<u>\$9,055,000.00</u>

11. M.A.P. Filing Authorization. The City hereby authorizes Gilmore & Bell, P.C. to file the information required by § 37.850, RSMo, on the Missouri Accountability Portal website maintained by the State of Missouri Office of Administration.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

DATED: January 22, 2020.

Signature

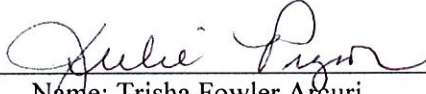
Official Title



Name: William A. Baird

Mayor

(Seal)



Name: Trisha Fowler Arcuri
Julie Pryor

Acting
City Clerk