

PART 3

§ _____
REFUNDING CERTIFICATES OF PARTICIPATION
(CITY OF ARNOLD, MISSOURI, LESSEE)
SERIES 2017
EVIDENCING A PROPORTIONATE INTEREST IN BASIC RENT
PAYMENTS TO BE MADE BY THE
CITY OF ARNOLD, MISSOURI
PURSUANT TO AN ANNUALLY-RENEWABLE LEASE PURCHASE AGREEMENT

July 27, 2017

CERTIFICATE PURCHASE AGREEMENT

City of Arnold
2101 Jeffco Boulevard
Arnold, Missouri 63010

UMB Bank, N.A.
2 South Broadway, 6th Floor
St. Louis, Missouri 63102

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated, as agent for and on behalf of the underwriting group identified on **Exhibit A** hereto (the “**Underwriter**”), hereby offers to enter into the following agreement (the “**Certificate Purchase Agreement**”) for the purchase of \$_____ aggregate principal amount of Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2017 (the “**Series 2017 Certificates**”), to be executed and delivered pursuant to an Indenture of Trust dated as of October 1, 2010, as amended by a First Supplemental Indenture of Trust dated as of August 1, 2017 (as so amended, the “**Indenture of Trust**”), by UMB Bank, N.A., St. Louis, Missouri, as settlor and trustee (the “**Trustee**”). The Series 2017 Certificates will evidence interests in the right of the Registered Owners thereof to a proportionate share of rent payments (the “**Basic Rent**”) to be made by the City of Arnold, Missouri, (the “**City**”) pursuant to an annually renewable Lease Purchase Agreement dated as of October 1, 2010, as amended by a First Supplemental Lease Purchase Agreement dated as of August 1, 2017 (as so amended, the “**Lease**”), between the Trustee, as Lessor, and the City, as Lessee. The words and terms described herein shall have the meanings ascribed to them in the Indenture of Trust or the Lease unless some other meaning is plainly indicated.

The net proceeds of the Series 2017 Certificates will be used to provide funds, together with other legally available funds of the City, to refund all of the outstanding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2010 and pay the costs of delivering the Series 2017 Certificates.

The Series 2017 Certificates shall mature on the dates, in the years and in the amounts and bear interest at the interest rate or rates and be offered at the initial public offering price or prices, all as set forth in **Schedule I** hereto.

This offer is made subject to your acceptance of this Certificate Purchase Agreement on or before 11:59 p.m. (CDT) on the date hereof. Upon execution and delivery of this Certificate Purchase

Agreement by the City and the Trustee, this Certificate Purchase Agreement shall be binding upon each of you and the Underwriter.

The term "Transaction Documents" when used herein shall mean, individually and collectively, the following: the Series 2017 Certificates; the Lease; the Base Lease; the Indenture of Trust; the Escrow Agreement; this Certificate Purchase Agreement; the Tax Compliance Agreement; the Preliminary Official Statement (as hereinafter defined); the Official Statement (as hereinafter defined); the Continuing Disclosure Agreement dated as of August 1, 2017 (the "**Continuing Disclosure Agreement**") between the City and the Trustee, as dissemination agent; and any and all other documents or instruments which evidence or are a part of the transactions referred to herein or in the Official Statement or contemplated hereby or by the Official Statement; provided, however, that when the term "Transaction Documents" is used in the context of the authorization, execution, delivery, approval or performance of Transaction Documents by a party thereto, the same shall mean only those Transaction Documents that provide for or contemplate the authorization, execution, delivery, approval or performance by such party.

1. **Purchase, Sale and Delivery of the Series 2017 Certificates.** Upon the terms and conditions and upon the basis of the representations, warranties and covenants contained herein and in the other agreements referred to herein, and subject to the terms and conditions herein set forth, at the Closing Time (hereinafter defined) the Underwriter agrees to purchase from the Trustee the Series 2017 Certificates at a purchase price of \$ _____ (which is equal to the principal amount thereof, less an underwriter's discount of \$ _____, plus original issue premium of \$ _____, less original issue discount of \$ _____).

The City acknowledges and agrees that (a) the purchase and sale of the Series 2017 Certificates pursuant to this Certificate Purchase Agreement is an arm's-length commercial transaction between the City and the Underwriter, (b) in connection with such transaction, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the City, (c) the Underwriter has not assumed (individually or collectively) a fiduciary responsibility in favor of the City with respect to the offering of the Series 2017 Certificates or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the City on other matters) or any other obligation to the City except the obligations expressly set forth in this Certificate Purchase Agreement, and (d) the City has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Series 2017 Certificates.

2. **Public Offering.** The Underwriter intends to make a bona fide initial public offering of all of the Series 2017 Certificates at prices no higher than, or yields no lower than, set forth on **Schedule I** hereto; provided, however, that the Underwriter reserves the right to lower such initial offering prices as it deems necessary in connection with the marketing of the Series 2017 Certificates. The Underwriter agrees to notify the City of such changes that occur prior to the Closing Time, but failure to so notify shall not invalidate such changes. The Underwriter may offer and sell the Series 2017 Certificates to certain dealers (including dealers depositing Series 2017 Certificates into investment trusts) and others at prices lower than the initial offering price or prices set forth in **Schedule I**. The Underwriter also reserves the right to (a) over-allot or effect transactions which stabilize or maintain the market price of the Series 2017 Certificates at levels above those that might otherwise prevail in the open market and (b) discontinue such stabilizing, if commenced, at any time without prior notice.

The Underwriter agrees to assist the City and Special Tax Counsel (as hereinafter defined) in establishing the issue price of the Series 2017 Certificates and shall execute and deliver at the Closing Time an "issue price" or similar certificate (the "**Issue Price Certificate**"), together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as **Exhibit B**, with

such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Special Tax Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2017 Certificates.

The City intends to treat the first price or prices at which 10% of each maturity of the Series 2017 Certificates (the “10% Test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% Test). At or promptly after the execution of this Certificate Purchase Agreement, the Underwriter shall report to the City and Special Tax Counsel the price or prices at which it has sold to the public each maturity of Series 2017 Certificates. If at that time the 10% Test has not been satisfied as to any maturity of the Series 2017 Certificates, the Underwriter agrees to promptly report to the City and Special Tax Counsel the prices at which it sells the unsold Series 2017 Certificates of that maturity to the public. This reporting obligation shall continue, whether or not the Closing Time has occurred, until the 10% Test has been satisfied as to the Series 2017 Certificates of that maturity (or, if applicable, each separate CUSIP number within such maturity will be subject to the 10% Test). [In addition, if the 10% Test has not been satisfied with respect to any maturity of the Series 2017 Certificates prior to the Closing Time, then the Underwriter agrees that on the Closing Date (defined below) it will provide the City with a representation as to the price or prices at which the Underwriter reasonably expects to sell the remaining Series 2017 Certificates of such maturity.]

The Underwriter acknowledges that sales of any Series 2017 Certificates to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of the above:

- (a) “**public**” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party to an underwriter;
- (b) “**underwriter**” means (i) any person that agrees pursuant to a written contract with the City to participate in the initial sale of the Series 2017 Certificates to the public and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) to participate in the initial sale of the Series 2017 Certificates to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2017 Certificates to the public),
- (c) a purchaser of any of the Series 2017 Certificates is a “**related party**” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or
- (d) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (e) “**sale date**” means the date of execution of this Certificate Purchase Agreement by each party.

3. **Preliminary Official Statement and Official Statement.** The City hereby consents to the use by the Underwriter (subject to the right of the City to withdraw such consent for cause by written notice to the Underwriter) of the Preliminary Official Statement, dated July __, 2017 (which, together with the cover page, and any exhibits, appendices, maps, pictures, diagrams, reports and statements included therein or attached thereto and any amendments and supplements that may be authorized for use with respect to the Series 2017 Certificates, is herein called the “**Preliminary Official Statement**”), in connection with the proposed offering of the Series 2017 Certificates. The City hereby deems the information contained in the Preliminary Official Statement to be “final,” as of its date for purposes of Rule 15c2-12 (the “**Rule**”) promulgated under the Securities Exchange Act of 1934, as amended, except for the omission of certain information permitted to be omitted by such Rule, such as offering prices, interest rates, selling commission, aggregate principal amount, principal per maturity, delivery rates, ratings, identity of the purchasers and other terms of the Series 2017 Certificates depending on such matters.

The City shall deliver to the Underwriter within seven business days after the date hereof, the Official Statement (which, together with the cover page, and any exhibits, appendices, maps, pictures, diagrams, reports and statements included therein or attached thereto and any amendments and supplements that may be authorized for use with respect to the Series 2017 Certificates, is herein called the “**Official Statement**”) executed on behalf of the City by duly authorized representatives in such quantity as the Underwriter may request to enable the Underwriter to provide the Official Statement to potential customers and to comply with any rules of the Municipal Securities Rulemaking Board and the Securities and Exchange Commission.

The City agrees to provide to the Underwriter all information necessary to comply with the Rule and to execute Series 2017 Certificates to the effect set forth in this Section.

If, after the date of this Certificate Purchase Agreement and until the earlier of (a) ninety days after the “end of the underwriting period” (as defined in the Rule) or (b) the time when the Official Statement is available to any person from the Municipal Securities Rulemaking Board, but in no case less than twenty-five days following the end of the underwriting period, an event relating to or affecting the City shall occur as a result of which it is necessary, in the opinion of Gilmore & Bell, P.C., St. Louis, Missouri (“**Special Tax Counsel**”) or counsel to the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances then existing, the City shall forthwith prepare and furnish to the Underwriter a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to counsel to the Underwriter) which shall amend or supplement the Official Statement so that it shall not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements not misleading. The expenses of preparing such amendment or supplement shall be borne by the party who had supplied the information being amended or supplemented. For the purpose of this Section, the City shall furnish to the Underwriter such information with respect to itself as the Underwriter may from time to time reasonably request.

4. **City’s Representations And Warranties.** By its acceptance hereof the City hereby represents and warrants to, and agrees with, the Underwriter and the Trustee as follows:

(a) **Status of the City.** The City is and will be on the Closing Date a third-class city and political subdivision, duly organized and validly existing under the Constitution and the laws of the State of Missouri and has all the necessary power and authority pursuant to the Constitution and the laws of the State of Missouri to (i) operate, repair and maintain its governmental facilities,

(ii) execute and deliver the Transaction Documents and (iii) carry out and consummate the transactions contemplated by the Transaction Documents.

(b) **Official Action.** By official action of the City prior to the Closing Time the City will have duly authorized all necessary action to be taken for (i) the execution and delivery of the Transaction Documents and any and all such other agreements and documents as may be required to be executed, delivered or received by the City in order to carry out, give effect to and consummate the transactions contemplated hereby or by the Official Statement; and (ii) the carrying out, giving effect to and consummation of the transactions contemplated hereby. The City has duly authorized all necessary action to be taken for the execution and delivery of this Certificate Purchase Agreement and has approved the maturity dates, interest rates, principal amounts and prepayment provisions of the Series 2017 Certificates. Executed counterparts of the documents to which the City is a party will be delivered to the Underwriter by the City at the Closing Time.

(c) **Documents Legal, Valid and Binding.** The Transaction Documents, when executed and delivered by the City, will be the legal, valid and binding obligations of the City enforceable in accordance with their terms, except to the extent that enforcement thereof may be limited by any applicable bankruptcy, reorganization, insolvency, moratorium or other law or laws affecting the enforcement of creditors' rights generally or against entities such as the City and further subject to the availability of equitable remedies.

(d) **Approvals.** All approvals, consents, authorizations, certifications and other orders of any governmental authority, board, agency or commission having jurisdiction, and all filings with any such entities, which would constitute a condition precedent to or would materially adversely affect the performance by the City of its obligations hereunder or under the Transaction Documents to which it is a party or the consummation of the transactions contemplated in such documents or in the Official Statement have been duly obtained, except for such approvals, consents and orders as may be required under the "Blue Sky" or securities laws of any state in connection with the offering and sale of the Series 2017 Certificates. The financing as contemplated by the Preliminary Official Statement and the Official Statement is consistent with and does not violate or conflict with the terms of the various consents, approvals or findings of non-reviewability of any such agencies or entities.

(e) **No Litigation.** Except as provided in the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the City's knowledge, threatened against or affecting the City (or, to the City's knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the transactions contemplated hereby or the validity or enforceability of the Series 2017 Certificates, this Certificate Purchase Agreement or any agreement or document which is used or contemplated for use in the consummation of the transactions contemplated hereby.

(f) **No Conflict or Breach.** The City is not in breach of or default under (i) any applicable law or administrative regulation of the State of Missouri or the United States or any applicable judgment or decree or (ii) any loan agreement, indenture, bond, note, resolution, ordinance, agreement or other instrument to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute an event of default under any such instrument; and neither the execution and delivery of any of the Transaction Documents, or the consummation of the transactions

contemplated thereby, nor the fulfillment of or compliance with the terms and conditions thereof conflicts with or constitutes a breach of or default under (i) any applicable law, administrative regulation, judgment or decree or (ii) under the terms of any loan agreement, indenture, bond, note, resolution, ordinance, agreement or other instrument to which the City is a party or is otherwise subject; nor shall any such execution, delivery, adoption, fulfillment or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the City (i) under the terms of any such law, administrative regulation, judgment or decree or (ii) under the terms of any such loan agreement, indenture, bond, note, resolution, ordinance, agreement or other instrument, except as provided by the Transaction Documents.

(g) Preliminary Official Statement and Official Statement True and Correct.

The descriptions and information contained in the Preliminary Official Statement and the Official Statement are, and as of their respective dates and the Closing Date, shall be true and correct in all material respects and do not and, as of the Closing Date, shall not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make any statement made therein, in light of the circumstances under which it was made, not misleading.

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

(i) City Representations. To the City's knowledge, each of the City's representations and warranties in the Lease are true and correct as of the date hereof and, at the Closing Time, will be true and correct.

(j) No Default Under Transaction Documents. No event has occurred and is continuing which with the lapse in time or the giving of notice, or both, would constitute an Event of Default under the Transaction Documents.

(k) Tax Status of the Series 2017 Certificates. The City represents and warrants that the proceeds of the Series 2017 Certificates shall be used as provided in the Transaction Documents. The City shall not take or omit to take any action which action or omission shall in any way cause or result in the proceeds from the sale of the Series 2017 Certificates being applied in a manner other than as provided in the Transaction Documents and as described in the Preliminary Official Statement and the Official Statement.

(l) Securities Law Cooperation. The City agrees to cooperate with the Underwriter and its counsel in any reasonable endeavor to qualify the Series 2017 Certificates for offering and sale under the securities or "Blue Sky" laws of such jurisdictions of the United States as the Underwriter may reasonably request; provided, however, that the City shall not be required to file written consents to suit or to file written consent to service of process in any jurisdiction. The Underwriter shall pay all expenses and costs incurred in connection therewith. The City consents to the use of drafts of the Preliminary Official Statement, the Preliminary Official Statement and drafts of the Official Statement prior to the availability of the Official Statement, by the Underwriter in obtaining such qualifications, subject to the right of the City to withdraw such consent for cause by written notice to the Underwriter.

(m) No Other Borrowing. Between the date of this Certificate Purchase Agreement and the Closing Date, the City shall not, without the prior written consent of the Underwriter,

except as described in or contemplated by the Official Statement and the Preliminary Official Statement, incur any material liabilities, direct or contingent, nor shall there be any adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the City.

(n) **Financial Statements.** The financial statements of the City included as Appendix B to the Preliminary Official Statement and the Official Statement and any other later available unaudited financial data of the City furnished to the Underwriter, except as noted therein, present fairly the financial position of the City as of the dates indicated and the results of its operations for the periods specified in all material respects for the periods involved except as stated in the notes thereto, and such financial statements have been prepared on an accrual basis of accounting, which is a comprehensive basis of accounting in accordance with generally accepted accounting principles. The City has not, since August 31, 2016, incurred any material liabilities and since such date there has been no material adverse change in the financial position of the City or the operation by the City of its property other than as may be set forth in the Preliminary Official Statement and the Official Statement.

Since August 31, 2016, except as described in the Preliminary Official Statement and the Official Statement, (i) the City has not sustained any loss or interference with its business from fire, explosion, flood or any labor dispute or court or governmental action, order or decree; and (ii) there has been no material decrease in the City's fund balances, no increase in short-term debt or long-term debt of the City and no adverse change, or any development involving a prospective adverse change, in or affecting the general affairs, management, properties, financial position, or results of operations of the City, which in any such case described in clause (i) or (ii) is material to the City.

(o) **No Untrue Statement in Official Statement.** Unless an event occurs of the nature described in **subsection (q)** of this section, at all times subsequent to the date of the Official Statement to and including the Closing Date, the information contained in the Official Statement as provided in **subsection (g)** of this section shall not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(p) **Supplements to Official Statement.** If the Official Statement is supplemented or amended pursuant to **subsection (q)** of this section, at the time of such supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subsection) at all times subsequent thereto including the Closing Time, the information contained in the Official Statement as provided in **subsection (g)** of this section as so supplemented or amended shall not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(q) **Subsequent Events.** If between the date of the Official Statement and the Closing Date any event shall occur which might or would cause the information contained in the Official Statement to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the City shall notify the Underwriter thereof, and if in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City shall at its expense supplement or amend the Official Statement in a form and in a manner approved by the Underwriter.

(r) **Continuing Disclosure.** The City will undertake, pursuant to the Lease and the Continuing Disclosure Agreement, to provide certain annual financial and operating information as required under the Continuing Disclosure Agreement, and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement. Except as set forth in the Preliminary Official Statement, the City is not in default nor has it been in default any time in the last five years as to its obligations for continuing disclosure under the Rule.

All of the City's representations, warranties and covenants contained in this Certificate Purchase Agreement shall remain operative and in full force and effect, regardless of: (a) any investigations made by or on behalf of the Underwriter and (b) delivery of and payment for the Series 2017 Certificates pursuant to this Certificate Purchase Agreement. The agreements in **Sections 3 and 10** hereof shall survive any termination of this Certificate Purchase Agreement.

5. **Trustee's Representations and Warranties.** By its acceptance hereof, the Trustee hereby represents and warrants to, and agrees with, the Underwriter that:

(a) **Status of the Trustee.** The Trustee is a national banking association organized and existing under the laws of the United States of America and is authorized to accept and execute trusts of the character set for in the Indenture of Trust under the laws of the State of Missouri.

(b) **Authorization to Enter into Transaction Documents.** The Trustee has lawful power and authority to enter into the Transaction Documents and to carry out its obligations thereunder. By proper action of its Board of Directors, the Trustee has been duly authorized to execute and deliver the Transaction Documents, acting by and through its duly authorized officers, and when executed, each of such Transaction Documents shall constitute a valid and binding agreement enforceable in accordance with its terms.

(c) **No Conflict or Breach.** The execution and delivery of Transaction Documents and the consummation of the transactions contemplated thereby, and the performance of or compliance with the terms and conditions of the Transaction Documents and other documents relating to the execution and delivery of the Series 2017 Certificates will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any agreement or instrument to which the Trustee is a party or by which it or any of its property is bound, or the Trustee's Articles of Association or Bylaws or any order, rule or regulation applicable to the Trustee or any of its property of any court or governmental body, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Trustee under the terms of any instrument or agreement to which the Trustee is a party.

(d) **No Litigation.** To the knowledge of the Trustee, there is no litigation or proceeding pending or threatened against the Trustee or any other person affecting the right of the Trustee to execute or deliver the Transaction Documents or to comply with its obligations under the Transaction Documents. Neither the execution and delivery of the Transaction Documents by the Trustee, nor compliance by the Trustee with its obligations thereunder require the Trustee to obtain the approval of any regulatory body, any parent company, or any other entity, which approval has not been obtained.

6. **Closing.** Payment for the Series 2017 Certificates shall be made by federal wire transfer in immediately available federal funds payable to the order of the Trustee for the account of the City, at 9:00 a.m. (CDT) on August 10, 2017, or such other date and at such place and time, as shall be mutually agreed upon by the City, the Trustee and the Underwriter. The date of such delivery and payment is herein called the “**Closing Date,**” and the hour and date of such delivery and payment is herein called the “**Closing Time.**” The delivery of the Series 2017 Certificates shall be made in definitive form, bearing CUSIP numbers (provided neither the printing of a wrong number on any Series 2017 Certificate nor the failure to print a number thereon shall constitute cause to refuse delivery of any Series 2017 Certificate) as fully registered Series 2017 Certificates; provided, however, that the Series 2017 Certificates may be delivered in temporary form. One registered Series 2017 Certificate for each maturity in the principal amount of such maturity shall be deposited with or held by the Trustee pursuant to the FAST procedures of The Depository Trust Company (“**DTC**”) not less than one business day prior to the Closing Date. The Series 2017 Certificates shall be available for delivery in New York, New York at DTC in accordance with DTC’s settlement procedures, or delivered to and held by the Trustee for the benefit of DTC, at Closing Time.

7. **Conditions to Closing.** The Underwriter’s obligations hereunder shall be subject to the due performance by the City and the Trustee of their respective obligations and agreements to be performed hereunder and under the Transaction Documents at or prior to the Closing Time and to the accuracy of and compliance with the City’s and the Trustee’s representations and warranties contained herein and in the Transaction Documents, as of the date hereof and as of the Closing Time, and are also subject to the following conditions:

(a) At the Closing Time,

(i) The Series 2017 Certificates shall have been duly authorized, executed and delivered in the form heretofore approved by the Underwriter with only such changes therein as shall be mutually agreed upon by the City, the Underwriter and the Trustee;

(ii) The proceeds of the sale of the Series 2017 Certificates shall have been deposited and applied as described in the Indenture of Trust;

(iii) The City shall have duly adopted and there shall be in full force and effect such resolutions and ordinances as, in the opinion of Special Tax Counsel, shall be necessary in connection with the transactions contemplated hereby; and

(iv) The Transaction Documents shall have been duly authorized, executed and delivered, shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, the City and the Trustee, which approval shall be deemed given by the acceptance of the Base Lease, the Lease and the Indenture of Trust by the Underwriter at the Closing Time.

(b) At or prior to the Closing Time, unless otherwise agreed to by the Underwriter in writing, the Underwriter shall receive the following documents, certificates and opinions (unless otherwise specified) in form and substance satisfactory to the Underwriter and counsel to the Underwriter:

- (i) **Special Tax Counsel Opinions.** The unconditional approving opinion and supplemental opinion of Special Tax Counsel, each dated as of the Closing Date, in substantially the forms set forth in **Exhibit C** hereto;
- (ii) **City Counsel Opinion.** The opinion of Robert K. Sweeney LLC, Hillsboro, Missouri, counsel to the City, dated as of the Closing Date, in substantially the form set forth in **Exhibit D** hereto;
- (iii) **City Certificate.** A duly executed and attested certificate of the City, dated as of the Closing Date, signed by authorized representatives of the City, containing, among other things: (A) confirmation that the representations and warranties of the City contained in this Certificate Purchase Agreement and in the other Transaction Documents are true and correct as of the Closing Date, (B) confirmation that the information contained in the Official Statement is true and correct in all material respects and that it does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make any statement made therein, in light of the circumstances under which it was made, not misleading, and (C) confirmation that the ordinance authorizing the execution and delivery of the Series 2017 Certificates has not been modified, amended or repealed and is in full force and effect on the Closing Date;
- (iv) **Underwriter's Counsel Opinion.** The opinion of Thompson Coburn LLP, St. Louis, Missouri, counsel to the Underwriter, dated as of the Closing Date, in substantially the form set forth in **Exhibit E** hereto;
- (v) **Specimen Certificate.** A specimen of the Series 2017 Certificates;
- (vi) **Transaction Documents.** Executed copies of the Transaction Documents;
- (vii) **Official Statement.** The Official Statement executed and approved on behalf of the City by duly authorized officials thereof and a copy of the Preliminary Official Statement;
- (viii) **City Ordinance.** An ordinance of the City Council authorizing and approving the execution and delivery of the Transaction Documents and the execution and delivery of the Series 2017 Certificates;
- (ix) **Form 8038-G.** Provided the Underwriter has either (A) satisfied the 10% Test with respect to each maturity of the Series 2017 Certificates; or (B) provided a certification as to the reasonably expected sales price or prices of any maturity or maturities of the Series 2017 Certificates for which the 10% Test is not satisfied on or prior to the date of Closing, an Information Return for Tax Exempt Governmental Obligations (IRS Form 8038-G) in a form satisfactory to Special Tax Counsel for filing, executed by a duly authorized officer of the City. If the Underwriter has not satisfied the 10% Test with respect to each maturity of the Series 2017 Certificates and has not provided a certification as to the reasonably expected sale price or prices of any maturity or maturities of the Series 2017 Certificates for which the 10% Test is not satisfied on or prior to the date of Closing, then the Underwriter acknowledges that an executed IRS Form 8038-G will not be available until the earlier of (A) the date the

10% Test has been satisfied with respect to each maturity of the Series 2017 Certificates; or (B) the filing deadline for IRS Form 8038-G.

(x) **Rating.** A letter from S&P Global Ratings, a division of S&P Global, Inc., assigning a rating of not less than “A+” to the Series 2017 Certificates;

(xi) **Insurance.** Certificates of insurance evidencing compliance with the insurance requirements of the Transaction Documents (other than title insurance).

(xii) **Trustee’s Receipt.** A receipt of the Trustee for the purchase price of the Series 2017 Certificates on behalf of the City; and

(xiii) **Other Closing Materials.** Such additional certificates and other documents as the Underwriter or its counsel or Special Tax Counsel may reasonably request to evidence performance or compliance with the provisions hereof and the transactions contemplated hereby and by the Indenture of Trust and the Lease, all such certificates and other documents to be satisfactory in form and substance to the Underwriter.

The documents to be delivered to the Underwriter pursuant to this Certificate Purchase Agreement shall be deemed to be in compliance with the conditions of this Certificate Purchase Agreement if, but only if, in the reasonable judgment of the Underwriter and its counsel, they are satisfactory in form and substance. No condition hereof shall be deemed to have been waived by the Underwriter, unless expressed specifically in a writing signed by the Underwriter.

If any party shall be unable to satisfy the above conditions (unless waived by the other parties hereto) to the obligations of such party to this Certificate Purchase Agreement, or if the obligations hereunder of any party shall be terminated for any reason permitted by this Certificate Purchase Agreement, this Certificate Purchase Agreement shall terminate and none of the parties hereto shall be under further obligation hereunder except as provided in **Sections 3 and 10** hereof.

8. **The Underwriter’s Right to Cancel.** The Underwriter shall have the right to cancel its obligations hereunder to purchase the Series 2017 Certificates without liability to the Underwriter by notifying the City and the Trustee in writing of its election to make such cancellation prior to the Closing Time, if at any time between the date of this Certificate Purchase Agreement and the Closing Time:

(a) (i) Legislation shall be enacted or for the first time actively considered for enactment by the Congress, or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, or (ii) a decision by a federal court of the United States or the United States Tax Court shall be rendered, or a ruling or regulation by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed with respect to federal taxation upon revenues or other income to be derived by the City pursuant to the Transaction Documents, or upon interest on the Series 2017 Certificates or securities of the general character of the Series 2017 Certificates, or (iii) other action or events shall have occurred or transpired, any of which has the purpose or effect, directly or indirectly, of materially adversely affecting the federal or Missouri income tax consequences of any of the transactions contemplated in connection herewith, or that securities of the general character of the Series 2017 Certificates shall not be exempt from registration under the Securities Act of 1933, as amended,

and as a consequence, in the opinion of the Underwriter, materially adversely affects the market for the Series 2017 Certificates or the ability of the Underwriter to enforce contracts for the sale of the Series 2017 Certificates at the contemplated offering prices; or

(b) There shall exist any fact or any event shall have occurred that either (i) makes untrue or incorrect any statement of a material fact or material information contained in the Official Statement as then amended or supplemented or (ii) is not reflected in the Official Statement as then amended or supplemented, but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect, and, in either such event, the City refuses to permit the Official Statement to be supplemented or corrected in a form and manner approved by the Underwriter or supply such statement or information or if such supplement or correction would, in the opinion of the Underwriter, materially adversely affect the market for the Series 2017 Certificates or the ability of the Underwriter to enforce contracts for the sale of the Series 2017 Certificates at the contemplated offering prices; or

(c) The formal declaration of war or engagement in military conflict or hostilities whether conventional, nuclear and/or biological, by the United States or by other sovereign state or states against the United States or the occurrence of any military conflict or hostilities whether conventional, nuclear and/or biological, involving the United States without the benefit of a formal declaration of war by the United States or any conflict involving the armed forces of the United States shall have escalated beyond the level of such conflict as of the date hereof, or the occurrence of any acts of terrorists or attacks by terrorists within or outside of the borders of the United States which would cause the effective operation of the government of the United States to cease or which would cause the Underwriter to be unable to carry on its regular business or the effect of which on the financial markets of the United States would, in the opinion of the Underwriter, materially adversely affect the market for the Series 2017 Certificates or the ability of the Underwriter to enforce contracts for the sale of the Series 2017 Certificates at the contemplated offering prices; or the occurrence of any other national emergency or calamity, including natural disasters, which would cause the effective operation of the government of the United States to cease or which would cause the Underwriter to be unable to carry on its regular business or the effect of which on the financial markets of the United States would, in the opinion of the Underwriter, materially adversely affect the market for the Series 2017 Certificates or the ability of the Underwriter to enforce contracts for the sale of the Series 2017 Certificates at the contemplated offering prices; or

(d) There shall be in force a general suspension of trading or material limitation on the New York Stock Exchange or a general banking moratorium shall have been declared by federal, Missouri or New York authorities, the effect of which on the financial markets of the United States would, in the opinion of the Underwriter, materially adversely affect the market for the Series 2017 Certificates or the ability of the Underwriter to enforce contracts for the sale of the Series 2017 Certificates at the contemplated offering prices; or

(e) There shall have occurred any material adverse change in the affairs of the City from that reflected in the information concerning the City contained in the Official Statement not otherwise disclosed in the Official Statement; or

(f) There shall have occurred an imposition by the New York Stock Exchange, or any governmental authority, of any material restrictions not now in force with respect to the Series 2017 Certificates or obligations of the general character of the Series 2017 Certificates or

securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, underwriters; or

(g) There shall have occurred the imposition of an order, decree or injunction of any court of competent jurisdiction, or order, ruling, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter issued or made to the effect that the execution and delivery, offering or sale of obligations of the general character of the Series 2017 Certificates or the execution and delivery, offering or sale of the Series 2017 Certificates, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities law as amended and then in effect; or

(h) The Official Statement is not executed, approved and delivered in accordance with **Section 3** above; or

(i) Any representations of the City contained in this Certificate Purchase Agreement or in any Transaction Document shall prove to be or to have been false in any material respect or there shall have occurred any material adverse change in the affairs or financial condition of the City, not otherwise disclosed to the Underwriter or in the Official Statement; or

(j) Litigation or an administrative proceeding or investigation shall be pending or threatened affecting, contesting, questioning or seeking to restrain or enjoin (i) the execution or delivery of any of the Series 2017 Certificates or the payment, collection or application of the proceeds of the Series 2017 Certificates or of other moneys or securities pledged or to be pledged under the Transaction Documents; (ii) the validity of the Series 2017 Certificates or the excludability from gross income for federal income tax purposes of the Interest Portion of Base Rentals represented by the Series 2017 Certificates; (iii) the validity of any of the Transaction Documents or any proceedings taken by the City with respect to any of the foregoing; (iv) the City's creation, organization or existence or the titles to office of any members of the City Council of the City or officers or its power to engage in any of the transactions contemplated by the Transaction Documents; (v) the incorporation, organization or existence of the City; or (vi) the legal power or authority of the City to enter into and engage in any of the transactions contemplated by this Certificate Purchase Agreement or the Transaction Documents.

9. **Representations, Warranties and Agreements to Survive Delivery.** All of the representations, warranties, and agreements contained herein shall remain operative and in full force and effect and shall survive delivery of the Series 2017 Certificates to the Underwriter, regardless of (i) any investigations made by the Underwriter; and (ii) delivery of and payment for the Series 2017 Certificates pursuant to this Certificate Purchase Agreement. The agreement in **Section 10** hereof shall survive any termination of this Certificate Purchase Agreement.

10. **Payment of Expenses.** Whether or not the Series 2017 Certificates are sold to the Underwriter (unless such sale be prevented at the Closing Time by the Underwriter's default), the Underwriter shall be under no obligation to pay any expenses incident to the performance of the City's obligations hereunder. If the Series 2017 Certificates are delivered by the Trustee to the Underwriter, all expenses and costs to effect the authorization, preparation, execution and delivery of the Series 2017 Certificates (including, without limitation, the fees and disbursements of Special Tax Counsel, the fees and disbursements of counsel to the City and counsel to the Underwriter, the fees and disbursements of the Underwriter in connection with the offering and sale of the Series 2017 Certificates, the charges of

any rating agency in connection with the Series 2017 Certificates and the expenses and costs for the preparation, printing, photocopying, execution and delivery of the Series 2017 Certificates, this Certificate Purchase Agreement and all other agreements and documents contemplated hereby) shall be paid by the Trustee out of the proceeds of the Series 2017 Certificates.

If the Series 2017 Certificates are sold to the Underwriter, the City shall pay out of the proceeds of the Series 2017 Certificates the discount of the Underwriter or the purchase price paid for the Series 2017 Certificates shall reflect such discount.

11. **[Reserved].**

12. **Notices.** Any notice or other communication to be given to the City or the Underwriter under this Certificate Purchase Agreement may be given by mailing or delivering the same in writing to such parties at their respective addresses set forth in this Certificate Purchase Agreement, and any notice or other communications to be given to the Underwriter under this Certificate Purchase Agreement may be given by delivering the same in writing to the Underwriter at the following addresses: Stifel, Nicolaus & Company, Incorporated, One Financial Plaza, 501 North Broadway, St. Louis, MO 63102, Attention: Public Finance.

13. **Applicable Law: Nonassignability.** This Certificate Purchase Agreement shall be governed by the laws of the State of Missouri. This Certificate Purchase Agreement shall not be assigned by the City or the Underwriter.

14. **Execution of Counterparts.** This Certificate Purchase Agreement may be executed in several counterparts, each of which shall be regarded an original and all of which shall constitute one and the same document.

15. **Rights Hereunder.** This Certificate Purchase Agreement is made for the benefit of the City and the Underwriter and no other person including any purchaser of the Series 2017 Certificates shall acquire or have any rights hereunder or by virtue hereof.

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

17. **Successors.** This Certificate Purchase Agreement is made for the benefit of the Trustee, the City and the Underwriter (including the successors or assigns of the Underwriter and their successors and assigns) and no other person including any purchaser of the Series 2017 Certificates shall acquire or have any rights hereunder or by virtue hereof.

18. **Amendments.** No modification, alteration or amendment to this Certificate Purchase Agreement shall be binding upon any party until such modification, alteration or amendment is reduced to writing and executed by all parties.

19. **Effective Date.** This Certificate Purchase Agreement shall become effective upon acceptance hereof by the City.

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

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereby have executed this Certificate Purchase Agreement, all as of the day and year first above mentioned.

Very truly yours,

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**, as agent for and representative of
the Underwriter

By _____
Name: _____
Title: _____

**ACCEPTED AND AGREED TO AS OF
THE DATE FIRST ABOVE WRITTEN:**

CITY OF ARNOLD, MISSOURI

By: _____
Name: _____
Title: _____

UMB BANK, N.A., as Trustee

By: _____
Name: _____
Title: _____

SCHEDULE I
MATURITY SCHEDULE

<u>Due December 15</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>
2017	\$	%	%
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			

EXHIBIT A
TO
CERTIFICATE PURCHASE AGREEMENT

Underwriting Group:

1. Stifel, Nicolaus & Company, Incorporated

EXHIBIT B
TO
CERTIFICATE PURCHASE AGREEMENT

FORM OF UNDERWRITER'S RECEIPT AND ISSUE PRICE CERTIFICATE

CITY OF ARNOLD, MISSOURI

§ _____
REFUNDING CERTIFICATES OF PARTICIPATION
(CITY OF ARNOLD, MISSOURI, LESSEE)
SERIES 2017

The undersigned, Stifel, Nicolaus & Company, Incorporated (the "**Underwriter**"), as the underwriter of \$ _____ aggregate principal amount of Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2017 (the "**Series 2017 Certificates**") of the City of Arnold, Missouri (the "**City**") under the Certificate Purchase Agreement dated July __, 2017 among UMB Bank, N.A., as Trustee (the "**Trustee**"), the Underwriter and the City (the "**Certificate Purchase Agreement**"), hereby certifies and represents as follows:

*Capitalized words and terms used in this Certificate, unless the context requires otherwise, shall have the same meanings as set forth in the Indenture of Trust, dated as of October 1, 2010 (the "**Original Indenture of Trust**"), as supplemented and amended by the First Supplemental Indenture of Trust, dated as of August 1, 2017 (the "**First Supplemental Indenture of Trust**") and, collectively with the Original Indenture of Trust, the "**Indenture of Trust**"), between the City and the Trustee, and in the Lease Purchase Agreement, dated as of October 1, 2010, as supplemented and amended by the First Supplemental Lease Purchase Agreement, dated as of August 1, 2017, entered into between the Trustee, as lessor, and the City, as lessee.*

1. Certificate Purchase Agreement. The Underwriter, the City and the Trustee have entered into a Certificate Purchase Agreement (the "**Certificate Purchase Agreement**"), dated July 27, 2017, providing for the purchase of the Series 2017 Certificates by the Underwriter.

2. Receipt for Certificates. We acknowledge receipt on the date hereof from the Trustee of the Series 2017 Certificates, consisting of fully-registered certificates numbered from 1 consecutively upward in the denomination of \$5,000 each or integral multiples thereof, dated as of the date of original delivery and payment therefor, delivered pursuant to the Indenture of Trust.

3. Compliance with Certificate Purchase Agreement. We further acknowledge that we have timely received in satisfactory form and manner all proceedings, certificates, opinions, letters and other documents required to be submitted to us pursuant to the Certificate Purchase Agreement prior to or on the date of the delivery of and payment for the Series 2017 Certificates (except to the extent we have waived or consented to modification of certain provisions thereof), and that the City has in all respects complied with and satisfied all of its obligations to us which are required under said Certificate Purchase Agreement to be complied with and satisfied on or before the date hereof.

4. Issue Price.

(a) *Public Offering.* The Underwriter has offered all the Series 2017 Certificates to the Public in a bona fide initial offering to the Public at the offering prices listed on Attachment A

(the “**Initial Offering Prices**”). Included in Attachment A is a copy of the pricing wire or similar communication used to document the initial offering of the Series 2017 Certificates to the Public at the Initial Offering Prices.

(b) *Sale Prices.* As of the date of this Certificate, for each Maturity of the Series 2017 Certificates, the first price or prices at which at least 10% of such Maturity of the Series 2017 Certificates was sold to the Public (the “**10% Test**”) are the respective prices listed in **Attachment B** attached hereto. **Attachment B** also contains documentation of the price, date, time and amount of individual sales that comprise 10% of such Maturity. [**, except for the _____ Maturit[y][ies]. With respect to the _____ Maturit[y][ies], (i) less than 10% of such Maturit[y][ies] have been sold to the Public, (ii) the Underwriter reasonably expects that the price or prices at which the first 10% of [**each**] such Maturity will be sold to the Public will be not greater than the respective price listed on the attached **Attachment C**, and (iii) promptly following the date that the first 10% of such Maturit[y][ies] is sold to the Public, will execute a supplemental certificate in substantially the same form as this Certificate, including, a schedule substantially similar to **Attachment B** to this Certificate showing the price or prices at which the first 10% of [**each**] such Maturity was sold to the Public.*]

(c) [** With respect to each of the _____ Maturities of the Series 2017 Certificates:

(i) As of the date of this Certificate, the Underwriter has not sold at least 10% of the Series 2017 Certificates of these Maturities at any price or prices.

(ii) As of the date of this Certificate, the Underwriter reasonably expects that the first sale to the Public of Series 2017 Certificates of these Maturities will be at or below the respective price or prices listed on the attached **Schedule A** as the “Reasonably Expected Sale Prices for Undersold Maturities.”

(iii) The Underwriter will provide actual sales information (substantially similar to the information contained on **Schedule B**) as to the price or prices at which the first 10% of each such Maturity (i.e., the Undersold Maturity or Maturities) is sold to the Public.

(iv) On the date the 10% Test is satisfied with respect to all Maturities of the Series 2017 Certificates, the Underwriter will execute a supplemental certificate substantially in the form attached hereto as **Schedule C** with respect to any remaining Maturities for which the 10% Test has not been satisfied as of the Closing Date.**]

5. **Defined Terms.**

(a) “**Maturity**” means Series 2017 Certificates with the same credit and payment terms. Series 2017 Certificates with different maturity dates, or Series 2017 Certificates with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “**Public**” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. A purchaser of any of the Series 2017 Certificates is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are

corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(c) **“Underwriter”** means (i) any person that agrees pursuant to a written contract with the City (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2017 Certificates to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2017 Certificates to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2017 Certificates to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the Tax Compliance Agreement between the City and the Trustee dated August 10, 2017 and with respect to compliance with the federal income tax rules affecting the Series 2017 Certificates, and by Gilmore & Bell, P.C., St. Louis, Missouri, in connection with rendering its opinion that the interest on the Series 2017 Certificates is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the City from time to time relating to the Series 2017 Certificates.

We express no view regarding the legal sufficiency of any such computations or the correctness of any legal interpretation made by Gilmore & Bell, P.C., as special tax counsel.

Nothing herein represents our interpretation of any laws or regulations under the Internal Revenue Code of 1986, as amended.

This Certificate may be executed in counterparts, each of which so executed and delivered shall constitute an original and all together shall constitute but one and the same instrument.

STIFEL, NICOLAUS & COMPANY, INCORPORATED

By: _____
Managing Director

By: _____
Director – Municipal Syndicate

Dated: August __, 2017

ATTACHMENT A
TO
ISSUE PRICE CERTIFICATE

Initial Offering Price Documentation

ATTACHMENT B
TO
ISSUE PRICE CERTIFICATE

Sale Price Documentation

ATTACHMENT B
TO
ISSUE PRICE CERTIFICATE

Maturities with Less than 10% Sold and Estimated Sale Prices

EXHIBIT C
TO
CERTIFICATE PURCHASE AGREEMENT

Forms of Opinions of Special Tax Counsel

EXHIBIT D
TO
CERTIFICATE PURCHASE AGREEMENT

Form of Opinion of Counsel to the City

EXHIBIT E
TO
CERTIFICATE PURCHASE AGREEMENT
Form of Opinion of Counsel to the Underwriter

GILMORE & BELL, P.C.
DRAFT 3 – JULY 24, 2017
FOR DISCUSSION PURPOSES ONLY

FIRST SUPPLEMENTAL INDENTURE OF TRUST

by

UMB BANK, N.A.,
as Trustee

Dated as of August 1, 2017

\$4,035,000
REFUNDING CERTIFICATES OF PARTICIPATION
(CITY OF ARNOLD, MISSOURI, LESSEE)
SERIES 2017

Evidencing a Proportionate Interest
in Basic Rent
Payments to be Made by the
City of Arnold, Missouri
Pursuant to an
Annually-Renewable Lease Purchase Agreement

Supp 1PA3

FIRST SUPPLEMENTAL INDENTURE OF TRUST

THIS FIRST SUPPLEMENTAL INDENTURE OF TRUST (the “First Supplemental Indenture of Trust”), dated as of August 1, 2017, is made by **UMB BANK, N.A.**, a national banking association organized and existing under the laws of the United States of America, as settlor and trustee (the “Trustee”), with the **CITY OF ARNOLD, MISSOURI**, a third-class city and political subdivision of the State of Missouri (the “City”).

RECITALS:

1. The City and the Trustee entered into a Base Lease dated as of October 1, 2010 (the “Base Lease”), pursuant to which the City is leasing to the Trustee certain personal property consisting solely of the concrete and/or asphalt and other materials used in the construction of the Project (as defined therein) (the “Leased Property”).
2. The Trustee and the City entered into a Lease Purchase Agreement dated as of October 1, 2010 (the “Original Lease”), pursuant to which the Trustee leased to the City the Leased Property, in consideration of Basic Rent Payments (as defined therein) and upon the terms and conditions contained therein.
3. The City and the Trustee entered into an Indenture of Trust dated as of October 1, 2010 (the “Original Indenture of Trust” and, together with this First Supplemental Declaration, the “Indenture of Trust”), pursuant to which the Trustee delivered \$7,140,000 original principal amount of Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2010 (the “Series 2010 Certificates”) to provide funds to pay the costs of (a) the Project, (b) refunding the outstanding Missouri Development Finance Board Infrastructure Facilities Revenue Bonds (City of Arnold, Missouri – Road Infrastructure Project), Series 2007B, (c) funding a debt service reserve fund for the Series 2010 Certificates and (d) executing and delivering the Series 2010 Certificates.
4. The Trustee and the City propose to enter into this First Supplemental Indenture of Trust, under which the Trustee will deliver \$4,035,000 principal amount of Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2017 (the “Series 2017 Certificates”) to provide funds, together with other legally available funds of the City, to refund all of the outstanding Series 2010 Certificates and pay the costs of delivering the Series 2017 Certificates.
5. Concurrently herewith, the City and the Trustee are entering into a First Supplemental Lease Purchase Agreement of even date herewith (the “First Supplemental Lease” and, together with the Original Lease, the “Lease”), pursuant to which the Original Lease will be amended to (i) modify the amount of the Basic Rent Payments payable thereunder and (ii) reduce the number of Renewal Terms thereunder.
6. **Article VIII** of the Original Indenture of Trust permits the amendment, change or modification of the Original Indenture of Trust, and it is hereby found and determined that this First Supplemental Indenture of Trust will comply in all respects with the Original Indenture of Trust, as amended.

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. In addition to any words and terms defined in the Lease (which definitions are hereby incorporated by reference) and elsewhere in this First Supplemental Indenture of Trust, the following words and terms as used in this First Supplemental Indenture of Trust shall hereafter have the following meanings and **Section 1.01** of the Original Indenture of Trust is hereby amended and supplemented to so provide:

“Costs of Issuance Fund” means the fund by that name created in **Section 5.01** hereof.

“Escrow Agent” means UMB Bank, N.A., St. Louis, Missouri, and any successors or assigns.

“Escrow Agreement” means the Escrow Trust Agreement dated as of August 1, 2017, between the City and the Escrow Agent.

“Escrow Fund” means the fund by that name referred to in **Section 5.01** hereof.

“Prepayment Date” means, with respect to the Series 2010 Certificates, any date on which the Series 2010 Certificates may be prepaid pursuant to **Section 5.02** of the Original Indenture of Trust and, with respect to the Series 2017 Certificates, any date on which the Series 2017 Certificates may be prepaid pursuant to **Section 4.02** of this First Supplemental Indenture of Trust.

“Record Date” means (a) with respect to the Series 2010 Certificates, the fifteenth day of the month (whether or not a Business Day) prior to the applicable Basic Rent Payment Date, and (b) with respect to the Series 2017 Certificates and any Additional Certificates, the first day (whether or not a Business Day) of the calendar month in which the applicable Basic Rent Payment Date occurs.

“Reserve Fund Requirement” means (a) with respect to the Series 2010 Certificates, \$563,726.26, (b) with respect to the Series 2017 Certificates, \$0, and (c) with respect to any Additional Certificates, such amount as set forth in the Supplemental Indenture of Trust authorizing such series of Additional Certificates, which amount shall not exceed the least of (1) 10% of the stated principal amount of such series of Additional Certificates, (2) the maximum annual Basic Rent Payment requirements on such series of Additional Certificates (determined as of the issue date), or (3) 125% of the average annual Basic Rent Payment requirements on such series of Additional Certificates (determined as of the issue date).

“Series 2017 Certificates” means the \$4,035,000 aggregate principal amount Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2017, evidencing a proportionate interest in Basic Rent Payments to be made by the City pursuant to the Lease, executed and delivered pursuant to this First Supplemental Indenture of Trust.

“Underwriter” means Stifel, Nicolaus & Company, Incorporated, the original purchaser of the Series 2017 Certificates.

Section 1.02. General Rules of Construction.

(a) Words of the masculine gender will be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context will otherwise indicate, words importing the singular number will include the plural and vice versa, and words importing person will include

individuals, corporations, limited liability companies, partnerships, joint ventures, associations, joint-stock companies, trusts, unincorporated organizations and governments and any agency or political subdivision thereof.

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

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

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

(e) The table of contents, captions and headings in this First Supplemental Indenture of Trust are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections hereof.

Section 1.03. Severability.

(a) If any provision of the Indenture of Trust is held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute or rule of public policy, or for any other reason, such circumstances will not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

(b) The invalidity of any one or more phrases, sentences, clauses or sections in the Indenture of Trust contained will not affect the remaining portions of the Indenture of Trust, or any part thereof.

Section 1.04. Date of First Supplemental Indenture of Trust. The dating of this First Supplemental Indenture of Trust as of August 1, 2017, is intended as and for the convenient identification of this First Supplemental Indenture of Trust only and is not intended to indicate that this First Supplemental Indenture of Trust was executed and delivered on said date, this First Supplemental Indenture of Trust being executed and delivered and becoming effective simultaneously with the initial execution and delivery of the Series 2017 Certificates.

Section 1.05. Governing Law. The Indenture of Trust will be governed by and construed in accordance with the laws of the State.

ARTICLE II

COVENANTS AS TO BASE LEASE AND LEASE

Section 2.01. Covenants as to Base Lease and Lease. The Trustee covenants and agrees that, except in accordance with the terms of the Indenture of Trust, the Base Lease and the Lease, it will not take any action that would result in the occurrence of an Event of Default and it will not agree to any abatement, reduction, abrogation, waiver, diminution or other modification in any manner or to any extent

whatsoever of the obligations of the City under the Base Lease and the Lease to pay Basic Rent and to meet its other obligations as provided in the Lease.

ARTICLE III

THE SERIES 2017 CERTIFICATES

Section 3.01. Provisions Concerning the Series 2017 Certificates.

(a) There will be prepared, executed and delivered under the Indenture of Trust a series of Certificates in the aggregate principal amount of \$4,035,000, which series of Certificates will be designated "Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2017." The Series 2017 Certificates shall be dated the date of original delivery thereof, and will be payable on the dates, in the principal amounts (subject to prepayment as described in **Article IV** hereof), and with the Interest Portions accruing at the rates set forth below:

<u>Maturity Date</u> <u>(December 15)</u>	<u>Principal</u> <u>Portion</u>	<u>Interest</u> <u>Rate</u>
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		

(b) The Series 2017 Certificates and the form of assignment to appear thereon will be in substantially the form set forth in **Exhibit A**.

(c) The Series 2017 Certificates will be fully-registered Certificates transferable to subsequent owners only on the books kept by the Registrar pursuant to **Section 3.06** of the Original Indenture of Trust. Each Series 2017 Certificate will be in the denomination of \$5,000 or any integral multiple thereof.

(d) The Interest Portion of the Basic Rent represented by each Series 2017 Certificate will be payable from the date thereof or the most recent date to which said Interest Portion has been paid. The Interest Portion of the Basic Rent represented by the Series 2017 Certificates will be paid on each June 15 and December 15, commencing on December 15, 2017.

(e) Payment of the Interest Portion of the Basic Rent represented by any Certificates will be made to the person appearing on the registration books of the Registrar as the Owner thereof on the Record Date, such Interest Portion to be paid to such Owner by (1) check or draft drawn on the Trustee and mailed to such Owner's address as it appears on the registration books of the Registrar on the Record Date or (2) electronic transfer to any Registered Owner upon written notice given to the Trustee by such Registered Owner not less than 15 days prior to the Record Date for such Interest Portion, containing the electronic transfer instructions including the bank, ABA routing number, account name and number to

which such Owner wishes to have such transfer directed and an acknowledgment that an electronic transfer fee may be applicable.

(f) Prior to or simultaneously with the execution of and delivery of the Series 2017 Certificates by the Trustee, the following documents shall be filed with the Trustee:

(1) A copy, certified by the City Clerk, of the ordinance adopted by the City Council authorizing the execution of this First Supplemental Indenture of Trust and the First Supplemental Lease and approving the execution and delivery of the Series 2017 Certificates to or upon the order of the Underwriter.

(2) Executed counterparts of this First Supplemental Indenture of Trust, the First Supplemental Lease and the Certificate Purchase Agreement relating to the Series 2017 Certificates.

(3) An opinion of Special Tax Counsel to the effect that the execution and delivery of the Series 2017 Certificates will not result in the Interest Portion of Basic Rent evidenced by any Certificates then Outstanding becoming includable in gross income of the Owners thereof for federal income tax purposes.

(4) An opinion of Special Tax Counsel as to the validity of the Series 2017 Certificates and the exemption from federal income taxation of the Interest Portion of Basic Rent represented by the Series 2017 Certificates.

(5) A supplemental opinion of Special Tax Counsel stating that the Series 2017 Certificates are exempt from registration under the Securities Act of 1933, as amended, and the Indenture of Trust is exempt from qualification under the Trust Indenture Act of 1939, as amended.

(6) Such other certificates, statements, receipts, opinions and documents required by the Indenture of Trust or the Lease or as the Trustee may reasonably require for the delivery of the Series 2017 Certificates.

(g) When the documents specified above have been filed with the Trustee, and when the Series 2017 Certificates have been executed as required by the Indenture of Trust, the Trustee will deliver the Series 2017 Certificates to or upon the order of the Underwriter or will hold the Series 2017 Certificates as FAST Agent for the benefit of the Beneficial Owners, but only upon payment of the purchase price of the Series 2017 Certificates, as specified in the Certificate Purchase Agreement. The Proceeds of the sale of the Series 2017 Certificates, including accrued interest and premium, if any, paid to the Trustee will be deposited and applied as provided in **Article V** hereof.

ARTICLE IV

PREPAYMENT

Section 4.01. General. The Certificates are subject to prepayment pursuant to this Article and any Supplemental Indenture of Trust to the extent that prepayments of Basic Rent are required, allowed or provided for under the Lease.

Section 4.02. Prepayment Provisions with Respect to the Series 2017 Certificates.

(a) The Series 2017 Certificates that evidence Principal Portions of Basic Rent payable to Certificate Owners on or after December 15, 20__ are subject to optional prepayment, as a whole or in part at any time, on or after December 15, 20__, at a Prepayment Price equal to 100% of the Principal Portion of Basic Rent represented by the Series 2017 Certificates being prepaid, plus the Interest Portion of Basic Rent accrued to the Prepayment Date, from amounts paid by the City upon the exercise of its option to purchase the Trustee's interest in the Leased Property or partially prepay Basic Rent Payments pursuant to the terms of the Lease.

(b) The Series 2017 Certificates are subject to optional prepayment, as a whole on any date, at a Prepayment Price equal to 100% of the Principal Portion of Basic Rent represented thereby plus the Interest Portion of Basic Rent accrued to the Prepayment Date, in the event of substantial damage to or destruction or condemnation (other than by the City or any entity controlled by or otherwise affiliated with the City) of, or loss of title to, substantially all of the Leased Property, or as a result of changes in the constitution of the State or legislative or administrative action by the State or the United States, the Base Lease or the Lease becomes unenforceable, and the City purchases the Trustee's interest in the Leased Property pursuant to **Section 10.01(c)** of the Original Lease.

ARTICLE V

DELIVERY OF SERIES 2017 CERTIFICATES; FUNDS; APPLICATION OF PROCEEDS

Section 5.01. Establishment of Funds.

(a) There are hereby ratified and/or established the following Funds:

- (1) Lease Revenue Fund.
- (2) Costs of Issuance Fund.

In addition to the Funds described above, the Escrow Agreement establishes the Escrow Fund to be held and administered by the Escrow Agent in accordance with the provisions of the Escrow Agreement.

(b) All Funds and accounts established pursuant to paragraph (a) above (except for the Escrow Fund) will be held by the Trustee in trust for the benefit of the Certificate Owners. The money in all of the Funds and accounts will be deposited or applied as hereinafter provided.

Section 5.02. Application of Proceeds of Series 2017 Certificates and Other Money. The net proceeds of the Series 2017 Certificates, together with other legally available funds of the City, will be deposited as follows:

(a) in the Lease Revenue Fund, any accrued interest with respect to the Series 2017 Certificates;

(b) in the Costs of Issuance Fund, \$_____ from the proceeds of the Series 2017 Certificates to pay the Costs of Issuance of the Series 2017 Certificates; and

(c) with the Escrow Agent, \$_____ (consisting of \$_____ from the proceeds of the Series 2017 Certificates, \$563,726.00 from the reserve fund for the Series 2010

Certificates and \$573,201.96 from the project fund for the Series 2010 Certificates) to be deposited in the Escrow Fund and applied in accordance with the Escrow Agreement.

Section 5.03. Application of Lease Revenues.

(a) Lease Revenues will be deposited, as received pursuant to the Lease, as follows:

(1) Basic Rent will be deposited to the Lease Revenue Fund.

(2) Optional prepayments of the Principal Portion of Basic Rent (in amounts equal to the applicable Prepayment Price) will be deposited to the Lease Revenue Fund.

(3) Payments of Supplemental Rent pursuant to **Section 4.02** of the Original Lease will be applied as provided in **Section 4.02** of the Original Lease.

(b) Undesignated payments of Rent that are insufficient to discharge the full amount then due will be applied first to the Interest Portion of Basic Rent, next to the Principal Portion of Basic Rent and finally to Supplemental Rent.

Section 5.04. Disbursements from the Costs of Issuance Fund.

(a) Moneys in the Costs of Issuance Fund will be used to pay Costs of Issuance of the Series 2017 Certificates. Payment will be made from moneys in the Costs of Issuance Fund upon receipt by the Trustee of a requisition certificate signed by an Authorized Representative, which requisition certificate will contain the statements, representations and certificates set forth in the form thereof attached hereto as **Exhibit B** and will be otherwise substantially in such form.

(b) In making disbursements for Costs of Issuance, the Trustee may conclusively rely upon each written requisition certificate executed by the Authorized Representative. The approval of each requisition certificate by the Authorized Representative will constitute unto the Trustee an irrevocable determination that all conditions precedent to the payment of the specified amounts from the Costs of Issuance Fund have been completed. The Trustee will make disbursements to pay Costs of Issuance for which any such request is made as soon as practicable following the receipt of an executed requisition certificate and any required attachments.

(c) Any balance remaining in the Costs of Issuance Fund on October 15, 2017, shall be transferred and deposited to the credit of the Lease Revenue Fund to pay Basic Rent.

(d) In the event of the acceleration pursuant to **Section 9.02** of the Original Indenture of Trust, any moneys then remaining in the Costs of Issuance Fund will be transferred and deposited to the credit of the Lease Revenue Fund to pay Basic Rent.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Electronic Transactions. The transaction described herein may be conducted and related documents may be sent, received or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents will be deemed to be authentic and

valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 6.02. Applicability of Original Indenture of Trust. Except as otherwise provided in this First Supplemental Indenture of Trust, the provisions of the Original Indenture of Trust, as amended, are hereby ratified, approved and confirmed.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the Trustee has caused this First Supplemental Indenture of Trust to be executed by its duly authorized corporate officer, all as of the day and year indicated above.

UMB BANK, N.A., as Trustee

By: _____
Name: _____
Title: _____

THE TERMS AND PROVISIONS OF THIS FIRST SUPPLEMENTAL INDENTURE OF TRUST ARE HEREBY CONSENTED AND AGREED TO AND THE CITY OF ARNOLD, MISSOURI HEREBY ACCEPTS ALL OBLIGATIONS IMPOSED UPON IT UNDER THIS INDENTURE, ALL AS OF AUGUST 1, 2017.

CITY OF ARNOLD, MISSOURI

(SEAL)

By: _____
Name: Ron Counts
Title: Mayor

ATTEST:

By: _____
Name: Tammi Casey
Title: City Clerk

EXHIBIT A

FORM OF CERTIFICATE OF PARTICIPATION

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Trustee or its agent for registration of transfer, exchange or payment, and any certificate delivered is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co., or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

NUMBER _____

\$ _____

**REFUNDING CERTIFICATE OF PARTICIPATION
(CITY OF ARNOLD, MISSOURI, LESSEE)
SERIES 2017**

**Evidencing a Proportionate Interest
in Basic Rent Payments to be Made by the
CITY OF ARNOLD, MISSOURI
Pursuant to an Annually-Renewable Lease Purchase Agreement**

<u>Interest Rate</u>	<u>Payment Date</u>	<u>Certificate Date</u>	<u>CUSIP</u>
_____ %	December 15, 20____	August __, 2017	042597 ____

Registered Owner: CEDE & CO.

Principal Sum: _____ DOLLARS

THIS IS TO CERTIFY that the registered owner identified above of this Refunding Certificate of Participation (the “Certificate”) is the owner of the proportionate interest hereinafter stated in that certain Lease Purchase Agreement dated as of October 1, 2010, as amended and supplemented from time to time (the “Lease”), between UMB Bank, N.A., a national banking association organized and existing under the laws of the United States of America (the “Trustee”), and the City of Arnold, Missouri, a third-class city (the “City”), including payments of Basic Rent to be made thereunder (the “Basic Rent Payments”). The City is authorized to enter into the Lease pursuant to applicable laws, including the constitution and statutes of the State of Missouri and an ordinance of the City. This Certificate is subject to the Indenture of Trust dated as of October 1, 2010, between the City and the Trustee, as amended or supplemented from time to time (the “Indenture of Trust”), which is on file at the designated corporate trust office of the Trustee. Capitalized terms used herein and not otherwise defined have the meanings assigned to such terms in the Indenture of Trust or the Lease.

THE REGISTERED OWNER of this Certificate is entitled to receive, subject to the terms of the Lease and the Indenture of Trust, on the payment date specified above (the "Certificate Payment Date"), or if selected for prepayment, on the Prepayment Date, the principal sum specified above, representing a portion of the Basic Rent Payment designated as principal coming due on the Certificate Payment Date, and to receive the registered Owner's proportionate share of Basic Rent Payments designated as interest on June 15 and December 15, commencing on December 15, 2017 to and including the Certificate Payment Date or the Prepayment Date, whichever is earlier. Said proportionate share of the Basic Rent Payments designated as interest is computed on the principal sum specified above from the certificate date specified above or the most recent date to which such interest has been paid, at the interest rate specified above on the basis of a 360-day year of twelve 30-day months.

SAID AMOUNTS are payable in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts. The amounts representing principal and prepayment premium, if any, are payable by check, draft or electronic transfer upon the presentation and surrender of this Certificate at the designated corporate trust office of the Registrar and, if applicable, provision of electronic transfer instructions, including the bank, ABA routing number, account name and number to which such Owner wishes to have such transfer directed and an acknowledgment that an electronic transfer fee may be applicable. The amounts representing interest are payable to the person in whose name this Certificate is registered in the registration books maintained by the Registrar at the close of business on the first day (whether or not a Business Day) of the calendar month in which each interest payment date occurs (a "Record Date") by (1) check or draft drawn on the Trustee and mailed to such Owner's address as it appears on the registration books of the Registrar on the Record Date or (2) electronic transfer to any Registered Owner written notice given to the Trustee by such Registered Owner not less than 15 days prior to the Record Date for such Interest Portion, containing the electronic transfer instructions including the bank, ABA routing number, account name and number to which such Owner wishes to have such transfer directed and an acknowledgment that an electronic transfer fee may be applicable.

BASIC RENT PAYMENTS are payable solely from Available Revenues that, for any Fiscal Year, including any balances of the City from previous Fiscal Years encumbered to pay Basic Rent Payments under the Lease, are amounts budgeted or appropriated out of the income and revenue of the City for such Fiscal Year plus any unencumbered balances of the City from previous Fiscal Years that are legally available to pay Basic Rent Payments during such Fiscal Year and all moneys and investments, including earnings thereon, held by the Trustee pursuant to the Indenture of Trust.

NEITHER THE BASIC RENT PAYMENTS NOR ANY OTHER AMOUNTS DUE UNDER THE LEASE CONSTITUTE A DEBT, A GENERAL OBLIGATION OR, EXCEPT FROM AVAILABLE REVENUES, A LIABILITY OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. THE CITY WILL NOT BE OBLIGATED TO PAY THE SAME EXCEPT FROM AVAILABLE REVENUES. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY IS PLEDGED TO THE PAYMENT OF THE BASIC RENT PAYMENTS OR ANY OTHER AMOUNTS DUE UNDER THE LEASE. THE REGISTERED OWNER WILL NOT HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF THE TAXING POWER OF THE CITY FOR THE PAYMENT OF THE PRINCIPAL AND INTEREST UNDER THE LEASE REPRESENTED BY THIS CERTIFICATE OR THE MAKING OF ANY OTHER PAYMENTS PROVIDED FOR IN THE LEASE.

This Certificate is one of a duly authorized series of certificates of participation designated "Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2017," evidencing a proportionate interest in Basic Rent Payments to be made by the City, pursuant to the Lease (the "Series 2017 Certificates") for the purpose of providing funds, together with other legally available funds of the

City, to (a) refund outstanding Certificates previously delivered under the Indenture of Trust and (b) pay certain costs in connection with the delivery of the Series 2017 Certificates. This Certificate has been executed by the Trustee pursuant to and is governed by the terms of the Indenture of Trust. Copies of the Lease and the Indenture of Trust are on file at the office of the City Clerk and at the designated corporate trust office of the Trustee, and reference to the Lease and the Indenture of Trust and any and all amendments and supplements thereto is made for a description of the pledges and covenants of the City securing the Basic Rent Payments, the nature, extent and manner of enforcement of such pledges and covenants and the rights and the terms and conditions upon which the Series 2017 Certificates are delivered thereunder.

The Indenture of Trust permits certain amendments or supplements to the Indenture of Trust, the Base Lease and the Lease not prejudicial to the Certificate Owners to be made without the consent of or notice to the Certificate Owners, certain other amendments or supplements thereto to be made with the consent of the Owners of not less than a majority in aggregate principal amount of the Certificates then Outstanding and other amendments or supplements thereto to be made only with the consent of all Certificate Owners.

If certain conditions are met, the Lease may be amended without the consent of or notice to the Certificate Owners to increase the amount of Basic Rent payable by the City, and additional certificates of participation evidencing interests in such increased Basic Rent may be executed and delivered under the Indenture of Trust (the "Additional Certificates"). Such certificates of participation would be on a parity with the Series 2017 Certificates.

The Series 2017 Certificates that evidence Principal Portions of Basic Rent payable to Certificate Owners on or after December 15, 20__ are subject to optional prepayment, as a whole or in part at any time, on or after December 15, 20__ at a Prepayment Price equal to 100% of the Principal Portion of Basic Rent represented by the Series 2017 Certificates being prepaid, plus the Interest Portion of Basic Rent accrued to the Prepayment Date, from amounts paid by the City upon the exercise of its option to purchase the Trustee's interest in the Leased Property or partially prepay Basic Rent Payments pursuant to the terms of the Lease.

The Series 2017 Certificates are subject to optional prepayment, as a whole on any date, at a Prepayment Price equal to 100% of the Principal Portion of Basic Rent represented thereby plus the Interest Portion of Basic Rent accrued to the Prepayment Date, in the event of substantial damage to or destruction or condemnation (other than by the City or any entity controlled by or otherwise affiliated with the City) of, or loss of title to, substantially all of the Leased Property, or as a result of changes in the Constitution of Missouri or legislative or administrative action by the State or the United States, the Base Lease or the Lease becomes unenforceable, and the City purchases the Trustee's interest in the Leased Property pursuant to the Lease.

If any of the Certificates are to be prepaid, notice thereof identifying the Certificates to be prepaid will be given by first class mail, postage prepaid, mailed not more than 60 days and not less than 30 days prior to the Prepayment Date to each registered Owner of Certificates to be prepaid. The failure of the registered Owner of any Certificate to be so prepaid to receive notice of prepayment mailed as herein provided will not affect or invalidate the prepayment of such Certificate. All Certificates for which notice of prepayment is given will cease to bear interest on the specified Prepayment Date, provided moneys or certain securities for their prepayment are on deposit at the place of payment at that time, will cease to be entitled to any benefit or security under the Indenture of Trust and will no longer be deemed to be outstanding under the Indenture of Trust.

This Certificate is transferable upon the Certificate register, which will be kept for that purpose at the designated corporate trust office of the Trustee, upon surrender and cancellation of this Certificate together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered Owner of his, her or its duly authorized attorney and upon payment of the charges provided in the Indenture of Trust. Upon such transfer a new fully-registered Certificate or Certificates of the same maturity and aggregate principal amount will be delivered to the transferee. The Trustee may treat the registered Owner hereof as the absolute Owner hereof for all purposes, and the Trustee will not be affected by any notice to the contrary.

The Certificates are being delivered by means of a book-entry system with no physical distribution of certificates to be made except as provided in the Indenture of Trust. One Certificate with respect to each Certificate Payment Date, registered in the nominee name of the Securities Depository, is being delivered. The book-entry system will evidence positions held in the Certificates by the Securities Depository's participants, beneficial ownership of the Certificates in authorized denominations being evidenced in the records of such participants. Transfers of ownership will be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The Trustee will recognize the Securities Depository nominee, while the registered Owner of this Certificate, as the Owner of this Certificate for all purposes, including (i) payments of the Principal Portions of Basic Rent and the Interest Portion of Basic Rent, (ii) notices and (iii) voting. Transfers of the Principal Portion and Interest Portion of Basic Rent to participants of the Securities Depository, and transfers of Principal Portion and Interest Portion of Basic Rent to Beneficial Owners of the Certificates by participants of the Securities Depository will be the responsibility of such participants and other nominees of such Beneficial Owners. The Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the Owner of this Certificate, notwithstanding the provision hereinabove contained, payments on this Certificate will be made in accordance with existing arrangements among the City, the Trustee and the Securities Depository.

EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE OF TRUST, THIS GLOBAL CERTIFICATE MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

The Certificates may be delivered in the form of fully-registered Certificates in the denomination of \$5,000 or any integral multiple thereof, subject to certain limitations and as otherwise provided in the Indenture of Trust. The Certificates, upon surrender thereof at the designated corporate trust office of the Trustee with a written request for exchange satisfactory to the Trustee duly executed by the registered Owner of his, her or its duly authorized attorney in writing, may be exchanged for an equal aggregate principal amount of fully-registered Certificates of any authorized denomination of the same maturity. No service charge will be made for any transfer or exchange of Certificates, but the Trustee may require payment of any tax or governmental charge in connection therewith.

THE TRUSTEE has no obligation or liability to the registered Owners of the Certificates to make payments of principal or interest with respect to the Certificates. The Trustee's sole obligations are to administer, for the benefit of the registered Owners thereof, the Funds established under the Indenture of Trust.

THE CITY has certified, recited and declared that all acts, conditions and things required by the constitution and statutes of the State of Missouri and the Lease to exist, to have happened and to have

been performed precedent to the delivery of the Lease, exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be executed by an authorized signatory as of the date set forth above.

**UMB BANK, N.A.,
not in its individual capacity but solely as
Trustee under the Indenture of Trust
dated as of October 1, 2010, as amended
and supplemented**

By: _____
Authorized Signatory

ASSIGNMENT

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

Please Print or Typewrite Name, Address and
Employee Identification Number or Social Security Number of Transferee

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____ Attorney to transfer the within Certificate on the register kept for 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.

Signature Guaranteed By:

(Name of Eligible Guarantor Institution as defined by SEC Rule 17 Ad-15 (17 CFR 240.17 Ad-15) or such other similar rule as Trustee may deem applicable)

By: _____
Title: _____

EXHIBIT B

**FORM OF REQUISITION CERTIFICATE
FOR COSTS OF ISSUANCE**

Request No. _____

Date: _____

**WRITTEN REQUEST FOR DISBURSEMENT FOR
COSTS OF ISSUANCE**

To: UMB Bank, N.A.
2 South Broadway, Suite 600
St. Louis, Missouri 63102
Attention: Corporate Trust Department

Ladies and Gentlemen:

Pursuant to the Indenture of Trust dated as of October 1, 2010 (as amended and supplemented, the "Indenture of Trust") between the City of Arnold, Missouri (the "City") and UMB Bank, N.A. (the "Trustee"), specifically **Section 5.04** of the First Supplemental Indenture of Trust dated as of August 1, 2017, the City hereby requests payment in accordance with this request and the Indenture of Trust, and the City hereby states and certifies that:

- (a) All terms of this request are used with the meanings used in the Indenture of Trust.
- (b) The names of the persons, firms or corporations, if any, to whom the payments requested hereby are due, the amounts to be paid are as set forth on **Attachment I** hereto.
- (c) The amount hereby requested has been paid or is justly due and is hereby requested to be paid to such persons (which may include the City) who have performed necessary and appropriate work or furnished necessary and appropriate services or materials in connection with the delivery of the Certificates (a brief description of such work, services and materials and the several amounts so paid or due being set forth on **Attachment I** hereto).
- (d) No part of the several amounts paid or due, as stated in this certificate has been, is being or will be made the basis for the withdrawal of any moneys in any previous, pending or subsequently filed certificate.
- (e) This certificate contains no request for payment on account of any retained percentage that the City is at the date of such certificate entitled to retain.
- (f) There has not been filed with or served upon the City any notice of any lien, right to a lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the respective amounts stated in said certificate that has not been released or will not be released simultaneously with the payment of such obligation.
- (g) For the purpose of assuring proper direction and credit of payment, invoices, statements, vouchers or bills for the amounts requested, except as to any retainage, related to amounts specified in this certificate are attached hereto.

(h) Each of the City's representations contained in the Lease or the Base Lease is true, correct and not misleading as though made as of the date hereof, and no event exists that constitutes, or with the giving of notice of the passage of time or both would constitute, an Event of Default.

CITY OF ARNOLD, MISSOURI

By: _____
Authorized Representative

**ATTACHMENT I
TO WRITTEN REQUEST FOR DISBURSEMENT FROM THE
COSTS OF ISSUANCE FUND**

SCHEDULE OF PAYMENTS REQUESTED

<u>Payee and Address</u>	<u>Amount</u>	<u>Description</u>
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EXHIBIT C

PAYMENT SCHEDULE FOR SERIES 2017 CERTIFICATES*

*Basic Rent Payments are due at least fifteen days prior to each Basic Rent Payment Date.

GILMORE & BELL, P.C.
DRAFT 3 – JULY 24, 2017
FOR DISCUSSION PURPOSES ONLY

FIRST SUPPLEMENTAL LEASE PURCHASE AGREEMENT

THIS FIRST SUPPLEMENTAL LEASE PURCHASE AGREEMENT (the “First Supplemental Lease”), dated as of August 1, 2017, is entered into between **UMB BANK, N.A.**, a national banking association organized and existing under the laws of the United States of America, as Trustee (the “Trustee”), and the **CITY OF ARNOLD, MISSOURI**, a third-class city and political subdivision organized and existing under the laws of the State of Missouri (the “City”).

RECITALS:

1. The City and the Trustee entered into a Base Lease dated as of October 1, 2010 (the “Base Lease”), pursuant to which the City leased to the Trustee certain personal property consisting solely of the concrete and/or asphalt and other materials used in the construction of the Project (as defined therein) (the “Leased Property”).
2. The Trustee and the City entered into a Lease Purchase Agreement dated as of October 1, 2010 (the “Original Lease”), pursuant to which the Trustee is leasing the Leased Property to the City, in consideration of Basic Rent Payments (as defined therein) and upon the terms and conditions contained therein.
3. The City and the Trustee entered into an Indenture of Trust dated as of October 1, 2010 (the “Original Indenture of Trust”), pursuant which the Trustee delivered \$7,140,000 original principal amount of Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2010 (the “Series 2010 Certificates”) to provide funds to pay the costs of (a) the Project, (b) refunding the outstanding Missouri Development Finance Board Infrastructure Facilities Revenue Bonds (City of Arnold, Missouri – Road Infrastructure Project), Series 2007B, (c) funding a debt service reserve fund for the Series 2010 Certificates and (d) executing and delivering the Series 2010 Certificates.
4. Concurrently herewith the Trustee proposes to enter into a First Supplemental Lease Purchase Agreement of even date herewith (the “First Supplemental Lease” and, together with the Original Lease, the “Lease”), pursuant to which the Original Lease will be amended in order to (i) modify the amount of the Basic Rent Payments payable thereunder and (ii) reduce the number of Renewal Terms thereunder.
5. The City and the Trustee desire to enter into this First Supplemental Lease, pursuant to which the Original Lease will be amended to (a) modify the amount of the Basic Rent Payments payable thereunder upon the terms and conditions set forth herein and (b) reduce the number of Renewal Terms.
6. **Article VIII** of the Original Indenture of Trust and **Section 13.05** of the Original Lease permit the amendment, change or modification of the Original Lease as may be permitted under the Original Indenture of Trust, and it is hereby found and determined that this First Supplemental Lease will comply in all respects with the Original Indenture of Trust, as amended, and the Original Lease, as amended.

7. The City is authorized under the constitution and laws of the State of Missouri to enter into this First Supplemental Lease for the purposes set forth herein.

NOW, THEREFORE, for and in consideration of the premises hereinafter contained, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. In addition to any words and terms defined in the Original Indenture of Trust, as amended, and the Original Lease (which definitions are hereby incorporated by reference), the following words and terms as used in this First Supplemental Lease shall have the following meanings and **Section 1.01** of the Original Lease is hereby amended and supplemented to so provide:

“Basic Rent Payment Date” means (a) with respect to the Series 2010 Certificates, each May 1 and November 1 during the Lease Term, and (b) with respect to the Series 2017 Certificates and any Additional Certificates, each June 15 and December 15 during the Lease Term, commencing on December 15, 2017.

“First Supplemental Indenture of Trust” means the First Supplemental Indenture of Trust dated as of August 1, 2017, between the City and the Trustee.

“First Supplemental Lease” means this First Supplemental Lease Purchase Agreement dated as of August 1, 2017, between the City and the Trustee.

“Original Indenture of Trust” means the Indenture of Trust dated as of October 1, 2010, between the City and the Trustee.

“Original Lease” means the Lease Purchase Agreement dated as of October 1, 2010, between the City and the Trustee.

“Renewal Term” means each renewal term of this Lease, each having a duration of one year and a term coextensive with the then-current Fiscal Year as provided in the Lease, except that the last possible Renewal Term will end on December 16, 2026.

Section 1.02. Rules of Construction.

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

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

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

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

(e) The section and article headings herein are for convenience only and in no way define, limit or describe the scope or intent of any of the provisions hereof.

(f) The dating of this First Supplemental Lease as of August 1, 2017, is intended as and for the convenient identification of this First Supplemental Lease only and is not intended to indicate that this First Supplemental Lease was executed and delivered on said date, this First Supplemental Lease being executed and delivered and becoming effective simultaneously with the initial execution and delivery of the Series 2017 Certificates.

Section 1.03. Execution of Counterparts. This First Supplemental Lease may be executed in two or more counterparts, each of which will be deemed to be an original, and all of which together will constitute but one and the same instrument.

Section 1.04. Severability.

(a) If any provision of the Lease is held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances will not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

(b) The invalidity of any one or more phrases, sentences, clauses or sections in the Lease will not affect the remaining portions of the Lease, or any part thereof.

Section 1.05. Governing Law. The Lease will be governed by and construed in accordance with the laws of the State.

ARTICLE II

REPRESENTATIONS

Section 2.01. Representations of the City. The City represents and warrants, as of the date of delivery hereof, as follows:

(a) The City is a third-class city duly created, organized and existing under and by virtue of the constitution and laws of the State with full power and authority to enter into the Base Lease and the Lease and the transaction contemplated thereby and hereby and to perform all of its obligations thereunder and hereunder.

(b) The City has full power and authority to enter into the transactions contemplated by the Base Lease and the Lease and has been duly authorized to execute and deliver this First Supplemental Lease by proper action by its governing body. The Lease is a valid, legal and binding obligation of the City enforceable in accordance with its terms except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws and equitable principles affecting creditor's rights generally.

(c) The lease of the Leased Property by the Trustee to the City, as provided in the Lease, is necessary, desirable, in the public interest and consistent with the permissible scope of the City's authority. The City hereby declares its current need for the Leased Property and its current expectation that it will continue to need and use the Leased Property for the maximum Lease Term.

(d) The City's financial statements that have been used in connection with any offering of the Series 2017 Certificates present fairly, in accordance with generally accepted accounting principles and applicable regulations consistently applied throughout the periods involved, the financial position of the City as at their respective dates and the revenues and expenses and changes in fund balances for the periods covered thereby.

(e) Neither the execution and delivery of the Base Lease or the Lease, nor the fulfillment of or compliance with the terms and conditions thereof, nor the consummation of the transactions contemplated thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the City is a party or by which the City is bound.

(f) There is no proceeding pending or, to the City's knowledge, threatened in any court or before any governmental authority or arbitration board or tribunal challenging the validity of the proceedings of the governing body of the City authorizing the Base Lease and the Lease or the power or authority of the City to enter into the Base Lease and the Lease or the validity or enforceability of the Base Lease and the Lease or that, if adversely determined, would adversely affect the transactions contemplated by the Base Lease and the Lease or the interest of the Trustee under the Base Lease and the Lease.

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

(h) No Events of Default exist and no event or condition exists that with the giving of notice or the lapse of time, or both, would constitute an Event of Default.

ARTICLE III

LEASE PROVISIONS

Section 3.01. Lease Term. The Original Term of the Lease terminated on August 31, 2011 and the City has continued the Lease for each Renewal Term thereafter through and including August 31, 2017.

The Lease Term may be extended, solely at the option of the City, at the end of any Renewal Term for an additional Renewal Term provided that the final Renewal Term will not extend beyond December 16, 2026.

Section 3.02. Amendment of Exhibit A to Original Lease. The Schedule of Basic Rent Payments attached to the Original Lease as **Exhibit A**, is hereby amended by deleting the existing **Exhibit A** and inserting in substitution thereof the Amended Schedule of Basic Rent Payments attached as **Exhibit A** hereto.

Section 3.03. Continuation of Lease Term by the City. The City hereby ratifies and confirms its representations in **Section 3.03** of the Original Lease that (1) the City reasonably believes that legally available funds in an amount sufficient to make all payments of Rent during each of the Renewal Terms can be obtained and (2) its responsible financial officer will do all things lawfully within his power to obtain and maintain funds from which the Rent may be paid, including making provision for such payments to the extent necessary in each proposed budget or appropriation request submitted for adoption in accordance with applicable provisions of law and to exhaust all available reviews and appeals if such portion of the budget or appropriation request is not approved. Notwithstanding the foregoing, the decision to budget and appropriate funds or to extend the Lease for any Renewal Term is to be made in accordance with the City's normal procedures for such decisions by the then current governing body of the City.

ARTICLE IV

COVENANTS OF THE CITY

Section 4.01. Tax Covenants with Respect to the Series 2017 Certificates. The City covenants and agrees that (a) it will comply with the provisions of the Tax Compliance Agreement with respect to the Series 2017 Certificates and with all applicable provisions of the Code, including Sections 103 and 141 through 150, necessary to maintain the exclusion from gross income for federal income tax purposes of the Interest Portion of the Basic Rent with respect to the Series 2017 Certificates and (b) it will not use or permit the use of any proceeds of Series 2017 Certificates or any other funds of the City nor take or permit any other action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income for federal income tax purposes of the Interest Portion of the Basic Rent with respect to the Series 2017 Certificates. 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 all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the Interest Portion of the Basic Rent with respect to the Series 2017 Certificates will remain excluded from gross income for federal income tax purposes, to the extent any such actions can be taken by the City.

Section 4.02. The City's Continuing Existence. The City will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic.

Section 4.03. Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement dated as of August 1, 2017 (the "Continuing Disclosure Agreement"), as provided therein. Notwithstanding any other provision of the Lease, failure of the City to comply with the Continuing Disclosure Agreement will not be considered an Event of Default under the Lease. The Trustee may, however, pursuant to the Indenture (and, at the request of the Owners of Series 2017 Certificates of at least 25% aggregate principal amount of Outstanding Series 2017 Certificates and if indemnified to its satisfaction, will) or

any Owners of Series 2017 Certificates may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the City to comply with its obligations under the Continuing Disclosure Agreement.

ARTICLE V

OPTION TO PURCHASE; PARTIAL PREPAYMENT

Section 5.01. Purchase Option. Section 10.01 of the Original Lease is hereby amended by deleting the existing Section 10.01 and inserting the following in substitution thereof:

Section 10.01 Purchase Option. The City may purchase the Trustee's interest in the Leased Property, upon giving written notice to the Trustee at least 45 days before the purchase date, at the following times and on the following terms:

(a) On or after December 15, 20__, upon payment in full of Rent Payments then due under the Lease plus a Purchase Price equal to 100% of the remaining Principal Portions of Basic Rent for the maximum Lease Term plus Interest Portions of Basic Rent accrued to the prepayment date.

(b) Upon deposit of moneys or Government Obligations or both with the Trustee in accordance with Article X of the Indenture in the amount necessary to provide for the Basic Rent Payments until and on, and the Purchase Price calculated as described in (a) above on the Series 2017 Certificates, to the prepayment date, which will be on or after December 15, 20__.

(c) In the event of substantial damage to or destruction or condemnation (other than condemnation by the City or any entity controlled by or otherwise affiliated with the City) of, or loss of title to, substantially all of the Leased Property, or as a result of changes in the constitution of the State or legislative or administrative action by the State or the United States, the Base Lease or the Lease becomes unenforceable, on the date the City specifies as the purchase date in the City's notice to the Trustee of its exercise of the purchase option, upon payment in full of the Rent Payments then due under the Lease plus then remaining Principal Portions of Basic Rent for the maximum Lease Term, plus Interest Portions of Basic Rent accrued to the prepayment date.

Section 5.02. Partial Prepayment. Section 10.02 of the Original Lease is hereby amended by deleting the existing Section 10.02 and inserting the following in substitution thereof:

Section 10.02. Partial Prepayment.

(a) On or after December 15, 20__, the City may prepay the Basic Rent Payments with respect to the Series 2017 Certificates in whole or in part, upon giving written notice to the Trustee at least 45 days before the prepayment date (unless a shorter notice period is satisfactory to the Trustee), at the prepayment price equal to 100% of the Principal Portion of Basic Rent being so prepaid plus the Interest Portion of Basic Rent accrued thereon to such Basic Rent Payment Date.

(b) The Principal Portion of Basic Rent prepaid pursuant to this Section 10.02 will be in integral multiples of \$5,000 and will be credited in such order of stated payment dates as is determined by the City. Upon any partial prepayment, the amount of each Interest Portion of Basic Rent coming due thereafter will be reduced by the amount of such Interest Portion attributable to such prepaid Principal Portion determined by applying the annual interest rate corresponding to such prepaid Principal Portion as shown on Exhibit A.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Electronic Transactions. The parties agree that the transaction described herein may be conducted and related documents may be sent, received or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents will be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 6.02. No Merger. Neither the Lease nor the Base Lease nor any provisions hereof or thereof shall be construed to effect a merger of the title of the City to the Leased Property under the Base Lease and the City's leasehold interest therein under the Lease.

Section 6.03. Applicability of Original Lease. Except as otherwise provided in this First Supplemental Lease, the provisions of the Original Lease are hereby ratified, approved and confirmed.

[Remainder of page intentionally blank.]

IN WITNESS WHEREOF, the Trustee and the City have caused this First Supplemental Lease to be executed in their names by their duly authorized representatives as of the date first above written.

UMB BANK, N.A., as Trustee

By: _____
Name: _____
Title: _____

CITY OF ARNOLD, MISSOURI

(SEAL)

By: _____
Name: Ron Counts
Title: Mayor

ATTEST:

By: _____
Name: Tammi Casey
Title: City Clerk

EXHIBIT A

AMENDED SCHEDULE OF BASIC RENT PAYMENTS*

*Basic Rent Payments are due at least fifteen days prior to each Basic Rent Payment Date.

GILMORE & BELL, P.C.
DRAFT 3 – JULY 24, 2017
FOR DISCUSSION PURPOSES ONLY

ESCROW TRUST AGREEMENT

Dated as of August 1, 2017

Between the

CITY OF ARNOLD, MISSOURI

and

**UMB BANK, N.A.,
as Escrow Agent**

Entered in Connection with the Refunding and/or Payment and Discharge of the:

**Certificates of Participation
(City of Arnold, Missouri, Lessee)
Series 2010**

ESCROW TRUST AGREEMENT

THIS ESCROW TRUST AGREEMENT dated as of August 1, 2017 (the “Agreement”), between the **CITY OF ARNOLD, MISSOURI** (the “City”), and **UMB BANK, N.A.**, a national banking association duly organized and existing under the laws of the United States of America, with a corporate trust office located in St. Louis, Missouri, and having full trust powers, as escrow agent (the “Escrow Agent”).

RECITALS:

1. The City has heretofore duly authorized the delivery of the following series of certificates of participation, which it has determined to refund:

<u>Series of Certificates</u>	<u>Date of Certificates</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
Certificates of Participation (City of Arnold, Missouri, Lessee) Series 2010 (the “Series 2010 Certificates”)	October 28, 2010	\$7,140,000	\$5,040,000

2. The City desires to refund all of the Series 2010 Certificates maturing on November 1 in the years 2017 and thereafter, outstanding in the aggregate principal amount of \$5,040,000 (the “Refunded Certificates”).

3. The Refunded Certificates will mature (or will be subject to prepayment prior to maturity) in the amounts and on the dates shown on **Schedule 1** attached hereto.

4. Pursuant to an Indenture of Trust dated as of October 1, 2010 (the “Original Indenture of Trust”), as amended and supplemented by the First Supplemental Indenture of Trust dated as of August 1, 2017 (the “First Supplemental Indenture of Trust” and, together with the Original Indenture of Trust, the “Indenture of Trust”), UMB Bank, N.A., as trustee, will deliver \$4,035,000 aggregate principal amount of Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2017 (the “Refunding Certificates”), the proceeds of which, together with other legally available funds of the City, will be used to (a) refund the Refunded Certificates and (b) pay the costs of delivering the Refunding Certificates.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

Section 1. Definitions. The following words and terms used in this Agreement shall have the following meanings:

“**2010 Trustee**” means UMB Bank, N.A., and any successors at the time acting as the trustee for the Refunded Certificates.

“**Agreement**” means this Escrow Trust Agreement.

“**City**” means the City of Arnold, Missouri.

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

“Indenture of Trust” means, collectively, the Original Indenture of Trust and the First Supplemental Indenture of Trust.

“Escrow Agent” means UMB Bank, N.A., St. Louis, Missouri, and its successor or successors at the time acting as the Escrow Agent under this Agreement.

“Escrow Fund” means the fund by that name referred to in **Section 3** hereof.

“Escrowed Securities” means the securities listed on **Schedule 2** attached hereto, including any Substitute Escrowed Securities.

“First Supplemental Indenture of Trust” means the First Supplemental Indenture of Trust dated as of August 1, 2017, between the City and UMB Bank, N.A., as trustee, in connection with the delivery of the Refunding Certificates.

“Original Indenture of Trust” means the Indenture of Trust dated as of October 1, 2010, between the City and UMB Bank, N.A., as trustee, in connection with the delivery of the Series 2010 Certificates.

“Prepayment Date” means November 1, 2018.

“Refunded Certificate Payment Date” means any date on which any Principal Portion or Interest Portion of the Refunded Certificates is due and payable, including the Prepayment Date.

“Refunded Certificates” means all of the Series 2010 Certificates maturing in the years 2017 and thereafter.

“Refunding Certificates” means the Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2017, authorized and delivered pursuant to the First Supplemental Indenture of Trust.

“Series 2010 Certificates” means the Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2010, delivered in the original principal amount of \$7,140,000.

“Special Tax Counsel” means Gilmore & Bell, P.C., or other firm of attorneys nationally recognized on the subject of municipal bonds.

“Substitute Escrowed Securities” means non-callable direct obligations of the United States of America which have been acquired by the Escrow Agent and substituted for Escrowed Securities in accordance with **Section 8** hereof.

Section 2. Receipt of Documents. The Escrow Agent hereby acknowledges receipt of true and correct copies of the Indenture of Trust, and reference herein to or citation herein of any provisions of said documents shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if they were fully set forth herein.

Section 3. Creation of Escrow Fund. There is hereby created and established with the Escrow Agent a special and irrevocable trust fund to be held in the custody of the Escrow Agent and designated the “Escrow Fund for the City of Arnold, Missouri, Certificates of Participation, Series 2010” (the “Escrow Fund”).

Section 4. Verification of Certified Public Accountants. Robert Thomas CPA, LLC, Shawnee Mission, Kansas, certified public accountants, has verified the mathematical computations performed by Stifel, Nicolaus & Company, Incorporated, as underwriter with respect to the Refunding Certificates, which demonstrate that the cash held in the Escrow Fund, together with the maturing Escrowed Securities and interest to accrue thereon, will be sufficient to pay the Principal Portion, prepayment premium, if any, and Interest Portion of the Refunded Certificates on the Refunded Certificate Payment Dates, a copy of which verification report has been delivered to the City, the 2010 Trustee and the Escrow Agent concurrently with the execution and delivery of this Agreement.

Section 5. Deposits to the Escrow Fund. Concurrently with the execution and delivery of this Agreement, and pursuant to the provisions of the Indenture of Trust, the City herewith deposits with the Escrow Agent, and the Escrow Agent acknowledges receipt and deposit into the Escrow Fund, the sum of \$_____ (consisting of \$_____ from the proceeds from the sale of the Refunding Certificates, \$563,726.00 from the debt service reserve fund for the Series 2010 Certificates and \$573,201.96 from the project fund for the Series 2010 Certificates). The Escrow Agent shall apply such amount as follows:

(a) \$_____ shall be used to purchase the Escrowed Securities described in **Schedule 2** attached hereto, which shall be delivered to and deposited in the Escrow Fund.

(b) \$_____ shall be held uninvested in the Escrow Fund as a beginning cash balance.

Section 6. Creation of Lien. The escrow created hereby shall be irrevocable. The holders of the Refunded Certificates are hereby given an express lien on and security interest in the Escrowed Securities and cash in the Escrow Fund and all earnings thereon until used and applied in accordance with this Agreement. The matured principal of and earnings on the Escrowed Securities and any cash in the Escrow Fund are hereby pledged and assigned, and except as otherwise provided in **Section 7(e)** and **Section 8** hereof, shall be applied solely for the payment of the Principal Portion, prepayment premium, if any, and Interest Portion of the Refunded Certificates.

Section 7. Application of Cash and Escrowed Securities in the Escrow Fund.

(a) Except as otherwise expressly provided in this Section or in **Section 8** hereof, the Escrow Agent shall have no power or duty to invest any cash held hereunder or to sell, transfer or otherwise dispose of any Escrowed Securities.

(b) On or prior to the Refunded Certificate Payment Dates, the Escrow Agent shall withdraw from the Escrow Fund an amount equal to the Principal Portion, prepayment premium, if any, and Interest Portion of the Refunded Certificates becoming due and payable on the Refunded Certificate Payment Date, as set forth in **Schedule 1** attached hereto, and shall forward such amount to the office of the 2010 Trustee, so that immediately available funds will reach the office of the 2010 Trustee on or before 12:00 Noon, Central Time, on such Refunded Certificate Payment Date. In order to make the payments required by this subsection (b), the Escrow Agent is hereby authorized to redeem or otherwise dispose of Escrowed Securities in accordance with the maturity schedule in **Schedule 2** attached hereto. The liability of the Escrow Agent to make the payments required by this subsection (b) shall be limited to the cash and Escrowed Securities in the Escrow Fund.

(c) Notwithstanding any other provisions of this Agreement, the City and the Escrow Agent hereby covenant that no part of the proceeds of the Refunding Certificates or of the money or funds in the Escrow Fund shall be used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the date of delivery of the Refunding Certificates would have caused any of the Refunding Certificates to be an "arbitrage bond" under Section 148 of the Code.

(d) Upon the payment in full of the Principal Portion, prepayment premium, if any, and Interest Portion of the Refunded Certificates, all remaining cash and Escrowed Securities in the Escrow Fund, together with any interest thereon, shall be transferred by the Escrow Agent to the trustee for the Refunding Certificates for deposit in the Lease Revenue Fund for the Refunding Certificates.

(e) Cash held from time to time in the Escrow Fund shall be held uninvested and shall be fully collateralized by noncallable direct obligations of the United States of America maturing on or before the next Refunded Certificate Payment Date that such cash will be needed.

Section 8. Substitute Escrowed Securities.

(a) If any of the Escrowed Securities are not available for delivery on the date of delivery of the Refunding Certificates, the Escrow Agent is directed to accept substitute securities in lieu thereof, provided: (1) the substitute securities are non-callable direct obligations of the United States of America; (2) the maturing principal of and interest on such substitute securities is equal to or greater than the maturity value of such unavailable Escrowed Securities; (3) principal of and interest on the substitute securities is payable on or before the maturity date of the unavailable Escrowed Securities; and (4) the City and Special Tax Counsel approve such substitution in writing. If the original Escrowed Securities become available and are tendered to the Escrow Agent by or on behalf of the original purchaser of the Refunding Certificates, the Escrow Agent shall accept such Escrowed Securities, shall return the substitute securities as directed in writing by such original purchaser and shall notify Special Tax Counsel and the City of the transaction.

(b) At the written request of the City and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to sell, transfer, request the redemption of or otherwise dispose of the Escrowed Securities and to substitute for the Escrowed Securities solely cash or Substitute Escrowed Securities. The Escrow Agent shall purchase such Substitute Escrowed Securities with the proceeds derived from the sale, transfer, disposition or redemption of the Escrowed Securities together with any other funds available for such purpose. The substitution may be effected only if: (1) the substitution of the Substitute Escrowed Securities for the original Escrowed Securities occurs simultaneously; (2) the Escrow Agent receives from an independent certified public accountant acceptable to the Escrow Agent in its reasonable judgment a certification, satisfactory in form and substance to the Escrow Agent, to the effect that after such substitution, (A) the principal of and interest on the Escrowed Securities to be held in the Escrow Fund after giving effect to the substitution (including Substitute Escrowed Securities to be acquired), together with any other money to be held in the Escrow Fund after such transaction, will be sufficient to pay the Principal Portion, prepayment premium, if any, and Interest Portion of the Refunded Certificates as set forth on **Schedule 1** attached hereto, and (B) the amounts and dates of the anticipated transfers from the Escrow Fund to the 2010 Trustee will not be diminished or postponed thereby; and (3) the Escrow Agent receives a written opinion of Special Tax Counsel to the effect that such substitution is permitted under this Agreement and will not cause the interest on either the Refunding Certificates or the Refunded Certificates to become included in gross income for purposes of federal income taxation under then existing law. If any such substitution results in cash held in the Escrow Fund in excess of the amount required to fully fund the escrow, as certified in (2) above, the Escrow Agent shall, at the written request of the City, withdraw such excess from the Escrow Fund and pay such excess to the City for deposit in the Lease Revenue Fund for the Refunding

Certificates, to be applied as provided by law; provided that, a written opinion of Special Tax Counsel shall be delivered to the Escrow Agent to the effect that such withdrawal and application will not be contrary to State law and will not cause the interest on the Refunding Certificates or the Refunded Certificates to become included in gross income for purposes of federal income taxation.

Section 9. Prepayment of Refunded Certificates; Payment of Original Obligations under the Lease.

(a) Pursuant to the Original Indenture of Trust, the City has elected to call the Refunded Certificates maturing on November 1, 2019 and thereafter for prepayment prior to maturity on the Prepayment Date. In accordance with the provisions of the Original Indenture of Trust, the City has provided the 2010 Trustee with irrevocable instructions to provide notice of prepayment of such Refunded Certificates as required by the Original Indenture of Trust.

(b) In consideration of the termination of the obligation to pay rent payments with respect to the Refunded Certificates under the lease purchase agreement related to the Series 2010 Certificates, the City agrees (1) to the deposit of funds in the Escrow Fund, and (2) to pay the Principal Portion, prepayment premium and Interest Portion of the Refunded Certificates in accordance with **Schedule 1** attached hereto solely from monies on deposit in the Escrow Fund, when the escrow provided herein becomes irrevocable.

Section 10. Reports of the Escrow Agent. As long as any of the Refunded Certificates, together with the interest thereon, have not been paid in full, the Escrow Agent shall, at least 60 days prior to each Refunded Certificate Payment Date, determine the amount of money which will be available in the Escrow Fund to pay the Principal Portion, prepayment premium, if any, and Interest Portion of the Refunded Certificates on the next Refunded Certificate Payment Date. If the Escrow Agent determines that sufficient funds will not be available on such Refunded Certificate Payment Date to pay the Principal Portion, prepayment premium, if any, and Interest Portion of the Refunded Certificates, then the Escrow Agent shall certify in writing to the City the amount so determined and shall provide a list of the money and Escrowed Securities held by it in the Escrow Fund on the date of such certification.

Section 11. Liability of Escrow Agent.

(a) The Escrow Agent shall not be liable for any loss resulting from any investment, sale, transfer or other disposition made pursuant to this Agreement in compliance with the provisions hereof. The Escrow Agent shall have no lien whatsoever on any of the money or Escrowed Securities on deposit in the Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement or otherwise.

(b) The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of the Escrowed Securities and money to pay the Refunded Certificates. So long as the Escrow Agent applies the Escrowed Securities and money as provided herein, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Refunded Certificates. Notwithstanding the foregoing, the Escrow Agent shall not be relieved of liability arising from and proximate to its failure to comply fully with the terms of this Agreement.

(c) If the Escrow Agent fails to account for any of the Escrowed Securities or money received by it, said Escrowed Securities or money shall be and remain the property of the City in trust for the holders of the Refunded Certificates, and, if for any reason such Escrowed Securities or money are not applied as herein provided, the assets of the Escrow Agent shall be impressed with a trust for the amount thereof until the required application shall be made.

(d) The Escrow Agent shall not be responsible for any action or failure to take action on the part of the 2010 Trustee.

(e) The Escrow Agent may rely and shall be protected in acting upon or refraining from acting upon in good faith any resolution, ordinance, certificate, statement, instrument, opinion, report, notice, request, direction, consent, verification, order, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(f) The Escrow Agent undertakes to perform such duties and only such duties as are specifically set forth in this Agreement.

(g) No provision of this Agreement shall be construed to relieve the Escrow Agent from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that the Escrow Agent shall not be liable for any error of judgment made in good faith by an authorized officer, employee or agent of the Escrow Agent, unless it shall be proved that the Escrow Agent was negligent in ascertaining the pertinent facts.

(h) Whether or not therein expressly so provided, every provision of this Agreement relating to the conduct or affecting the liability of or affording protection to the Escrow Agent shall be subject to the provisions of this section.

Section 12. Fees and Costs of the Escrow Agent.

(a) The aggregate amount of the costs, fees and expenses of the Escrow Agent in connection with the creation of the escrow described in and created by this Agreement and in carrying out any of the duties, terms or provisions of this Agreement is fee of \$500, which amount shall be paid by the City upon receipt of an invoice from the Escrow Agent.

(b) Notwithstanding the preceding paragraph, the Escrow Agent shall be entitled to reimbursement from the City of reasonable out-of-pocket, legal or extraordinary expenses incurred in carrying out the duties, terms or provisions of this Agreement. Claims for such reimbursement may be made to the City and in no event shall such reimbursement be made from funds held by the Escrow Agent pursuant to this Agreement.

Section 13. Resignation or Removal of Escrow Agent; Successor Escrow Agent.

(a) The Escrow Agent at the time acting hereunder may at any time resign and be discharged from its duties and responsibilities hereby created by giving written notice by registered or certified mail to the City and to the 2010 Trustee (who shall cause notice to be given to all of the owners of record of the Refunded Certificates) not less than 60 days prior to the date when the resignation is to take effect. Such resignation shall take effect immediately upon the acceptance of the City of the resignation, the appointment of a successor Escrow Agent (which may be a temporary Escrow Agent) by the City, the acceptance of such successor Escrow Agent of the terms, covenants and conditions of this Agreement, the transfer of the Escrow Fund, including the cash and Escrowed Securities held therein, to such successor Escrow Agent and the completion of any other actions required for the principal of and interest on the Escrowed Securities to be made payable to such successor Escrow Agent rather than the resigning Escrow Agent.

(b) The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent and the City and signed by the owners of a majority

in principal amount of the Refunded Certificates then outstanding; provided that written notice thereof is mailed by or on behalf of the City on or before the date of such removal by registered or certified mail, postage prepaid, to all registered owners of such Refunded Certificates, who are not parties to such instruments. The Escrow Agent may also be removed by the City if the Escrow Agent fails to make timely payment on any Refunded Certificate Payment Date to the 2010 Trustee of the amounts required to be paid by it on such date by **Section 7(b)** hereof; provided that written notice thereof is mailed by or on behalf of the City on or before the date of such removal by registered or certified mail, postage prepaid, to the 2010 Trustee and to all registered owners of the Refunded Certificates, who are not parties to such instruments. Any removal pursuant to this paragraph shall become effective upon the appointment of a successor Escrow Agent (which may be a temporary successor Escrow Agent) by the City, the acceptance of such successor Escrow Agent of the terms, covenants and conditions of this Agreement, the transfer of the Escrow Fund, including the cash and Escrowed Securities held therein, to such successor Escrow Agent and the completion of any other actions required for the principal of and interest on the Escrowed Securities to be made payable to such successor Escrow Agent rather than the Escrow Agent being removed.

(c) If the Escrow Agent resigns or is removed, or is dissolved, or is in the course of dissolution or liquidation, or otherwise becomes incapable of acting hereunder, or if the Escrow Agent is taken under the control of any public officer or officers, or of a receiver appointed by a court, the City shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent is appointed by the City in the manner above provided, and any such temporary Escrow Agent so appointed by the City shall immediately and without further act be superseded by the successor Escrow Agent so appointed.

(d) If no appointment of a successor Escrow Agent or a temporary successor Escrow Agent has been made by such holders or the City pursuant to the foregoing provisions of this Section within 60 days after written notice of resignation of the Escrow Agent has been given to the City, the holder of any of the Refunded Certificates or any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

(e) No successor Escrow Agent shall be appointed unless such successor Escrow Agent is a corporation with trust powers authorized to do business in the State of Missouri and organized under the banking laws of the United States or the State of Missouri and has at the time of appointment capital and surplus of not less than \$25,000,000.

(f) Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the City an instrument in writing accepting such appointment hereunder, and thereupon such successor Escrow Agent without any further act, deed or conveyance shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor, but such predecessor shall, nevertheless, on the written request of such successor Escrow Agent or the City, execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trusts of such predecessor hereunder, and every predecessor Escrow Agent shall deliver all securities and money held by it to its successor. Should any transfer, assignment or instrument in writing from the City be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the City.

(g) Any corporation into which the Escrow Agent, or any successor to it of the duties and responsibilities created by this Agreement, may be merged or converted or with which it or any successor

to it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or reorganization to which the Escrow Agent or any successor to it may be a party, or any entity to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business, shall, if satisfactory to the City, be the successor Escrow Agent under this Agreement without the execution or filing of any paper or any other act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 14. Limitation on Liability of the City. The City shall not be liable (a) for any loss resulting from any investment made pursuant to this Agreement, (b) for the accuracy of the calculations as to the sufficiency of the Escrowed Securities and money in the Escrow Fund to pay the Principal Portion, prepayment premium, if any, or Interest Portion of the Refunded Certificates, or (c) for any acts of the Escrow Agent.

Section 15. Amendments to this Agreement. This Agreement is made for the benefit of the City and the holders from time to time of the Refunded Certificates, and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent and the City; provided, however, that the City and the Escrow Agent may, without the consent of or notice to such holders, enter into agreements supplemental to this Agreement if such supplemental agreements do not adversely affect the rights of such holders and are not inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Certificates, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified written opinion of Special Tax Counsel with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Certificates, or that any instrument executed hereunder complies with the conditions and provisions of this Section. Notice of any proposed amendment to this Agreement shall be provided to the 2010 Trustee at the address set forth in **Section 17** hereof.

Section 16. Termination. This Agreement shall terminate when all transfers required to be made by the Escrow Agent under the provisions hereof shall have been made.

Section 17. Notices. Except as otherwise provided herein, it shall be sufficient service of any notice, request, complaint, demand or other paper required by the Indenture of Trust or this Agreement to be given to or filed with the following parties if the same is duly mailed by certified or registered mail (return receipt requested) addressed:

- (a) To the City at:

City of Arnold, Missouri
2101 Jeffco Boulevard
Arnold, Missouri 63010
Attention: Finance Director

(b) To the Escrow Agent and the 2010 Trustee at:

UMB Bank, N.A.
2 South Broadway, Suite 600
St. Louis, Missouri 63102
Attention: Corporate Trust Department

Section 18. Indemnification. Except as provided in **Section 11** of this Agreement, the Escrow Agent and its respective successors, assigns, agents, directors, officers, employees and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the money deposited therein, the purchase of the Escrowed Securities, the retention of the Escrowed Securities or the proceeds thereof or any payment, transfer or other application of the money or Escrowed Securities held by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent act, omission or error of the Escrow Agent made in good faith in the conduct of its duties. The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. The Escrow Agent may consult with counsel who may or may not be counsel to the City and in reliance upon the opinions of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the City.

Section 19. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the City or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

Section 20. Successors and Assigns. All of the covenants, promises and agreements in this Agreement contained by or on behalf of the City or the Escrow Agent shall be binding upon and inure to the benefit of their respective successors and assigns whether so expressed or not.

Section 21. Electronic Storage. The transaction described herein may be conducted and related documents may be sent, received or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 22. Governing Law. This Agreement shall be governed by the applicable law of the State of Missouri.

Section 23. Counterparts. This Agreement may be executed in counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers or elected officials as of the date first above written.

CITY OF ARNOLD, MISSOURI

By: _____
Name: Ron Counts
Title: Mayor

(SEAL)

ATTEST:

By: _____
Name: Tammi Casey
Title: City Clerk

[Escrow Trust Agreement]

UMB BANK, N.A., as Escrow Agent

By: _____
Title: _____

**SCHEDULE 1
TO ESCROW TRUST AGREEMENT**

CERTIFICATE PAYMENT SCHEDULE FOR THE REFUNDED CERTIFICATES

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
11/01/2017	\$ 390,000.00	\$89,788.13	\$ 479,788.13
05/01/2018	0	83,938.13	83,938.13
11/01/2018 ⁽¹⁾	4,650,000.00	83,938.13	4,733,938.13

⁽¹⁾ Includes \$400,000 principal becoming due on November 1, 2018 and \$4,250,000 principal being prepaid.

**SCHEDULE 2
TO ESCROW TRUST AGREEMENT**

SCHEDULE OF ESCROWED SECURITIES

GILMORE & BELL, P.C.
DRAFT 3 – JULY 24, 2017
FOR DISCUSSION PURPOSES ONLY

CONTINUING DISCLOSURE AGREEMENT

Dated as of August 1, 2017

Between the

CITY OF ARNOLD, MISSOURI

and

UMB BANK, N.A.

\$4,035,000
Refunding Certificates of Participation
(City of Arnold, Missouri, Lessee)
Series 2017

CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** dated as of August 1, 2017 (the "*Continuing Disclosure Agreement*"), is executed and delivered by the **CITY OF ARNOLD, MISSOURI** (the "*City*") and **UMB BANK, N.A.**, as dissemination agent (the "*Dissemination Agent*").

RECITALS

1. This Continuing Disclosure Agreement is executed and delivered in connection with the execution and delivery of \$4,035,000 aggregate principal amount of Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2017 (the "*Certificates*"), pursuant to an Indenture of Trust dated as of October 1, 2010 (as amended and supplemented, the "*Indenture*") between the City and UMB Bank, N.A., as trustee (the "*Trustee*"), which Certificates evidence proportionate interests of the owners thereof in rent payments to be made by the City pursuant to a Lease Purchase Agreement dated as of October 1, 2010 (as amended and supplemented, the "*Lease*"), between the City and the Trustee.

2. The City and the Dissemination Agent are entering into this Continuing Disclosure Agreement for the benefit of the Beneficial Owners of the Certificates and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the "*Rule*"). The City is the only "*obligated person*" (as defined by the Rule) with responsibility for continuing disclosure.

In consideration of the mutual covenants and agreements herein, the City and the Dissemination Agent covenant and agree as follows:

Section 1. Definitions. In addition to the definitions set forth in the Lease and the Indenture, which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the City pursuant to, and as described in, **Section 2** of this Continuing Disclosure Agreement.

"*Beneficial Owner*" means any registered owner of any Certificates and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Certificates for federal income tax purposes.

"*Business Day*" means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal corporate trust office or designated payment office of the Trustee or the Dissemination Agent is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

"*City*" means the City of Arnold, Missouri, a third-class city and political subdivision of the State of Missouri and its successors and assigns.

"*Dissemination Agent*" means UMB Bank, N.A., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the City.

“*EMMA*” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

“*Fiscal Year*” means the 12-month period beginning on **September 1** and ending on **August 31** or any other 12-month period selected by the City as the Fiscal Year of the City for financial reporting purposes.

“*Material Events*” means any of the events listed in **Section 3(a)** of this Continuing Disclosure Agreement.

“*MSRB*” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“*Participating Underwriter*” means any of the original underwriter(s) of the Certificates required to comply with the Rule in connection with offering of the Certificates.

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

Section 2. Provision of Annual Reports.

- (a) The City shall, or shall cause the Dissemination Agent to, not later than **6 months** after the end of the City’s Fiscal Year, commencing with the Fiscal Year ending August 31, 2017, file with the MSRB, through EMMA, the following financial information and operating data (the “*Annual Report*”):
 - (1) The audited financial statements of the City for the prior Fiscal Year prepared in accordance with the accounting principles described in the notes to the audited financial statements contained in the final Official Statement relating to the Certificates. If audited financial statements are not available by the time the Annual Report is required to be filed pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the audited financial statements contained in the final Official Statement relating to the Certificates, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available.
 - (2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement, as described in **Exhibit B**, in substantially the same format contained in the final Official Statement.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the City is an “*obligated person*” (as defined by the Rule), which have been filed with the MSRB and are available through EMMA or to the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The City will clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City's Fiscal Year changes, it will give notice of the change in the same manner as for a Material Event under **Section 3(d)**.

- (b) Not later than **5** days before the date specified in subsection (a) for providing the Annual Report to the MSRB, the City shall either (1) provide the Annual Report to the Dissemination Agent, with written instructions to file the Annual Report as specified in subsection (a), or (2) provide written notice to the Dissemination Agent that the City (or another entity on behalf of the City) has filed the Annual Report with the MSRB (or will do so before the deadline specified in subsection (a)).
- (c) If the Dissemination Agent has not received either an Annual Report with filing instructions or a written notice from the City that it has filed an Annual Report with the MSRB by the date required in subsection (a), the Dissemination Agent shall in a timely manner send a notice to the MSRB in substantially the form attached as **Exhibit A**.
- (d) The Dissemination Agent will:
 - (1) notify the City each year not later than **60** days and again not later than **30** days prior to the date for providing the Annual Report to the MSRB, of the date on which its Annual Report must be provided to the Dissemination Agent or the MSRB, and of the required content of the Annual Report, containing substantially the same information as shown in **Exhibit B** attached hereto; and
 - (2) unless the City has certified in writing that the City has provided the Annual Report to the MSRB, promptly following receipt of the Annual Report and instructions required in subsection (a) above, file the Annual Report with the MSRB and file a report with the City (and if the Dissemination Agent is not the Trustee, the Trustee) certifying that the Annual Report has been filed pursuant to this Continuing Disclosure Agreement and stating the date it was filed with the MSRB.
- (e) In addition to the foregoing requirements of this Section, the City agrees to provide copies of the most recent Annual Report to any requesting Certificate owner or prospective Certificate owner, but only after the same has been delivered to the MSRB.

Section 3. Reporting of Material Events.

- (a) No later than 10 Business Days after the occurrence of any of the following events, the City shall give, or cause to be given, to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Certificates ("*Material Events*"):
- (1) principal and interest payment delinquencies;
 - (2) non-payment related defaults, if material;
 - (3) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) substitution of credit or liquidity providers, or their failure to perform;
 - (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Certificates, or other material events affecting the tax-exempt status of the Certificates;
 - (7) modifications to rights of Certificate holders, if material;
 - (8) Certificate calls, if material, and tender offers;
 - (9) defeasances;
 - (10) release, substitution or sale of property securing repayment of the Certificates, if material;
 - (11) rating changes;
 - (12) bankruptcy, insolvency, receivership or similar event of the City;
 - (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
 - (14) appointment of a successor or additional trustee or the change of name of the trustee, if material; and
 - (15) the occurrence of an Event of Nonappropriation under the Lease.
- (b) The Dissemination Agent shall, promptly after obtaining actual knowledge of the occurrence of any event that it believes may constitute a Material Event, contact the Finance Director of the City or his or her designee or such other person as the City shall designate in writing to the Dissemination Agent from time to time, inform such person of the event, and request that the City promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (d). If in response to a request under this subsection (b), the City determines that the event does not constitute a Material Event, the City shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent whether or not to report the occurrence pursuant to subsection (d).
- (c) Whenever the City obtains knowledge of the occurrence of a Material Event, because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the City shall promptly notify and instruct the Dissemination Agent in writing to report the occurrence pursuant to subsection (d).

- (d) If the Dissemination Agent receives written instructions from the City to report the occurrence of a Material Event, the Dissemination Agent shall promptly file a notice of such occurrence with the MSRB, with a copy to the City.

Section 4. Termination of Reporting Obligation. The City's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior prepayment or payment in full of all of the Certificates. If the City's obligations under this Continuing Disclosure Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Agreement in the same manner as if it were the City, and the City shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Certificates, the City shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

Section 5. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the City. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the City pursuant to this Continuing Disclosure Agreement. The initial Dissemination Agent is UMB Bank, N.A..

Section 6. Amendment; Waiver.

(a) Notwithstanding any other provision of this Continuing Disclosure Agreement, the City and the Dissemination Agent may not amend this Continuing Disclosure Agreement as it relates to the Certificates and no provision of this Continuing Disclosure Agreement as it relates to the Certificates may be waived, unless (1) Special Tax Counsel or other counsel experienced in federal securities law matters provides the City and the Dissemination Agent with its written opinion that this Continuing Disclosure Agreement as amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Agreement and (2) the City or the Dissemination Agent provides notice of such amendment in the same manner as for a Material Event under **Section 3** hereof.

(b) In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the City shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Agreement will be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Continuing Disclosure Agreement. If the City chooses to

include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the City will have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the City or the Dissemination Agent fails to comply with any provision of this Continuing Disclosure Agreement, any Participating Underwriter or Beneficial Owner of the Certificates may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement will not be deemed an event of default under the Indenture or the Lease, and the sole remedy under this Continuing Disclosure Agreement if there is any failure of the City or the Dissemination Agent to comply with this Continuing Disclosure Agreement will be an action to compel performance.

Section 9. Duties and Liabilities of Dissemination Agent. The Dissemination Agent will have only such duties as are specifically set forth in this Continuing Disclosure Agreement, and the City agrees, to the extent permitted by law, to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall not be responsible for the City's failure to submit a complete Annual Report to the MSRB. The Dissemination Agent is not responsible for ensuring the compliance with any rule or regulation of the City or the Participating Underwriter in connection with the filing of information herein but is merely responsible for the filing of any such information provided to the Dissemination Agent by the City. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Certificates. The City shall pay the fees, charges and expenses of the Dissemination Agent in connection with its administration of this Continuing Disclosure Agreement.

Section 10. Notices. Any notices or communications to or among any of the parties to this Continuing Disclosure Agreement may be given by registered or certified mail, return receipt requested, or by facsimile or by e-mail, receipt confirmed by telephone, or delivered in person or by overnight courier, and will be deemed given on the second day following the date on which the notice or communication is so mailed, as follows:

To the City:	City of Arnold, Missouri 2101 Jeffco Boulevard Arnold, Missouri 63010 Attention: Finance Director Fax: (636) 282-2392
To the Dissemination Agent:	UMB Bank, N.A. 2 South Broadway, Suite 600 St. Louis, Missouri 63102 Attention: Corporate Trust Department Fax: (314) 612-8498

Any person may, by written notice to the other persons listed above, designate a different address or facsimile number(s) to which subsequent notices or communications should be sent.

Section 11. Beneficiaries. This Continuing Disclosure Agreement shall inure solely to the benefit of the City, the Trustee, the Dissemination Agent, the Participating Underwriter, and Beneficial Owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Section 12. Severability. If any provision in this Continuing Disclosure Agreement, the Indenture, the Lease or the Certificates shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 13. Counterparts. This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14. Electronic Transactions. The arrangement 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 documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 15. Governing Law. This Continuing Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of Missouri.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the City and the Dissemination Agent have caused this Continuing Disclosure Agreement to be executed as of the day and year first above written.

CITY OF ARNOLD, MISSOURI

By: _____
Title: Mayor

UMB BANK, N.A., as Dissemination Agent

By: _____
Title: Authorized Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

**Name of Issuer/
Obligated Person:** City of Arnold, Missouri

Name of Bond Issue: \$4,035,000 Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2017

Date of Delivery: August 10, 2017

NOTICE IS HEREBY GIVEN that the City of Arnold, Missouri has not filed an Annual Report with respect to the above-named Certificates as required by the Continuing Disclosure Agreement dated as of August 1, 2017, between the City of Arnold, Missouri and UMB Bank, N.A., as Dissemination Agent. [The Obligated Person has informed the Dissemination Agent that the Obligated Person anticipates that the Annual Report will be filed by _____.]

Dated: _____, _____.

UMB Bank, N.A., as Dissemination Agent
on behalf of the **City of Arnold, Missouri**

cc: City of Arnold, Missouri
Stifel, Nicolaus & Company, Incorporated

EXHIBIT B

NOTICE OF ANNUAL REPORT FILING REQUIREMENTS

_____, 20__

Finance Director
City of Arnold, Missouri
2101 Jeffco Boulevard
Arnold, Missouri 63010

Re: \$4,035,000 Refunding Certificates of Participation (City of Arnold, Missouri, Lessee),
Series 2017

The City and UMB Bank, N.A., as dissemination agent (the "Dissemination Agent") have entered into a Continuing Disclosure Agreement in connection with the above-referenced certificates of participation (the "Certificates"). The purpose of this notice is to inform you of the requirements relating to the Annual Report for the City's fiscal year ending August 31, 20__ (the "Fiscal Year"), which must be filed with the Municipal Securities Rulemaking Board (the "MSRB") pursuant to the Continuing Disclosure Agreement. Under the Continuing Disclosure Agreement, the City must, within 6 months after the end of the Fiscal Year, provide or cause the Dissemination Agent to provide the Annual Report, consisting of the financial information and operating data specified in this Notice, to the MSRB. The deadline for submitting the Annual Report for the Fiscal Year to the MSRB is February __, 20__. The Continuing Disclosure Agreement requires that, at least 5 days prior to such deadline, the City either provide the Annual Report to the Dissemination Agent or provide notice to the Dissemination Agent that the City has filed the Annual Report or will file the Annual Report with the MSRB prior to the deadline. If you have any questions, please contact the Dissemination Agent at the address or phone number provided below.

UMB Bank, N.A., as Dissemination Agent
2 South Broadway, Suite 600
St. Louis, MO 63102
(314) 612-8490
(314) 612-8499 - FAX

Enclosures

REQUIRED CONTENT OF ANNUAL REPORT

- 1. Audited financial statements of the City for the Fiscal Year.**
- 2. Financial information and operating data contained in the tables contained in the following-captioned sections of Appendix A to the Official Statement, updated as of the end of the Fiscal Year:**
 - (1) “FINANCIAL INFORMATION REGARDING THE CITY – General Fund – Revenues, Expenditures and Changes;”**
 - (2) “FINANCIAL INFORMATION REGARDING THE CITY – Sources of Revenue;”**
 - (3) “FINANCIAL INFORMATION REGARDING THE CITY – Retail Sales Taxes – *Sales Tax Collections*;”**
 - (4) “FINANCIAL INFORMATION REGARDING THE CITY – County Capital Improvement Sales Tax;”**
 - (5) “FINANCIAL INFORMATION REGARDING THE CITY – Tax Assessments and Property Valuations – *Current Assessed Valuation*;”**
 - (6) “FINANCIAL INFORMATION REGARDING THE CITY – Property Tax Levies and Collections – *Property Tax Levies*;”**
 - (7) “FINANCIAL INFORMATION REGARDING THE CITY – Property Tax Levies and Collections – *Property Tax Collection Record*;”**
 - (8) “FINANCIAL INFORMATION REGARDING THE CITY – Largest Taxpayers;”**
 - (9) “DEBT STRUCTURE OF THE CITY – Direct Bonded Indebtedness;”**
 - (10) “DEBT STRUCTURE OF THE CITY – Revenue Obligations;” and**
 - (11) “DEBT STRUCTURE OF THE CITY – Annual Appropriation Obligations.”**

GILMORE & BELL, P.C.
DRAFT 1 – JULY 24, 2017
FOR DISCUSSION PURPOSES ONLY

TRANSCRIPT OF PROCEEDINGS

CITY OF ARNOLD, MISSOURI
\$4,035,000
REFUNDING CERTIFICATES OF PARTICIPATION
(CITY OF ARNOLD, MISSOURI, LESSEE)
SERIES 2017

DATED: AUGUST 10, 2017

Legal Opinion:

Gilmore & Bell, P.C.
St. Louis, Missouri

CLOSING MEMORANDUM

CITY OF ARNOLD, MISSOURI

\$4,035,000
REFUNDING CERTIFICATES OF PARTICIPATION
(CITY OF ARNOLD, MISSOURI, LESSEE)
SERIES 2017

CLOSING: AUGUST 10, 2017

This Memorandum sets forth the actions to be taken in connection with the authorization and delivery of Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2017, in the principal amount of \$4,035,000 (the "Series 2017 Certificates"). The documents and actions described herein and in the Closing List attached hereto are to be delivered and taken as a condition precedent to the delivery of the Series 2017 Certificates. Such delivery of documents and actions shall be deemed to have taken place simultaneously at the closing, and no delivery of documents, payments of moneys or other actions with respect to the foregoing transaction will be considered to have been completed until all such deliveries, payments or other actions have been made or taken.

The closing is scheduled for 9:00 a.m. on August 10, 2017, at the offices of Gilmore & Bell, P.C., One Metropolitan Square, 211 N. Broadway, Suite 2000, St. Louis, Missouri 63102. The items set forth on the Closing List will be examined, assembled and incorporated in the transcripts evidencing the authorization and delivery of the Series 2017 Certificates. Copies of the transcript will be prepared and distributed to the following parties:

1. City of Arnold, Missouri ("City").
2. Robert K. Sweeney, LLC ("City's Counsel").
3. UMB Bank, N.A. ("Trustee" and "Escrow Agent").
4. Stifel, Nicolaus & Company, Incorporated ("Underwriter").
5. Thompson Coburn LLP ("Underwriter's Counsel").
5. Gilmore & Bell, P.C. ("Special Tax Counsel").

\$4,035,000
REFUNDING CERTIFICATES OF PARTICIPATION
(CITY OF ARNOLD, MISSOURI, LESSEE)
SERIES 2017

CLOSING DATE: AUGUST 10, 2017

CLOSING LIST

Document
No.

BASIC DOCUMENTS:

1. Base Lease.
2. Lease Purchase Agreement; First Supplemental Lease Purchase Agreement.
3. Indenture of Trust; First Supplemental Indenture of Trust.
4. Certificate Purchase Agreement.
5. Preliminary Official Statement.
6. Official Statement.
7. Specimen Certificate.
8. Tax Compliance Agreement, with the following exhibits attached:
 - Exhibit A. Debt Service Schedule and Proof of Yield.
 - Exhibit B. IRS Form 8038-G.
 - Exhibit C. Final Written Allocation of Original Obligations.
 - Exhibit D. Sample Annual Compliance Checklist.
 - Exhibit E. Bond Compliance Procedure.
 - Exhibit F. Certificate of Bidding Agent.

**Document
No.**

DOCUMENTS DELIVERED BY THE CITY:

9. City's Closing Certificate, with the following exhibits attached:
 - Exhibit A. Excerpt of Minutes of Meeting of the City Council held on July 27, 2017.
 - Exhibit B. Notice of Meeting of the City Council held on July 27, 2017.
 - Exhibit C. Ordinance No. _____ of the City Council approving the transaction and authorizing the execution of documents.
10. DTC Blanket Issuer Letter of Representation.
11. Certificates of Insurance.
12. Continuing Disclosure Agreement.

DOCUMENT DELIVERED BY THE TRUSTEE:

13. Trustee's Closing Certificate and Receipt for Purchase Price.

DOCUMENT DELIVERED BY THE UNDERWRITER:

14. Underwriter's Receipt for Certificates and Closing Certificate.

DOCUMENTS TO BE DELIVERED IN CONNECTION WITH THE REFUNDING:

15. Escrow Trust Agreement.
16. Escrow Agent's Closing Certificate.
17. Letter of Instructions to Prepay Series 2010 Certificates.
18. Material Event Notice (Series 2010 Certificates).
19. Verification Report.

MISCELLANEOUS CLOSING DOCUMENTS:

20. Rating Letter.
21. Closing Memorandum; Debt Service Schedule and Pricing Information.

Document
No.

LEGAL OPINIONS:

22. Opinions of Special Tax Counsel:
 - A. Approving Opinion.
 - B. Supplemental Opinion.
 - C. Defeasance Opinion.
23. Opinion of City's Counsel.
24. Opinion of Underwriter's Counsel.

* * *

EXCERPT OF MINUTES OF MEETING

The City Council of the City of Arnold, Missouri, met at 6:30 p.m. on July 27, 2017, at the City Hall, 2101 Jeffco Boulevard in Arnold, Missouri. The following officials were present or absent as indicated:

	<u>Present/Absent</u>
Ron Counts, Mayor	_____
EJ Fleischmann, Councilman	_____
Jason Fulbright, Councilman	_____
Brian McArthur, Councilman	_____
David Owens, Councilman	_____
Mark Hood, Councilman	_____
Vernon Sullivan, Councilman	_____
Butch Cooley, Councilman	_____
Gary Plunk, Councilman	_____
Tammi Casey, City Clerk	_____

The Mayor declared that a quorum was present and called the meeting to order.

* * * * *

(Other Proceedings)

* * * * *

The matter of authorizing the City to enter into a lease purchase transaction came on for consideration and was discussed. Councilman _____ introduced Bill No. _____, being for an ordinance entitled as follows:

AN ORDINANCE AUTHORIZING THE CITY OF ARNOLD, MISSOURI TO ENTER INTO A LEASE PURCHASE TRANSACTION, THE PROCEEDS OF WHICH WILL BE USED TO PAY THE COSTS OF REFUNDING ALL OF THE OUTSTANDING CERTIFICATES OF PARTICIPATION (CITY OF ARNOLD, MISSOURI, LESSEE), SERIES 2010; AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

On motion duly made and seconded, the Bill was placed on its first reading and was read by title, considered and discussed, and thereupon, was duly passed by unanimous vote. On motion duly made

and seconded, the Bill was placed on its second reading and final passage and was read by title, considered and discussed. Thereupon, the question was put to a roll call vote, and the vote thereon was as follows:

Aye: _____.

Nay: _____.

The Mayor declared the Bill duly passed and the Bill was then numbered Ordinance No. _____, and was signed by Mayor and City Clerk.

(Other Proceedings)

[Remainder of Page Intentionally Left Blank.]

There being no further business to come before the meeting, on motion duly made, seconded and carried by unanimous vote, the meeting was adjourned.

City Clerk

[SEAL]

DATED: August 10, 2017.

UMB BANK, N.A., as Trustee

By: _____
Title: _____

[Trustee's Closing Certificate]

UNDERWRITER'S RECEIPT FOR CERTIFICATES AND CLOSING CERTIFICATE

\$4,035,000
REFUNDING CERTIFICATES OF PARTICIPATION
(CITY OF ARNOLD, MISSOURI, LESSEE)
SERIES 2017

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (the "Original Purchaser"), as the Original Purchaser of the above-described certificates of participation (the "Certificates"), being issued on the date of this Certificate by the City of Arnold, Missouri (the "Issuer"), certifies and represents as follows:

1. Certificate Purchase Agreement. The Original Purchaser and the Issuer have entered into a Certificate Purchase Agreement (the "Certificate Purchase Agreement"), dated July 27, 2017, providing for the purchase of the Certificates by the Original Purchaser.

2. Receipt for Certificates. We acknowledge receipt on the date hereof from the Trustee of the Certificates, consisting of fully-registered Certificates numbered from 1 consecutively upward for each series in the denomination of \$5,000 each or integral multiples thereof, dated as of the date of original delivery and payment therefor, delivered pursuant to the Indenture of Trust dated as of August 1, 2017, between the City and UMB Bank, N.A., as trustee.

3. Compliance with Certificate Purchase Agreement. We further acknowledge that we have timely received in satisfactory form and manner all proceedings, certificates, opinions, letters and other documents required to be submitted to us pursuant to the Certificate Purchase Agreement prior to or on the date of the delivery of and payment for the Certificates (except to the extent we have waived or consented to modification of certain provisions thereof), and that the Issuer has in all respects complied with and satisfied all of its obligations to us which are required under said Certificate Purchase Agreement to be complied with and satisfied on or before the date hereof.

4. Issue Price.

(a) *Public Offering.* The Original Purchaser has offered all the Certificates to the Public in a *bona fide* initial offering to the Public at the offering prices listed on **Attachment A** (the "Initial Offering Prices"). Included in **Attachment A** is a copy of the pricing wire or similar communication used to document the initial offering of the Certificates to the Public at the Initial Offering Prices.

[*](b) *Sale Prices.* As of the date of this Certificate, for each Maturity, the price or prices at which the first 10% of such Maturity was sold to the Public is the respective price or prices listed in **Attachment B**. **Attachment B** also contains documentation of the price, date, time and amount of individual sales that comprise 10% of such Maturity. [**, except for the _____ Maturit[y][ies]. With respect to the _____ Maturit[y][ies], (i) less than 10% of such Maturit[y][ies] have been sold to the Public, (ii) the Original Purchaser reasonably expects that the price or prices at which the first 10% of [**each**] such Maturity will be sold to the Public will be not greater than the respective price listed on the attached **Attachment C**, and (iii) promptly following the date that the first 10% of such Maturit[y][ies] is sold to the Public, will execute a supplemental certificate in substantially the same form as this Certificate, including, a schedule substantially similar to **Attachment B** to this Certificate showing the price or prices at which the first 10% of [**each**] such Maturity was sold to the Public.*]

[*(b) *General Rule Maturities.* As of the date of this Certificate, for each Maturity listed on **Attachment B** as the “General Rule Maturities,” the price or prices at which the first 10% of the General Rule Maturities was sold to the Public is the respective price listed on **Attachment B**. **Attachment B** also contains documentation of the price, date, time and amount of individual sales that comprise 10% of such General Rule Maturities.

(c) *Hold-the-Offering Price Maturities.* For each Maturity listed on **Attachment C** as the “Hold-the-Offering-Price Maturities” in the Certificate Purchase Agreement the Original Purchaser has agreed in writing that (i) it would neither offer nor sell any of the Certificates of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “Hold-the-Offering-Price Rule”), and (ii) any selling group agreement contains the agreement of each dealer who is a member of the selling group, and any retail distribution agreement contains the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the Hold-the-Offering-Price Rule. Pursuant to such agreement, the Original Purchaser has not offered or sold any Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity during the Holding Period.*]

(c)[*(d)*] *Defined Terms.*

(i) The term “Maturity” means Certificates with the same credit and payment terms. Certificates with different maturity dates, or Certificates with the same maturity date but different stated interest rates, are treated as separate maturities.

(ii) The term “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. A purchaser of any of the Certificates is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(iii) The term “Underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the Public, and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) of this paragraph to participate in the initial sale of the Certificates to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the Public).

[(iv) The term “Holding Period” means the period starting on the sale date of the Certificates and ending on the earlier of (A) the close of the fifth business day after such sale date (_____), or (B) the date on which the Original Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.*]

We express no view regarding the legal sufficiency of any such computations or the correctness of any legal interpretation made by Gilmore & Bell, P.C., as special tax counsel.

Nothing herein represents our interpretation of any laws or regulations under the Internal Revenue Code of 1986, as amended.

**STIFEL NICOLAUS & COMPANY,
INCORPORATED**

By: _____
Managing Director

By: _____
Director – Municipal Syndicate

Dated: August 10, 2017

Attachment A
Initial Offering Price Documentation

Attachment B
Sale Price Documentation
[For General Rule Maturities]

Attachment C

[Maturities with Less than 10% Sold & Estimated Sale Prices][Hold the Offering Price Maturities]

ESCROW AGENT'S CLOSING CERTIFICATE

The undersigned (the "Escrow Agent"), as Escrow Agent under the Escrow Trust Agreement dated as of August 1, 2017 (the "Escrow Agreement"), between the Escrow Agent and the City of Arnold, Missouri (the "City"), in connection with the payment and refunding of the outstanding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2010 (the "Series 2010 Certificates"), states and certifies as follows:

1. **Power and Authority of Escrow Agent.** The Escrow Agent is a national banking association duly organized and existing under the laws of the United States of America, is authorized and empowered to execute and deliver the Escrow Agreement and has full power and authority to act as Escrow Agent as provided in the Escrow Agreement.

2. **Execution of Escrow Agreement.** The Escrow Agreement has been duly executed on behalf of the Escrow Agent by a duly authorized officer, and said person was at the time of the execution of the Escrow Agreement, and is now, the duly elected or appointed, qualified and acting incumbent of his or her office, and duly authorized to perform the acts referred to in this paragraph.

3. **Receipt of Funds; Deposit of Cash and Escrowed Securities.** The Escrow Agent, in accordance with the requirements of the Escrow Agreement, has received on the date hereof \$_____ (consisting of \$_____ from Stifel, Nicolaus & Company, Incorporated, \$_____ from the debt service reserve fund for the Series 2010 Certificates and \$_____ from the project fund for the Series 2010 Certificates). A portion of those funds was used to purchase the Escrowed Securities described in the Escrow Agreement, which have been delivered to and deposited in the Escrow Fund, and the remaining portion will be held uninvested in the Escrow Fund as a beginning cash balance.

DATED: August 10, 2017.

UMB BANK, N.A.,
as Escrow Agent

By: _____
Title: _____

CITY'S CLOSING CERTIFICATE

\$4,035,000
REFUNDING CERTIFICATES OF PARTICIPATION
(CITY OF ARNOLD, MISSOURI, LESSEE)
SERIES 2017

**Evidencing Proportionate Interests in
Basic Rent Payments to be made by the
City of Arnold, Missouri**

We, Ron Counts and Tammi Casey, Mayor and City Clerk, respectively, duly elected or appointed, qualified and acting as such, of the City of Arnold, Missouri (the "City"), do hereby certify as follows:

Capitalized words and terms used in this Certificate, unless the context requires otherwise, will have the same meanings as set forth in the Indenture of Trust dated as of October 1, 2010 (the "Original Indenture of Trust"), as amended and supplemented by the First Supplemental Indenture of Trust dated as of August 1, 2017 (the "First Supplemental Indenture of Trust" and, together with the Original Indenture of Trust, the "Indenture of Trust"), between the City and UMB Bank, N.A., as trustee (the "Trustee"), and in the Lease Purchase Agreement dated as of October 1, 2010 (the "Original Lease"), as amended and supplemented by the First Supplemental Lease Purchase Agreement dated as of August 1, 2017 (the "First Supplemental Lease" and, together with the Original Lease, the "Lease"), between the City and the Trustee.

1. The documents listed on the closing list included in the transcript constitute a full, true and correct transcript of all documents and proceedings in connection with the execution and delivery by the City of the Lease.

2. Attached hereto as **Exhibit A** is a true and correct copy of the excerpt of minutes of the City Council meeting held on July 27, 2017. At the meeting a quorum was present and acting throughout. The meeting was held at a place convenient and reasonably accessible to the public and at a time reasonably convenient to the public and was otherwise held in accordance with the procedural requirements of the City and applicable law, including Chapter 610 of the Revised Statutes of Missouri, as amended. Every reasonable effort was made to grant special access to the meeting to handicapped or disabled individuals. Notice of the meeting was given at the time and in the manner provided by applicable law. Attached hereto as **Exhibit B** is a true and correct copy of the notice that was posted for the meeting.

3. Attached hereto as **Exhibit C** is a full, true and correct copy of Ordinance No. _____ passed by the City Council on July 27, 2017, and said ordinance has not been modified, amended or repealed, and remains in full force and effect as of the date hereof. A copy of Ordinance No. _____ was available for public inspection prior to the time of introduction and consideration by the City Council.

4. The following documents have been duly executed and delivered on behalf of the City by the Mayor, and the City's seal has been affixed to such of the following documents as required by such documents and attested by the City Clerk:

- (a) First Supplemental Lease;
- (b) First Supplemental Indenture of Trust;
- (c) Continuing Disclosure Agreement;

- (d) Tax Compliance Agreement;
- (e) Escrow Trust Agreement;
- (f) Official Statement relating to the Series 2017 Certificates (the “Official Statement”); and
- (g) Certificate Purchase Agreement.

An executed counterpart or a full, true and correct copy of each of those documents is included in the transcript of proceedings. The First Supplemental Lease, the Continuing Disclosure Agreement, the Tax Compliance Agreement, the Escrow Trust Agreement and the Certificate Purchase Agreement (together, the “City’s Documents”) are in substantially the forms submitted to and approved by the City Council at its meeting held on July 27, 2017, with only such changes therein as have been approved by the person who executed the document on behalf of the City.

5. The City has authorized, by all necessary action, the execution, delivery, receipt and due performance of the City’s Documents and any and all such other agreements and documents as may be required to be executed, delivered and received by the City in order to carry out, give effect to and consummate the transactions contemplated thereby. The City has authorized by all necessary action the execution and distribution of the Official Statement.

6. The following persons were at all times during the proceedings relating to the delivery of the Series 2017 Certificates and are now the duly qualified and acting members of the City Council:

<u>Name</u>	<u>Office</u>
Ron Counts	Mayor
EJ Fleischmann	Councilman
Jason Fulbright	Councilman
Brian McArthur	Councilman
David Owens	Councilman
Mark Hood	Councilman
Vernon Sullivan	Councilman
Butch Cooley	Councilman
Gary Plunk	Councilman
Tammi Casey	City Clerk

Ron Counts, the Mayor, Bryan Richison, the City Administrator, and Deborah Lewis, CPA, CGMA, the City’s Finance Director, are hereby designated as Authorized Representatives (as defined in the Indenture of Trust) of the City, and the signatures appearing at the end of this Certificate are their true and genuine signatures. Mr. Counts, Mr. Richison, and Ms. Lewis shall serve as an Authorized Representative of the City until such time as their successor has been appointed.

7. There is no controversy, suit or proceeding of any kind pending or, to the knowledge of the City, threatened wherein or whereby any question is raised, or may be raised, questioning, disputing or affecting in any way the legal organization of the City, or the legality of any official act shown to have been done regarding the execution and delivery of the City’s Documents or the Series 2017 Certificates or the constitutionality or validity of the obligation represented by the Series 2017 Certificates or the means provided for the Basic Rent Payments under the Lease.

8. The representations and warranties of the City contained in the City’s Documents are true and correct on and as of the date hereof with the same effect as if made on the date hereof. All such representations and warranties, as well as those made herein, will be deemed to be for the benefit of the

purchasers of the Series 2017 Certificates, the Trustee, Stifel, Nicolaus & Company, Incorporated (the "Underwriter") and the attorneys providing legal opinions in connection with the Series 2017 Certificates. The City has complied with all of the agreements and satisfied all of the conditions to be performed or satisfied on its part prior to the date hereof.

9. The Series 2017 Certificates are being issued to provide funds to pay the costs of (a) refunding all of the outstanding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2010 and (b) delivering the Series 2017 Certificates.

11. Since the date of the Official Statement, there has not been any material adverse change in the business, properties, financial position or results of operations of the City, whether or not arising from transactions in the ordinary course of business, from that set forth in the Official Statement, and, except in the ordinary course of business, the City has not incurred any material liability, except as set forth in the Official Statement.

12. To our knowledge, the information contained in the Preliminary Official Statement (but excluding the information contained under the captions "THE SERIES 2017 CERTIFICATES," "TAX MATTERS," and "APPENDIX C - DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF LEGAL DOCUMENTS"), as of its date and at all times through the date of the Official Statement, did not and does not, and such information contained in the Official Statement as of its date and at all times through the date hereof did not and does not contain any untrue statement of a material fact and does not omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The financial statements and other financial data regarding the City contained in the Official Statement were prepared in accordance with generally accepted accounting practices as applicable to governmental units consistently applied throughout the respective periods covered thereby except as set forth therein and fairly present the financial position of the City as of the date thereof. Since the end of the last period covered thereby, there have been no material adverse changes in the condition (financial or otherwise) of the City.

13. No condition or event exists that constitutes, or with the giving of notice or the passage of time, or both, would constitute an Event of Default under any of the City Documents.

14. To the City's knowledge, no member of the City Council has any pecuniary interest, directly or indirectly, in any contract, employment, purchase or sale made, or to be made in connection with the proposed transaction contemplated in the City Documents.

15. To the City's knowledge, the City's execution and delivery of the City Documents and the performance of the terms thereof by the City will not violate any provision of law, or any ordinance or resolution of the City, or any applicable judgment, order, rule or regulation, of any court or any public or governmental agency or authority, and will not conflict with, violate or result in the breach of any of the provisions of or constitute a default under, any indenture, mortgage or other agreement or instrument to which the City is a party or by which it or its properties are bound.

16. All approvals, consents, authorizations and orders required to be obtained by the City in connection with the City Documents and the performance of the terms thereof by the City have been duly obtained.

17. The Trustee is hereby requested and authorized to execute the First Supplemental Lease and the First Supplemental Indenture of Trust, and to execute and deliver the Series 2017 Certificates to or upon the order of the Underwriter upon payment to the Trustee, for the account of the City, of the purchase price thereof.

18. The City hereby authorizes Gilmore & Bell, P.C. to file the information required by Section 37.850 of the Revised Statutes of Missouri, as amended, on the Missouri Accountability Portal website maintained by the State of Missouri Office of Administration.

[Remainder of Page Intentionally Left Blank.]

DATED: August 10, 2017.

CITY OF ARNOLD, MISSOURI

By: _____
Ron Counts, Mayor

[SEAL]

Tammi Casey, City Clerk

Signing as Authorized Representatives of the City pursuant to Section 6 of this Certificate:

By: _____
Ron Counts, Mayor

By: _____
Bryan Richison, City Administrator

By: _____
Deborah Lewis, Finance Director

[City's Closing Certificate]

EXHIBIT A

**MINUTES OR EXCERPT OF MINUTES OF MEETINGS
OF THE CITY COUNCIL HELD ON JULY 27, 2017**

EXHIBIT B

**NOTICE OF MEETING OF THE CITY COUNCIL
HELD ON JULY 27, 2017**

EXHIBIT C

**ORDINANCE NO. ____ OF THE CITY COUNCIL
APPROVING THE TRANSACTION AND
AUTHORIZING THE EXECUTION OF DOCUMENTS**

**TRUSTEE'S CLOSING CERTIFICATE
AND RECEIPT FOR PURCHASE PRICE**

Relating to

\$4,035,000

**REFUNDING CERTIFICATES OF PARTICIPATION
(CITY OF ARNOLD, MISSOURI, LESSEE)
SERIES 2017**

The undersigned, UMB Bank, N.A., St. Louis, Missouri (the "Trustee"), as trustee under the hereinafter-defined Indenture of Trust, hereby certifies as follows:

Capitalized words and terms used in this Certificate, unless the context requires otherwise, will have the same meanings as set forth in the Indenture of Trust dated as of October 1, 2010 (the "Original Indenture of Trust"), as amended and supplemented by the First Supplemental Indenture of Trust dated as of August 1, 2017 (the "First Supplemental Indenture of Trust" and, together with the Original Indenture of Trust, the "Indenture of Trust"), between the City of Arnold, Missouri (the "City") and the Trustee, and in the Lease Purchase Agreement dated as of October 1, 2010 (the "Original Lease"), as amended and supplemented by the First Supplemental Lease Purchase Agreement dated as of August 1, 2017 (the "First Supplemental Lease" and, together with the Original Lease, the "Lease"), between the City and the Trustee.

- 1. Power and Authority.** The Trustee is a national banking association and has full power and authority to enter into the Lease, the Indenture of Trust, the Tax Compliance Agreement and the Certificate Purchase Agreement (together, the "Trustee Documents") and to act as Trustee as provided in the Indenture of Trust.
- 2. Authorization of Officers.** The Trustee Documents have been duly executed on behalf of the Trustee, its corporate seal affixed thereto and attested as required, by its duly authorized officers, and each of said persons was at the time of the execution of the Trustee Documents, and is now, the duly elected or appointed, qualified and acting incumbent of his or her respective office, and duly authorized to perform the acts referred to in this paragraph.
- 3. No Conflict.** The acceptance by the Trustee of the duties and obligations of the Trustee under the Trustee Documents and compliance with the provisions thereof, will not, to the best of its knowledge, conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, indenture, contract, lease, loan agreement, mortgage, note, resolution or other agreement or instrument to which the Trustee is subject or by which the Trustee is or may be bound.
- 4. Execution of Series 2017 Certificates.** Pursuant to **Section 3.01** of the First Supplemental Indenture of Trust, the Series 2017 Certificates in the principal amount of \$4,035,000 have been executed on behalf of the Trustee by an authorized officer or signatory of the Trustee. Said officer or signatory was at the time of the acts mentioned above and still is at the date hereof a duly elected or appointed, qualified and acting officer or signatory of the Trustee and was and still is at the date hereof authorized to perform said acts.
- 5. Registration of Series 2017 Certificates.** The Series 2017 Certificates have been duly registered in the registration books kept by the Trustee, as Registrar, in such names as have been furnished by Stifel, Nicolaus & Company, Incorporated (the "Underwriter").

6. Safekeeping of Series 2017 Certificates. On the date hereof, the Trustee is safekeeping the Series 2017 Certificates as FAST agent for the account of the beneficial owners of the Series 2017 Certificates.

7. Receipt of Proceeds. The Trustee has received proceeds of the Series 2017 Certificates from the Underwriter in the amount of \$_____, which have been deposited and applied as set forth in **Section 5.02** of the First Supplemental Indenture of Trust. The remaining proceeds of the Series 2017 Certificates have been deposited with UMB Bank, N.A., as escrow agent.

[Remainder of Page Intentionally Left Blank.]

GILMORE & BELL, P.C.
DRAFT 1 – JULY 24, 2017
FOR DISCUSSION PURPOSES ONLY

TAX COMPLIANCE AGREEMENT

Dated as of August 1, 2017

Between the

CITY OF ARNOLD, MISSOURI

and

**UMB BANK, N.A.,
as Trustee**

\$4,035,000

**Refunding Certificates of Participation
(City of Arnold, Missouri, Lessee)
Series 2017**

**Evidencing a Proportionate Interest of the Owners Thereof
in Basic Rent Payments to be Made by the
City of Arnold, Missouri
Pursuant to an Annually-Renewable Lease Purchase Agreement**

TAX COMPLIANCE AGREEMENT

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Exhibit E – Bond Compliance Procedure

Exhibit E – Certificate of Bidding Agent

* * *

TAX COMPLIANCE AGREEMENT

THIS TAX COMPLIANCE AGREEMENT (the “Tax Agreement”), entered into as of August 1, 2017, between the **CITY OF ARNOLD, MISSOURI**, a political subdivision organized and existing under the laws of the State of Missouri (the “City”) and **UMB BANK, N.A.**, a national banking association duly organized and existing under the laws of the United States of America, as Trustee (the “Trustee”).

RECITALS

1. This Tax Agreement is being executed and delivered in connection with the execution and delivery of \$4,035,000 principal amount of Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2017 (the “Certificates”), evidencing a proportionate interest of the owners thereof in Basic Rent Payments to be made by the City pursuant to an annually-renewable Lease Purchase Agreement dated as of October 1, 2010 (as amended and supplemented, the “Lease”), which Certificates are delivered under a Indenture of Trust dated as of October 1, 2010 (as amended and supplemented, the “Indenture”) made by the Trustee, for the purposes described in this Tax Agreement, the Indenture and the Lease.

2. The Internal Revenue Code of 1986, as amended (the “Code”), and the applicable regulations and rulings issued by the U.S. Treasury Department (the “Regulations”), impose certain limitations on the uses and investment of the Certificate proceeds and of certain other money relating to the Lease and set forth the conditions under which the Interest Portion of the Basic Rent paid by the City and distributed to the registered owners of the Certificates will be excluded from gross income for federal income tax purposes.

3. The City and the Trustee are entering into this Tax Agreement in order to set forth certain facts, covenants, representations, and expectations relating to the use of Certificate proceeds and the property financed or refinanced with those proceeds and the investment of the Certificate proceeds and of certain other related money, in order to establish and maintain the exclusion of the Interest Portion of Basic Rent Payments represented by the Certificates from gross income for federal income tax purposes.

4. The City adopted a Bond Compliance Procedure on June 7, 2012 (the “Tax Compliance Procedure”), a copy of which is attached hereto as **Exhibit E**, for the purpose of setting out general procedures for the City to continuously monitor and comply with the federal income tax requirements set out in the Code and the Regulations.

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

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

ARTICLE I

DEFINITIONS

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

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

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

“Bond Compliance Officer” means the Finance Director or other person named in the Tax Compliance Procedure.

“Certificate” or **“Certificates”** means any Certificate or Certificates described in the recitals, authenticated and delivered under the Indenture.

“Certificate Year” means each one-year period (or shorter period for the first Certificate Year) ending December 15, or another one-year period selected by the City.

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

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

“Escrow Agent” means UMB Bank, N.A., St. Louis, Missouri, and any successors or assigns.

“Escrow Agreement” means the Escrow Trust Agreement dated as of August 1, 2017, between the City and the Escrow Agent.

“Escrow Fund” means the fund by that name established pursuant to the Escrow Agreement.

“Escrowed Securities” means the direct, noncallable obligations of the United States of America, as described in the Escrow Agreement.

“Final Written Allocation” means the written allocation of expenditures of proceeds of the Original Obligations as set forth on **Exhibit C** hereto.

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

“Gross Proceeds” means (a) sale proceeds (any amounts actually or constructively received by the City from the sale of the Certificates, including amounts used to pay underwriting discount or fees, but excluding pre-issuance accrued interest), (b) Investment proceeds (any amounts received from investing sale proceeds, other Investment proceeds or transferred proceeds) (c) any amounts held in a sinking fund for the Certificates, (d) any amounts held in a pledged fund or reserve fund for the Certificates, (e) any other replacement proceeds and (f) any transferred proceeds. Specifically, Gross Proceeds includes (but is not limited to) amounts held in the following funds and accounts:

- (1) Costs of Issuance Fund.
- (2) Lease Revenue Fund.
- (3) Escrow Fund.
- (4) Rebate Fund (to the extent funded with sale proceeds or Investment proceeds of the Certificates).

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

“Indenture” means the Indenture of Trust dated as of October 1, 2010, between the City and the Trustee, as amended and supplemented in accordance with the provisions of the Indenture.

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

“IRS” means the United States Internal Revenue Service.

“Issue Date” means August 10, 2017.

“Lease” means the Lease Purchase Agreement dated as of October 1, 2010, between the Trustee, as lessor, and the City, as lessee, as amended and supplemented in accordance with the provisions thereof.

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

“Measurement Period” means, with respect to each item of property financed as part of the Financed Facility with proceeds of the Original Obligations, the period beginning on the later of (a) the issue date of the Original Obligations or (b) the date the property was or will be placed in service, and ending on the earlier of (1) the final maturity date of the Certificates or (2) the expected economic useful life of the property.

“Minor Portion” means \$100,000.

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

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

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

“Opinion of Special Tax Counsel” means the written opinion of Special Tax Counsel to the effect that the action or proposed action or the failure to act or proposed failure to act for which the opinion is required will not adversely affect the exclusion of the Interest Portion of Basic Rent Payments from gross income for federal income tax purposes.

“Original Obligations” means (a) the City’s Promissory Note (Tax-Exempt) dated April 15, 2007 in the original principal amount of \$5,000,000, (b) the City’s Promissory Note dated July 6, 2007 in the original principal amount of \$3,675,000, (c) the new-money portion of Infrastructure Facilities Revenue Bonds (City of Arnold, Missouri – Road Infrastructure Project), Series 2007B, issued by the Missouri Development Finance Board on behalf of the City, and (d) the new-money portion of the Series 2010 Certificates, which were the first issues of governmental obligations that financed or refinanced a portion of the Financed Facility.

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

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

“Qualified Use Agreement” means any of the following:

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

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

(c) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Financed Facility for a period up to 100 days in length pursuant to arrangements whereby

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

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

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

"Refunded Obligations" means all of the outstanding Series 2010 Certificates, being those certificates maturing in the years 2017 and thereafter, outstanding in the aggregate principal amount of \$5,040,000.

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

"Series 2010 Certificates" means the \$7,140,000 original principal amount Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2010, evidencing a proportionate interest in Basic Rent Payments to be made by the City pursuant to the Lease, executed and delivered pursuant to the Indenture and issued and delivered on October 28, 2010.

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

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

"Tax Compliance Procedure" means the City's Bond Compliance Procedure dated June 7, 2012, a copy of which is attached hereto as **Exhibit E**.

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

"Transcript" means the Transcript of Proceedings relating to the authorization and delivery of the Certificates.

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

“**Underwriter**” means Stifel, Nicolaus & Company, Incorporated, the original purchaser of the Certificates.

“**Verification Report**” means the report of Robert Thomas CPA, LLC, Shawnee Mission, Kansas, certified public accountants, relating to the Certificates and the Refunded Obligations.

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

ARTICLE II

GENERAL REPRESENTATIONS AND COVENANTS

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

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

(b) *Tax-Exempt Status of Certificates – General Representation and Covenants.* In order to maintain the exclusion of the Interest Portion of the Basic Rent Payments represented by the Certificates from gross income for federal income tax purposes, the City (1) will take whatever action, and refrain from whatever action, necessary to comply with the applicable requirements of the Code, (2) will not use or invest, or permit the use or investment of, any Certificate proceeds, other money held under the Indenture, or other funds of the City, in a manner that would violate applicable provisions of the Code and (3) will not use, or permit the use of, any portion of the Financed Facility in a manner that would cause the Lease or any Certificate to become a “private activity bond” as defined in Code § 141.

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

(d) *Governmental Obligations – Private Security or Payment.* As of the Issue Date, the City expects that none of the Basic Rent Payments represented by the Certificates will be, and the payment of the prepayment price and accrued interest on the Refunded Obligations has not been (under the terms of the Lease or any underlying arrangement), directly or indirectly:

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

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

For purposes of the foregoing, taxes of general application, including payments in lieu of taxes, are not treated as private payments or as private security. The City will not permit any private security or payment with respect to the Certificates without first obtaining and delivering to the Trustee an Opinion of Special Tax Counsel.

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

(f) *Management Agreements.* As of the Issue Date the City has no Management Agreements with Non-Qualified Users. During the Measurement Period, the City has not and will not enter into any Management Agreement with any Non-Qualified User without first obtaining and delivering to the Trustee an Opinion of Special Tax Counsel.

(g) *Leases.* Except for the Base Lease and the Lease, neither of which gives rise to Non-Qualified Use, as of the Issue Date, the City has not entered into any leases of any portion of the Financed Facility other than Qualified Use Agreements. During the Measurement Period, the City has not and will not enter into or renew any lease or similar agreement or arrangement other than a Qualified Use Agreement without first obtaining and delivering to the Trustee an Opinion of Special Tax Counsel.

(h) *Output Contracts.* As of the Issue Date, the City does not have any "Output Contract" (defined below). During the Measurement Period the Issuer has not and will not enter into any "Output Contract" (defined below) without first obtaining an Opinion of Special Tax Counsel. The term "Output Contract" is defined in Regulations § 1.141-7, and generally includes any contract with a Non-Qualified User that provides for the purchase of the output of Financed Facility. A similar contract with a Qualified User is not an Output Contract.

(i) *Limit on Maturity.* A list of the assets included in the Financed Facility and a computation of the "average reasonably expected economic life" is attached to this Tax Agreement as **Exhibit C** hereto. Based on this computation, the "average maturity" of the Certificates (_____ years), as computed by Special Tax Counsel, does not exceed 120% of the average reasonably expected economic life of the Financed Facility, as shown on **Exhibit C**.

(j) *Expenditure of Certificate Proceeds.* No portion of the proceeds of the Original Obligations was used to reimburse the City for expenditures relating to the Financed Facility made more than 60 days prior to the date this resolution was adopted, unless such reimbursement met the requirements of Regulations § 1.150-2. The City evidenced each allocation of the proceeds of the Original Obligations to an expenditure in writing.

(k) *Registered Certificates.* The Indenture requires that all of the Certificates will be delivered and held in registered form within the meaning of Code § 149(a).

(l) *No Federal Guarantee.* The City will not take any action or permit any action to be taken which would cause the Lease or Certificates to be "federally guaranteed" within the meaning of Code § 149(b).

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

copy of Form 8038-G for filing with the IRS. A copy of the “as-filed” Form 8038-G, along with proof of filing is attached hereto as **Exhibit B**.

(n) *Hedge Bonds.* At least 85% of the net sale proceeds (the sale proceeds of the Original Obligations less any sale proceeds invested in a reserve fund) of the Original Obligations were used to carry out the governmental purpose of the Original Obligations within 3 years after the issue date of the Original Obligations, and not more than 50% of the proceeds of the Original Obligations were invested in Investments having a substantially guaranteed Yield for 4 years or more.

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

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

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

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

(s) *Bank Qualified Tax-Exempt Obligation.* The City designates the Lease as a “qualified tax-exempt obligations” under Code § 265(b)(3), and with respect to this designation certifies as follows:

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

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

Section 2.2. Representations and Covenants of the Trustee. The Trustee represents and covenants to the City as follows:

(a) The Trustee will comply with the provisions of this Tax Agreement that apply to it as Trustee and any written letter or Opinion of Special Tax Counsel, specifically referencing the Lease or Certificates and received by the Trustee, that sets forth any action necessary to comply with any statute, regulation or ruling that may apply to it as Trustee and relating to reporting requirements or other requirements necessary to maintain the exclusion of the Interest Portion of the Basic Rent Payments from gross income for federal income tax purposes.

(b) The Trustee, acting on behalf of the City, may from time to time cause a firm of attorneys, consultants or independent accountants or an investment banking firm to provide the Trustee with such information as it may request in order to determine all matters relating to (1) the Yield on the Lease as it relates to any data or conclusions necessary to verify that the Lease is not an "arbitrage bond" within the meaning of Code § 148 and (2) compliance with arbitrage rebate requirements of Code § 148(f). The City will pay all costs and expenses incurred in connection with supplying the foregoing information.

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

ARTICLE III

ARBITRAGE CERTIFICATIONS AND COVENANTS

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

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

Section 3.3. Purpose of Financing. The Lease is being executed and Certificates are being delivered for the purpose of providing funds to (a) refund the Refunded Obligations and (b) pay certain costs in connection with the execution and delivery of the Lease and Certificates. The purpose of refunding the Refunded Obligations is to achieve interest cost savings.

Section 3.4. Funds. The following funds have been established under the Indenture:

- Costs of Issuance Fund.
- Lease Revenue Fund.
- Rebate Fund.

In addition, the Escrow Fund is established in the custody of the Escrow Agent under the Escrow Agreement.

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

(a) *Amount of Certificate Proceeds.* The total proceeds to be received by the City from the sale of the Certificates will be as follows:

Principal Amount	\$
Plus Net Original Issue Premium	
Less Underwriting Discount	()
Total Proceeds Received by the City	\$

(b) *Use of Certificate Proceeds and Other Money.* The Certificate proceeds, together with other legally available funds of the City, are expected to be allocated to expenditures as follows:

(1) \$_____ from the Certificate proceeds will be deposited in the Costs of Issuance Fund and used to pay the costs of delivery of the Certificates; and

(2) \$_____ (consisting of \$_____ of Certificate proceeds, \$_____ from the debt service reserve fund for the Series 2010 Certificates and \$_____ from the project fund for the Series 2010 Certificates) will be transferred to the Escrow Agent for deposit in the Escrow Fund to be applied as provided in the Escrow Agreement.

Section 3.6. Multipurpose Issue. The City is applying the arbitrage rules to separate financing purposes of the issue that have the same initial temporary period as if they constitute a single issue for purposes pursuant to Regulations § 1.148-9(h)(3)(i).

Section 3.7. Advance Refunding.

(a) *Escrow Fund, Allocation Of Certificate Proceeds And Other Money To Investments.* Money in the Escrow Fund aggregating \$_____ will be used to purchase the Escrowed Securities, as described in the Verification Report, and \$_____ will be held uninvested as the initial cash balance in the Escrow Fund. The maturing principal of and interest on the Escrowed Securities and the initial cash deposit in the Escrow Fund will be expended to pay the principal of, prepayment premium, if any, and interest on the Refunded Obligations. A portion of the money deposited in the Escrow Fund was derived from the project fund for the Refunded Obligations. This money has been allocated to the earliest maturing Escrowed Securities in the Escrow Fund, as shown in the Verification Report. A portion of the money deposited in the Escrow Fund was derived from the debt service reserve fund for the Refunded Obligations; this amount and the Certificate proceeds in the Escrow Fund have been allocated to expenditures for principal, interest, or stated prepayment prices on the Refunded Obligations so that the expenditures of such proceeds do not occur faster than ratably with expenditures of the other amounts in the Escrow Fund, as shown in the Verification Report.

(b) *Limit on Number of Advance Refunding Issues.* The issuance of the Certificates constitutes the first advance refunding of the Refunded Obligations.

(c) *Transferred Proceeds.* As of the Issue Date, the following unspent proceeds of the Refunded Obligations remain: approximately \$ _____ in the debt service reserve fund for the Refunded Obligations and approximately \$ _____ in the project fund for the Refunded Obligations. Upon discharge of any principal amount of the Refunded Obligations with proceeds of the Certificates, a ratable portion of the remaining unspent proceeds of the Refunded Obligations will become proceeds of the Certificates (determined in accordance with Regulations § 1.148-9(b)).

(d) *Yield On The Escrowed Securities.* The Yield on the Escrowed Securities allocable to the Certificates (_____ %, as shown in the Verification Report), does not exceed the Yield on the Certificates (see **Section 3.13**), and the Yield on the Escrowed Securities allocable to other money does not exceed the Yield on the Refunded Obligations.

(e) *Market Prices.* All of the Escrowed Securities were purchased at fair market value pursuant to a bona fide solicitation for bids in accordance with Regulations § 1.148-5(d)(6)(iii). Attached to this Tax Agreement as **Exhibit F** is a certificate of Causey Demgen & Moore P.C., which acted as bidding agent in connection with the acquisition of the Escrowed Securities.

(f) *Excess Gross Proceeds.* There will be no excess gross proceeds of the Certificates.

Section 3.8. No Current Refunding. No Certificate proceeds will be used to pay principal or interest on any other debt obligation other than as described in **Section 3.7** above.

Section 3.9. Project Completion. The Financed Facility has been completed.

Section 3.10. Sinking Funds. The City is required to make periodic payments in amounts sufficient to pay the Basic Rent Payments represented by the Certificates. Such payments will be deposited into the Lease Revenue Fund. Except for the Lease Revenue Fund, neither the Trustee nor the City has established or expects to establish any sinking fund or other similar fund that is expected to be used to pay Basic Rent Payments. The Lease Revenue Fund is used primarily to achieve a proper matching of revenues with Basic Rent Payments within each Certificate Year, and the City expects that the Lease Revenue Fund will qualify as a Bona Fide Debt Service Fund.

Section 3.11. Reserve, Replacement and Pledged Funds.

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

(b) *No Other Replacement or Pledged Funds.* None of the Certificate proceeds will be used as a substitute for other funds that were intended or earmarked to pay costs of the Financed Facility or refund the Refunded Obligations, and that instead has been or will be used to acquire higher yielding Investments. Except for the Lease Revenue Fund, there are no other funds pledged or committed in a manner that provides a reasonable assurance that such funds would be available for Basic Rent Payments if the City encounters financial difficulty.

Section 3.12. Purpose Investment Yield. The Certificate proceeds will not be used to purchase an Investment for the purpose of carrying out the governmental purpose of the financing.

Section 3.13. Issue Price and Yield on Certificates.

(a) *Issue Price.* Based on the Underwriter's certifications in the Underwriter's Receipt for Certificates and Closing Certificate, the City hereby elects to establish the issue prices of the Certificates pursuant to [*Regulations § 1.148-1(f)(2)(i) (relating to the so-called "general rule")*][* Regulations § 1.148-1(f)(2)(ii) (relating to the so-called "hold-the-offering-price rule")*]. Therefore, the aggregate issue price of the Certificates for such purpose is \$ _____.

(b) *Yield.* Based on the Offering Prices, the Yield on the Certificates is _____%, as shown in the Verification Report. The City has not entered into an interest rate swap agreement with respect to any portion of the proceeds of the Certificates.

Section 3.14. Miscellaneous Arbitrage Matters.

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

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

Section 3.15. Conclusion. On the basis of the facts, estimates and circumstances set forth in this Tax Agreement, the City does not expect that the Certificate proceeds will be used in a manner that would cause the Lease or any Certificate to be an "arbitrage bond" within the meaning of Code § 148 and the Regulations.

ARTICLE IV

POST-ISSUANCE TAX REQUIREMENTS, POLICIES AND PROCEDURES

Section 4.1. General.

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

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

other formal policies and procedures related to tax compliance that the City has established. The provisions of this Tax Agreement are intended to be consistent with the Tax Compliance Procedure. In the event of any inconsistency between the Tax Compliance Procedure and this Tax Agreement, the terms of this Tax Agreement will govern.

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

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

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

(b) *Accounting and Allocation of Certificate Proceeds to Expenditures.* Proceeds of the Certificates and other money will be used as described in **Sections 3.5 through 3.8** herein. The Bond Compliance Officer will maintain accounting records showing the investment and expenditure of this money as part of the Tax-Exempt Bond File. The Bond Compliance Officer has prepared written substantiation records of the allocation of proceeds of the Original Obligations to the Financed Facility through requisitions from the project funds established under the Indenture. This allocation is summarized on **Exhibit C** hereto and is intended to constitute the Final Written Allocation for the Original Obligations.

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

(d) *Opinions of Special Tax Counsel.* The Bond Compliance Officer is responsible for obtaining and delivering to the City and the Trustee any Opinion of Special Tax Counsel required under

the provisions of this Tax Agreement, including any Opinion of Special Tax Counsel required by this Tax Agreement or the Annual Compliance Checklist.

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

(a) *Costs of Issuance Fund.* Amounts held in the Costs of Issuance Fund may be invested without Yield restriction for 13 months.

(b) *Escrow Fund.* Proceeds of the Certificates deposited in the Escrow Fund are being invested at a Yield less than the Yield on the Lease. Other money in the Escrow Fund may be invested at a Yield that does not exceed the Yield on the Refunded Obligations.

(c) *Lease Revenue Fund.* To the extent that the Lease Revenue Fund qualifies as a Bona Fide Debt Service Fund, money in such fund may be invested without Yield restriction for 13 months after the date of deposit. Earnings on such amounts may be invested without Yield restriction for one year after the date of receipt of such earnings.

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

Section 4.4. Procedures for Establishing Fair Market Value.

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

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

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

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

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

(A) The bid specifications are in writing and are timely forwarded to potential providers, or are made available on an internet website or other similar electronic media that is regularly used to post bid specifications to potential bidders. A writing includes a hard copy, a fax, or an electronic e-mail copy.

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

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

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

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

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

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

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

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

provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.

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

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

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

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

(5) Records. The City and the Trustee retain the following records with the Certificate documents until three years after the last outstanding Certificate is redeemed:

(A) A copy of the Guaranteed Investment Contract.

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

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

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

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

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

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

Section 4.5. Rebate Instructions. All sale proceeds of the Certificates and Investment earnings thereon will be (a) held in a Yield-restricted Escrow Fund to pay and refund the Refunded Obligations and (b) used to pay costs of delivery of the Certificates within 6 months of the Issue Date. As of the Issue Date, the City expects that the Lease Revenue Fund will qualify as a Bona Fide Debt Service Fund in each Certificate Year. In addition, as of the Issue Date, other than the Lease Revenue Fund, the City does not expect to establish any sinking fund or similar fund that is expected to be used to make Basic Rent Payments. No reserve fund, pledge fund, or other similar fund is expected to be established

for the Certificates. Based on these certifications, Special Tax Counsel has advised the City that no rebate computations are required with respect to the Certificates, so long as such proceeds are spent for the purposes described in this paragraph, the Lease Revenue Fund qualifies as a Bona Fide Debt Service Fund during each Certificate Year, and no other sinking or pledged funds are established. If the sale and Investment proceeds are not so spent, the Lease Revenue Fund does not qualify as a Bona Fide Debt Service Fund in any Certificate Year, or any other sinking or pledged fund is established for the Certificates, then the City is obligated to contact Special Tax Counsel, an independent certified public accountant or a rebate analyst to determine whether an arbitrage rebate computation for the Certificates is necessary and to pay rebate to the United States at least once every five years, and within 60 days after the discharge of the last Certificate, in accordance with Code § 148(f).

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

Section 4.7. Survival after Defeasance. Notwithstanding anything in the Indenture to the contrary, if the City must pay arbitrage rebate to the United States, the obligation to pay arbitrage rebate to the United States will survive the payment or defeasance of the Certificates.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.1. Term of Tax Agreement. This Tax Agreement will be effective concurrently with the execution of the Lease and delivery of the Certificates and will continue in force and effect until all of the Basic Rent Payments represented by the Certificates have been fully paid and all such Certificates are cancelled; provided that, the provisions of **Article IV** hereof regarding payment of arbitrage rebate and all related penalties and interest will remain in effect until all such amounts are paid to the United States and the provisions of **Section 4.2** hereof relating to record keeping shall continue in force for the period described therein for records to be retained.

Section 5.2. Amendments. This Tax Agreement may be amended from time to time by the parties to this Tax Agreement without notice to or the consent of any of the Certificate holders, but only if such amendment is in writing and is accompanied by an Opinion of Special Tax Counsel to the effect that, under then existing law, assuming compliance with this Tax Agreement as so amended such amendment will not cause the Interest Portion of the Basic Rent Payments to be included in gross income for federal income tax purposes. No such amendment will become effective until the City and the Trustee receive an Opinion of Special Tax Counsel as outlined herein.

Section 5.3. Opinion of Special Tax Counsel. The City and the Trustee may deviate from the provisions of this Tax Agreement if furnished with an Opinion of Special Tax Counsel addressed to each of them to the effect that the proposed deviation will not adversely affect the exclusion of the Interest Portion of the Basic Rent Payments represented by the Certificates from gross income for federal income tax purposes. The City and the Trustee will comply with any further or different instructions provided in an Opinion of Special Tax Counsel to the effect that the further or different instructions need to be complied with in order to maintain the validity of the Certificates or the exclusion from gross income of the Interest Portion of the Basic Rent Payments.

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

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

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

Section 5.7. Default; Breach and Enforcement. Any misrepresentation of a party contained herein or any breach of a covenant or agreement contained in this Tax Agreement is an Event of Default under the Lease. Remedies for an Event of Default may be pursued by the Owners of the Certificates or the Trustee pursuant to the terms of the Lease and the Indenture or any other document which references this Tax Agreement and gives remedies for a misrepresentation or breach thereof.

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

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

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

[Remainder of Page Intentionally Left Blank.]

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

CITY OF ARNOLD, MISSOURI

By: _____
Title: Mayor

By: _____
Title: Finance Director

UMB BANK, N.A., as Trustee

By: _____
Name: _____
Title: _____

EXHIBIT A

DEBT SERVICE SCHEDULE AND PROOF OF CERTIFICATE YIELD

EXHIBIT B

IRS FORM 8038-G

EXHIBIT C

**DESCRIPTION OF PROPERTY COMPRISING THE FINANCED FACILITY AND
FINAL WRITTEN ALLOCATION OF ORIGINAL OBLIGATIONS**

[See attached spreadsheet]

EXHIBIT D

SAMPLE ANNUAL COMPLIANCE CHECKLIST

Name of tax-exempt obligation ("Certificates") financing Financed Facility*:	\$4,035,000 Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2017
Issue Date of Certificates:	August 10, 2017
Placed in service date of Financed Facility:	_____
Name of Bond Compliance Officer:	_____
Period covered by request ("Annual Period"):	_____

Item	Question	Response
1 Ownership	For federal income tax purposes, was the entire Financed Facility owned by the City during the entire Annual Period? If "Yes," skip to Item 2.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "No," was an Opinion of Special Tax Counsel obtained prior to the transfer? If "Yes," include a copy of the Opinion in the Tax-Exempt Bond File. If "No," contact Special Tax Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
2 Leases & Other Rights to Possession	During the Annual Period, was any part of the Financed Facility leased (other than the Base Lease and the Lease) at any time pursuant to a lease or similar agreement that provided the lessee or licensee use of the Financed Facility on more than 50 separate occasions (including any agreement with the federal government or an agency of the federal government)? If "No," skip to Item 3.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," was an Opinion of Special Tax Counsel obtained prior to entering into the lease or other arrangement? If "Yes," include a copy of the Opinion in the Tax-Exempt Bond File. If "No," contact Special Tax Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

* Capitalized words and terms used herein, unless otherwise defined herein or the context requires otherwise, shall have the same meanings ascribed to them in the City's Bond Compliance Procedure adopted on June 7, 2012, as amended and supplemented.

Item	Question	Response
3 Management or Service Agreements	Has the management of all or any part of the operations of the Financed Facility been assumed by or transferred to another entity? If "No," skip to Item 4.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," was an Opinion of Special Tax Counsel obtained prior to entering into the management agreement? If "Yes," include a copy of the Opinion in the Tax-Exempt Bond File. If "No," contact Special Tax Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
4 Other Use	Was any other agreement entered into with an individual or entity that grants special legal rights or privileges to such individual or entity that are not otherwise available to the general public to the Financed Asset? If "No," skip to Item 5.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," was an Opinion of Special Tax Counsel obtained prior to entering into the agreement? If "Yes," include a copy of the Opinion in the Tax-Exempt Bond File. If "No," contact Special Tax Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
5 Arbitrage & Rebate	Were all proceeds of the Certificates spent as described in Section 4.5 of the Tax Compliance Agreement?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If "No," contact Special Tax Counsel to review and determine if any rebate or yield-reduction payments are required and include description of resolution in the Tax-Exempt Bond File.	
	Has the City set aside money in any fund or account in excess of an amount needed to pay debt service on the Certificates within the next 12 months (i.e. is more than one year of debt service pre-funded)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If "Yes," contact Special Tax Counsel to review and determine if any rebate or yield-reduction payments are required and include description of resolution in the Tax-Exempt Bond File.	

<p>6 Continuing Disclosure Filings</p>	<p>Did the City file its annual report (including audited financial statements and any other financial information and operating data required for the Certificates) with the MSRB through EMMA within 6 months of the end of the last Fiscal Year? If "Yes," skip to Item 7.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>If "No," file the appropriate failure to file notice required by the Continuing Disclosure Agreement with the MSRB through EMMA. In addition, contact Special Tax Counsel to inform them of the failure to file and file, as promptly as possible, the annual report with the MSRB through EMMA. Include a description of the reason for the delay in filing the annual report in the Tax-Exempt Bond File.</p>	
<p>7 Material Event Filings</p>	<p>Did any of the following events occur with respect to the Certificates?</p> <ul style="list-style-type: none"> • principal and interest payment delinquencies; • non-payment related defaults, if material; • unscheduled draws on debt service reserves reflecting financial difficulties; • unscheduled draws on credit enhancements reflecting financial difficulties; • substitution of credit or liquidity providers, or their failure to perform; • adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates; • modifications to rights of certificateholders, if material; • certificate calls, if material, and tender offers; • defeasances; • release, substitution or sale of property securing repayment of the Certificates, if material; • rating changes; • bankruptcy, insolvency, receivership or similar event of the obligated person; • the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and • appointment of a successor or additional trustee or the change of name of the trustee, if material. 	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>

	<p>If "Yes," was Special Tax Counsel contacted and notice of the material event filed with the MSRB through EMMA?</p> <p>If "No," contact Special Tax Counsel immediately and prepare and file any required notice with the MSRB through EMMA.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
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Bond Compliance Officer: _____

Date Completed: _____

EXHIBIT E
BOND COMPLIANCE PROCEDURE

EXHIBIT F
CERTIFICATE OF BIDDING AGENT