

## City of Arnold, Missouri

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City Council  
Council Chamber

May 16, 2019  
7:00 p.m.

### Agenda

1. Pledge of Allegiance:
2. Opening Prayer: Gary Plunk – Councilman Ward 4
3. Roll Call:
4. Business from the Floor:
5. Consent Agenda:
  - A. Regular Minutes **May 2, 2019**
  - B. Payroll Warrant **#1316 in the Amount of \$284,219.77**
  - C. General Warrant **#5738 in the Amount of \$512,937.02**
6. Ordinances:
  - A. **Bill No.2741:** An Ordinance Authorizing the City of Arnold, MO. to Enter Into a Lease Purchase Transaction, the Proceeds of Which Will be used to Pay the Costs of Refunding a Portion of the Outstanding Certificates of Participation (City of Arnold, MO., Lessee), Series 2012; and Authorizing the Execution of Certain Documents and Actions in Connection Therewith.
  - B. **Bill No. 2742:** An Ordinance Authorizing the City of Arnold, MO. to Issue Its Taxable Industrial Revenue Bonds (Cedarhurst of Arnold Real Estate, LLC Project), Series 2019, in a Principal Amount not to exceed \$10,000,000 for the Purpose of Providing Funds to Pay the Cost of Acquiring, Constructing and Equipping a Facility for an Industrial Development Project in the City; approving a Plan for the Project; and Authorizing the Mayor to Enter into Certain Agreements and Take Certain Other Actions in Connection with the Issuance of the Bonds.
  - C. **Bill No. 2743:** An Ordinance Providing for the Amendment of the Fiscal Year 2019 Budget.

7. Resolutions:

- A. **Resolution No. 19-28:** A Resolution Approving a Proposal from Hilltop Securities for Providing Municipal Advisory Services.
- B. **Resolution No. 19-29:** A Resolution Approving an Agreement from US Bank to Participate in Their Insured Cash Sweep Program.
- C. **Resolution No. 19-30:** A Resolution Approving a Quote from Floor Coverings International for Carpet.

8. Motion:

- A. A Motion to Hold a Closed Session Immediately Following the City Council Meeting for the Purpose of Discussing Litigation Pursuant to RSMo Section 610.021 (1).

9. Reports from Mayor, Council, and Committees:

10. Administrative Reports:

11. Adjournment:

**Next Regular City Council Meeting June 6, 2019 @ 7:00 p.m.**  
**Next Work Session June 13, 2019 at 7:00 p.m.**

Mayor Pro-Tem Jason Fulbright called the meeting to order at 7:19 p.m.

The Pledge of Allegiance was recited.

Tim Gray from City on the Hill offered the opening prayer.

Those present per roll call taken by City Clerk Tammi Casey: Mayor Counts (excused), Fleischmann (excused), Sullivan, Hood, Plunk, Seidenstricker, Cooley, McArthur, Fulbright, Richison, Bookless, Lehmann, Sweeney, Crutchley, Kroupa and Chief Shockey.

#### **BUSINESS FROM THE FLOOR**

NONE

#### **ORGANIZATION OF COUNCIL**

##### **A. ELECTION OF MAYOR PRO-TEM**

Gary Plunk nominated Jason Fulbright. No other nominations were offered. Vern Sullivan made a motion and so moved to elect Jason Fulbright Mayor Pro-Tem by acclamation. Seconded by Mark Hood. Roll call vote: Fleischmann (excused), Sullivan, yes; Hood, yes; Plunk yes; Seidenstricker, yes; Cooley, yes; McArthur, yes; Fulbright, yes; 7 Yeas: **Motion carried.**

##### **B. MAYORAL COMMITTEE APPOINTMENTS**

The Mayoral committee appointments are attached hereto and made part of this record.

#### **CONSENT AGENDA**

- A. MINUTES FROM APRIL 4, 2019 MEETING**
- B. PAYROLL WARRANT NO. 1314 IN THE AMOUNT OF \$278,705.12  
PAYROLL WARRANT NO. 1315 IN THE AMOUNT OF \$299,575.42**
- C. GENERAL WARRANT NO. 5736 IN THE AMOUNT OF \$194,439.67  
GENERAL WARRANT NO. 5737 IN THE AMOUNT OF \$479,527.25**

**Butch Cooley made a motion and so moved to approve the consent agenda.** Seconded by Tim Seidenstricker. Roll call vote: Fleischmann (excused), Sullivan, yes; Hood, yes; Plunk yes; Seidenstricker, yes; Cooley, yes; McArthur, yes; Fulbright, yes; 7 Yeas: **Consent agenda approved.**

**ORDINANCES**

**BILL NO. 2732 – AN ORDINANCE APPROVING A CONSOLIDATION RECORD PLAT TITLED “CEDARHURST OF ARNOLD, CONSOLIDATION PLAT”** was read twice by City Clerk Tammi Casey. Roll call vote: Fleischmann (excused), Sullivan, yes; Hood, yes; Plunk yes; Seidenstricker, yes; Cooley, yes; McArthur, no; Fulbright, yes; 6 Yeas, 1 Nay: **Ordinance passed.**

**BILL NO. 2733 – AN ORDINANCE APPROVING A REZONING FROM “R-3” RESIDENTIAL DISTRICT “C-2” RESIDENTIAL DISTRICT, AND “C-4” PLANNED COMMERCIAL DISTRICT TO “C-4” PLANNED COMMERCIAL DISTRICT FOR A TRACT OF LAND BEING PART OF U.S. SURVEY 2991, TOWNSHIP 43 NORTH, RANGE 6 EAST OF THE FIFTH PRINCIPAL MERIDIAN, CITY OF ARNOLD, JEFFERSON COUNTY, MISSOURI** was read twice by City Clerk Tammi Casey. Roll call vote: Fleischmann (excused), Sullivan, yes; Hood, yes; Plunk yes; Seidenstricker, yes; Cooley, yes; McArthur, yes; Fulbright, yes; 7 Yeas: **Ordinance passed.**

**BILL NO. 2734 – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARNOLD, MO. AMENDING CHAPTER 420 OF THE ARNOLD CODE OF ORDINANCES (FLOODPLAIN MANAGEMENT)** was read twice by City Clerk Tammi Casey. Roll call vote: Fleischmann (excused), Sullivan, yes; Hood, yes; Plunk yes; Seidenstricker, yes; Cooley, yes; McArthur, yes; Fulbright, yes; 7 Yeas: **Ordinance passed.**

**BILL NO. 2735 – AN ORDINANCE APPROVING REZONING FROM “PRD” PLANNED RESIDENTIAL DISTRICT TO “R-2” RESIDENTIAL DISTRICT FOR 2209 LONEDELL ROAD, TRACTS OF LAND LOCATED IN THE NORTHWEST HALF OF LOT 1 OF U.S. SURVEY 2991 TOWNSHIP 43, RANGES 5 & 6 EAST, JEFFERSON COUNTY, MO** was read twice by City Clerk Tammi Casey. Roll call vote: Fleischmann (excused), Sullivan, yes; Hood, yes; Plunk yes; Seidenstricker, yes; Cooley, no; McArthur, yes; Fulbright, yes; 6 Yeas, 1 Nay: **Ordinance passed.**

**BILL NO. 2736 – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARNOLD, MO. AMENDING CHAPTER 405 OF THE ARNOLD CODE OF ORDINANCES (VEHICLE SALES)** was read twice by City Clerk Tammi Casey. Roll call vote: Fleischmann (excused), Sullivan, yes; Hood, yes; Plunk yes; Seidenstricker, yes; Cooley, yes; McArthur, yes; Fulbright, yes; 7 Yeas: **Ordinance passed.**

**BILL NO. 2737 – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARNOLD, MO. AMENDING CHAPTER 405 OF THE ARNOLD CODE OF ORDINANCES CREATING DEFINITIONS FOR LODGING ESTABLISHMENTS AND EXTENDED STAY LODGING ESTABLISHMENTS AND PROVIDING REGULATIONS THEREFOR** was read twice by City Clerk Tammi Casey. Roll call vote: Fleischmann (excused), Sullivan, yes; Hood, yes; Plunk yes; Seidenstricker, yes; Cooley, yes; McArthur, yes; Fulbright, yes; 7 Yeas: **Ordinance passed.**

**BILL NO. 2738 – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARNOLD, MO. AMENDING CHAPTER 605 OF THE ARNOLD CODE OF ORDINANCES WITH REGARD TO DEFINITIONS AND REGULATIONS FOR GENERAL OPERATION OF LODGING ESTABLISHMENTS** was read twice by City Clerk Tammi Casey. Roll call vote: Fleischmann (excused), Sullivan, yes; Hood, yes; Plunk yes; Seidenstricker, yes; Cooley, yes; McArthur, yes; Fulbright, yes; 7 Yeas: **Ordinance passed.**

**BILL NO. 2739 – AN ORDINANCE AMENDING CHAPTER 500 BUILDINGS AND BUILDING REGULATIONS** was read twice by City Clerk Tammi Casey. Roll call vote: Fleischmann (excused), Sullivan, yes; Hood, yes; Plunk yes; Seidenstricker, yes; Cooley, yes; McArthur, yes; Fulbright, yes; 7 Yeas: **Ordinance passed.**

**BILL NO. 2740 – AN ORDINANCE AUTHORIZING THE CITY OF ARNOLD TO ENTER INTO AN INTERGOVERNMENTAL COOPERATION AGREEMENT FOR THE INVESTMENT OF PUBLIC FUNDS THROUGH THE MISSOURI SECURITIES INVESTMENT PROGRAM** was read twice by City Clerk Tammi Casey. Roll call vote: Fleischmann (excused), Sullivan, yes; Hood, yes; Plunk yes; Seidenstricker, yes; Cooley, yes; McArthur, yes; Fulbright, yes; 7 Yeas: **Ordinance passed.**

## **RESOLUTIONS**

**RESOLUTION NO. 19-23 – A RESOLUTION RE-APPOINTING ED ZIMMERMANN TO THE POLICE PERSONNEL BOARD FOR A TWO-YEAR TERM**

**Vern Sullivan made a motion and so moved to approve Resolution No. 19-23.** Seconded by Tim Seidenstricker. Roll call vote: Fleischmann (excused), Sullivan, yes; Hood, yes; Plunk yes; Seidenstricker, yes; Cooley, yes; McArthur, yes; Fulbright, yes; 7 Yeas: **Resolution approved.**

**RESOLUTION NO. 19-24 – A RESOLUTION APPROVING THE PURCHASE OF 6 (SIX) NEW POLICE VEHICLES**

**Vern Sullivan made a motion and so moved to approve Resolution No. 19-24.**

Seconded by Gary Plunk. Roll call vote: Fleischmann (excused), Sullivan, yes; Hood, yes; Plunk yes; Seidenstricker, yes; Cooley, yes; McArthur, yes; Fulbright, yes; 7 Yeas: **Resolution passed.**

**RESOLUTION NO. 19-25 – A RESOLUTION APPOINTING NICK FERRARIO TO THE ARNOLD BEAUTIFCATION COMMISSION**

**Tim Seidenstricker made a motion and so moved to approve Resolution No. 19-25.**

Seconded by Mark Hood. Roll call vote: Fleischmann (excused), Sullivan, yes; Hood, yes; Plunk yes; Seidenstricker, yes; Cooley, yes; McArthur, yes; Fulbright, yes; 7 Yeas: **Resolution passed.**

**RESOLUTION NO. 19-26 – A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO A LEASE/PURCHASE AGREEMENT WITH JOHN DEERE FINANCIAL INC. FOR A JOHN DEERE 8800A TERRAINCUT MOWER**

**Gary Plunk made a motion and so moved to approve Resolution No. 19-26.**

Seconded by Butch Cooley. Roll call vote: Fleischmann (excused), Sullivan, yes; Hood, yes; Plunk yes; Seidenstricker, yes; Cooley, yes; McArthur, yes; Fulbright, yes; 7 Yeas: **Resolution passed.**

**RESOLUTION NO. 19-27 – A RESOLUTION AUTHORIZING THE USE OF CONTRACTORS AND MUNICIPAL SWEEPING SERVICES INC. FOR STREET SWEEPING SERVICES**

**Gary Plunk made a motion and so moved to approve Resolution No. 19-27.**

Seconded by Tim Seidenstricker. Roll call vote: Fleischmann (excused), Sullivan, yes; Hood, yes; Plunk yes; Seidenstricker, yes; Cooley, yes; McArthur, yes; Fulbright, yes; 7 Yeas: **Resolution passed.**

**MOTIONS**

- A. A MOTION TO HOLD A CLOSED SESSION IMMEDIATELY FOLLOWING THE CITY COUNCIL MEETING FOR THE PURPOSE OF DISCUSSING REAL ESTATE PURSUANT TO RSMo SECTION 610.021(2)**

**Butch Cooley made a motion and so moved to hold a closed session immediately following the council meeting.** Seconded by Gary Plunk. Roll call vote: Fleischmann (excused), Sullivan, yes; Hood, yes; Plunk yes; Seidenstricker, yes; Cooley, yes; McArthur, yes; Fulbright, yes; 7 Yeas: **Motion carried.**

## **REPORTS FROM MAYOR, COUNCIL AND COMMITTEES**

Butch Cooley, Ward 4 – Asked City Clerk Tammi Casey to provide a report for the Liquor Committee.

Mrs. Casey informed council that Sybergs Restaurant had requested an Extension of Premise Letter to provide the State Liquor Commission for a car show being held on May 4, 2019. Due to the time sensitivity of the letter, the Liquor Committee met before the last Work Session to review the request. The Liquor Committee approved the Extension of Premise request and provided the letter of approval to Sybergs by a vote of 3-0. **Butch Cooley made a motion and so move to ratify the approval of the letter for Sybergs Restaurant.** Seconded by Tim Seidenstricker. Roll call vote: Fleischmann (excused), Sullivan, yes; Hood, yes; Plunk yes; Seidenstricker, yes; Cooley, yes; McArthur, yes; Fulbright, yes; 7 Yeas: **Motion carried.**

Tim Seidenstricker, Ward 2 – Informed council that he was approached by a resident of unincorporated Arnold stating his dissatisfaction with not being able to vote in City elections or receiving the City discounted price for the Rec Center.

## **ADMINISTRATIVE REPORTS**

Tammi Casey – Informed everyone that City Hall will be closed Wednesday, May 8<sup>th</sup> in observance of Truman's Birthday.

Chief Shockey – Updated everyone on the flooding issues. The river is expected to crest at 39.8 feet on Monday.

Bryan Richison – Stated that Arnold Park is closing and the Farmers Market will be held at the outdoor pool for at least the next three weeks due to flooding.

Robert Sweeney – Informed council that the Rock Township Ambulance suit was heard last week and a decision is to be made by the end of May.

David Bookless – Informed council that he had provided them with a proclamation that will be signed by the Mayor in recognition of Building Safety Month. Mr. Bookless also stated that the Army Corps of Engineers has completed a study identifying potential buy out and relocation properties that may qualify for FEMA grants and if desired by council a more in depth presentation can be made at the next Work Session.

Bill Lehmann – Stated he is currently working on refunding of the 2012 certificates of participation, which are related to the Rec Center. Ratings were called today and Stifel (bond underwriter) and Gilmore Bell (bond council) are expected to present the final rates to council for their vote at the May 16<sup>th</sup> meeting.

Mayor Pro-Tem Jason Fulbright announced a five minute recess before going into Closed Session.


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Closed Session ended at 8:20 p.m.

A motion to adjourn the meeting was made by Gary Plunk. Seconded by Tim Seidenstricker.

Voice vote: All yeas.

Meeting adjourned at 8:20 p.m.

  
City Clerk Tammi Casey, CMC/MRCC-C



**CITY OF ARNOLD, MISSOURI**

**ROLL CALL**

**MEETING:** REGULAR

**DATE:** 5/2/2019

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**BILL NO - RESOLUTION - MOTION**

**COUNCIL MEMBERS:**

		ROLL CALL	MOTION TO ELECT JASON FULBRIGHT, BY ACCLAMATION, MAYOR PRO-TEM	CONSENT AGENDA	BILL NO 2732	BILL NO 2733	BILL NO 2734
<b>MAYOR</b>	RON COUNTS	EXCUSED					
<b>COUNCIL:</b>	EJ FLEISCHMANN	EXCUSED	EXCUSED	EXCUSED	EXCUSED	EXCUSED	EXCUSED
<b>COUNCIL:</b>	VERN SULLIVAN	PRESENT	YES	YES	YES	YES	YES
<b>COUNCIL:</b>	MARK HOOD	PRESENT	YES	YES	YES	YES	YES
<b>COUNCIL:</b>	GARY PLUNK	PRESENT	YES	YES	YES	YES	YES
<b>COUNCIL:</b>	TIM SEIDENSTRICKER	PRESENT	YES	YES	YES	YES	YES
<b>COUNCIL:</b>	BUTCH COOLEY	PRESENT	YES	YES	YES	YES	YES
<b>COUNCIL:</b>	BRIAN MCARTHUR	PRESENT	YES	YES	NO	YES	YES
<b>COUNCIL:</b>	JASON FULBRIGHT	PRESENT	YES	YES	YES	YES	YES
<b>CITY ADMINISTRATOR</b>	BRYAN RICHISON	PRESENT	<b>PARKS DIR:</b>		DAVID CRU		PRESENT
<b>CITY CLERK</b>	TAMMI CASEY	PRESENT	<b>PUBLIC WORKS:</b>		-		
<b>COM DEV</b>	DAVID BOOKLESS	PRESENT	<b>TREASURER:</b>		DAN KROUPA		PRESENT
<b>FINANCE DIRECTOR</b>	BILL LEHMANN	PRESENT	<b>POLICE DEPT.</b>		CHIEF SHOCKEY		PRESENT
<b>CITY ATTORNEY</b>	BOB SWEENEY	PRESENT					



**CITY OF ARNOLD, MISSOURI**

**ROLL CALL**

**MEETING:** REGULAR

**DATE:** 5/2/2019

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**BILL NO - RESOLUTION - MOTION**

**COUNCIL MEMBERS:**

**MAYOR** RON COUNTS

**COUNCIL:** EJ FLEISCHMANN

**COUNCIL:** VERN SULLIVAN

**COUNCIL:** MARK HOOD

**COUNCIL:** GARY PLUNK

**COUNCIL:** TIM SEIDENSTRICKER

**COUNCIL:** BUTCH COOLEY

**COUNCIL:** BRIAN MCARTHUR

**COUNCIL:** JASON FULBRIGHT

**CITY ADMINISTRATOR** BRYAN RICHISON

**CITY CLERK** TAMMI CASEY

**COM DEV** DAVID BOOKLESS

**FINANCE DIRECTOR** BILL LEHMANN

**CITY ATTORNEY** BOB SWEENEY

	RESOLUTION NO 19-23	RESOLUTION NO 19-24	RESOLUTION NO 19-25	RESOLUTION NO 19-26	RESOLUTION NO 19-27	MOTION TO HOLD CLOSED SESSION
	EXCUSED	EXCUSED	EXCUSED	EXCUSED	EXCUSED	EXCUSED
	YES	YES	YES	YES	YES	YES
	YES	YES	YES	YES	YES	YES
	YES	YES	YES	YES	YES	YES
	YES	YES	YES	YES	YES	YES
	YES	YES	YES	YES	YES	YES
	YES	YES	YES	YES	YES	YES
	YES	YES	YES	YES	YES	YES

**PARKS DIR:** DICKIE BROWN

**PUBLIC WORKS:** -

**TREASURER:** DAN KROUPA

**POLICE DEPT.** CHIEF SHOCKEY



# MAYORAL

## COMMITTEE APPOINTMENTS 2019/2020

Planning Commission – Brian McArthur

Parks and Leisure Service Board – Gary Plunk/Butch Cooley

Police Pension Review Board – Tim Seidenstricker

Tourism Commission – Mark Hood / Vernon Sullivan / Tim Seidenstricker

Commission on Aging & Disabilities – Mark Hood

Liquor Committee – Tim Seidenstricker / Butch Cooley / Gary Plunk

Finance/Budget/Economic Development Committee – Jason Fulbright / Mark Hood

Farmers' Market Committee – E. J. Fleischmann

Veterans Commission – Gary Plunk / Vernon Sullivan

Historic Preservation – Jason Fulbright

Foundation Commission - Mayor Ron Counts / Bryan Richison

Beautification Commission – E. J. Fleischmann / Tim Seidenstricker

**The Liaison between the City and the Following Committees will be:**

Chamber of Commerce – Bryan Richison

Economic Development of Jefferson County – Bryan Richison/Dave Bookless

Jefferson County Municipal League – City Administrator / Bryan Richison

The Public Hearing was called to order by Mayor Pro-Tem Fulbright at 7:00 p.m. City Clerk Tammi Casey made note of those in attendance: Mayor Counts (excused), Fleischmann (excused), Sullivan, Hood, Plunk, Seidenstricker, Cooley, McArthur, Fulbright, Richison, Bookless, Lehmann, Sweeney, Crutchley, Kroupa and Chief Shockey.

**A. 2019-02 CEDARHURST OF ARNOLD: A REQUEST TO CONSOLIDATE SEVEN (7) PARCELS INTO ONE 8.32 PARCEL LOCATED AT THE SOUTHWEST CORNER OF OLD LEMAY FERRY ROAD AND MISSOURI STATE ROAD**

Christie Hull-Bettale informed council that this request was reviewed and discussed at the Planning Commission's April 19, 2019 meeting and they are recommending approval by a vote of 7-1.

**B. 2019-01 CEDARHURST OF ARNOLD: A REQUEST TO REZONE SEVEN (7) PARCELS TO ESTABLISH A "C-4" PLANNED COMMERCIAL DISTRICT LOCATED AT THE SOUTHWEST CORNER OF OLD LEMAY FERRY ROAD AND MISSOURI STATE ROAD**

Christie Hull-Bettale informed council that the Planning Commission originally discussed this at its February 12, 2019 meeting and at that time tabled the request. The plat was modified and discussed again at the April 9, 2019 meeting where the Planning Commission voted to recommend approval by a vote of 7-1.

**PUBLIC COMMENTS** - A representative from both Sterling Engineering and Dover stated they were in attendance to answer any questions.

**COUNCIL COMMENTS** - None

**C. FLOODPLAIN MANAGEMENT CHAPTER 420, AMEND AND ADOPT**

Christie Hull-Bettale stated that FEMA/NFIP initiated a request to amend Chapter 420 of the Code of Ordinances. The Community Development staff held two public meetings in January 2019 to inform citizens of upcoming changes and answer any questions or concerns. Amending the Floodplain Management Ordinance to accept the updated study and maps is the final step and if approved, which staff is recommending, will become effective June 20, 2019.

**PUBLIC COMMENTS** - None

**COUNCIL COMMENTS** - None

PUBLIC HEARING  
PAGE 2  
May 2, 2019

**D. 2019-12 2209 LONEDELL ROAD: A REQUEST TO REZONE FROM  
“PRD” PLANNED RESIDENTIAL DEVELOPMENT TO “R-2”  
RESIDENTIAL FOR A 11.74 ACRE TRACT OF LAND LOCATED AT 2209  
LONEDELL ROAD**

David Bookless informed council that the purpose of the rezoning is to allow the new owner to construct his own single family home with the possibility of building an additional three single family homes. The Planning Commission discussed this at their April 9, 2019 meeting and they are recommending approval by a vote of 8-0.

PUBLIC COMMENTS - None

COUNCIL COMMENTS - Butch Cooley inquired as to what the city has in place to stop the owner from eventually building a road on the property and constructing up to an additional 22 homes. Discussion followed.

**E. 2019-13 VEHICLE SALES (TEXT AMENDMENT)**

David Bookless reminded council that they initiated the request to amend Chapter 405 of the Zoning Code to modify the definitions and regulations related to used car lots as outlined in the packet. The Planning Commission discussed this item at their April 9, 2019 meeting and is forwarding a recommendation of approval by a vote of 8-0.

PUBLIC COMMENTS – None

COUNCIL COMMENTS – None

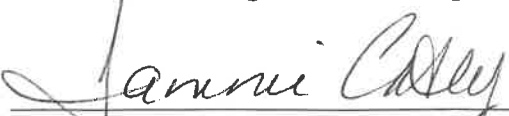
**F. 2019-08 LODGING ESTABLISHMENTS (TEXT AMENDMENT)**

David Bookless reminded council this was previously discussed at the March 14<sup>th</sup> Work Session. This item will change two definitions in the City Code and create a definition of “extended stay”. The Planning Commission discussed this item at their April 9, 2019 meeting and is forwarding a recommendation of approval by a vote of 8-0.

PUBLIC COMMENTS – None

COUNCIL COMMENTS – None

The Public Hearing ended at 7:19 p.m.

  
City Clerk Tammi Casey, CMC/MRCC-C

Those in attendance as noted by City Clerk Tammi Casey; Mayor Ron Counts, Fleischmann (excused), Sullivan (excused), Hood, Plunk, Seidenstricker, Cooley, McArthur, Fulbright (excused), Richison, Bookless, Hull-Bettale, Lehmann, Sweeney, Brown, Kroupa (excused) and Chief Shockey.

#### **WALTERS GROUP**

Aaron Gleason from Walters Group provided council with an update on the progress at Arnold Golf Club. Since they began managing the golf course in October 2018 they have hired a new Superintendent and Club House Manager/Golf Pro, completed aerification of all greens with the exception of #7, installed a new POS system, created a new website and app and completed the training of all staff. They continue to build a customer e-mail data base and currently have over 500 participants and conduct a monthly inventory of all supplies and equipment. Flooding has been a challenge forcing the relocation of three tournaments, rescheduling of all league play and a loss of daily players. Lost revenue due to flooding has reached approximately \$20,000. Walters remains optimistic that after the floods recede, marketing capabilities will increase, which will in turn increase revenue.

#### **HILLTOP SECURITIES**

Bryan Richison informed council that he and Bill Lehmann have been researching the idea of obtaining a financial consultant to assist the city with bond issues, long term capital planning, etc. Reagan Holiday with Hilltop Securities stated that the regulatory environment has changed in the past few years. Under new regulations, bond underwriting companies are no longer to provide their underwriting services to municipalities while at the same time providing financial advisory services. A financial advisor would help to ensure the city obtains the best rates available, perform debt modeling and provide ideas to increase our credit rating as well as create debt policies. Discussion and comments followed by council. Mr. Richison stated he plans to have this item on the next agenda for council approval.

#### **FLOOD UPDATE**

Chief Shockey stated the river crested Tuesday, but the flooding will be around for at least the next week. Dickie Brown informed council that the intent is to have the Farmers Market ready to open back at the park by May 21<sup>st</sup>, however the rest of the park will still not be open by that time. The car show that was scheduled at the park for May has been cancelled.

#### **ARMY CORPS OF ENGINEERS REPORT**

Christie Hull-Bettale informed council of the findings from the Army Corps of Engineers Floodplain Analysis Study, which was paid for through a federal grant. The study was completed in an effort to minimize flood risk to the city and its residents. The study suggests dry flood proofing 112 structures, city acquisition or demolition of 23 structures, relocation of 161 mobile homes and restoring 53.8 acres of flood plain to "green open space". The study has saved the City money by identifying priority properties and allows the City to be better prepared. We can proceed from this study as we see fit, to incorporate all the suggested changes, some of them or none at all. Discussion followed by council.




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Work Session  
May 9, 2019

Gary Plunk made a motion and so moved to adjourn the meeting. Seconded by Butch Cooley.

Voice vote: All Yeas.

Meeting adjourned at 8:35 p.m.

  
City Clerk Tammi Casey, CMC/MRCC-C

**CITY OF ARNOLD, MISSOURI**

**ROLL CALL**

**MEETING:** WORK SESSION

**DATE:** 5/9/2019

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**BILL NO - RESOLUTION - MOTION**

**COUNCIL MEMBERS:**

		IN ATTENDANCE					
<b>MAYOR</b>	<u>RON COUNTS</u>	PRESENT					
<b>COUNCIL:</b>	<u>EJ FLEISCHMANN</u>	EXCUSED					
<b>COUNCIL:</b>	<u>VERN SULLIVAN</u>	EXCUSED					
<b>COUNCIL:</b>	<u>MARK HOOD</u>	PRESENT					
<b>COUNCIL:</b>	<u>GARY PLUNK</u>	PRESENT					
<b>COUNCIL:</b>	<u>TIM SEIDENSTRICKER</u>	PRESENT					
<b>COUNCIL:</b>	<u>BUTCH COOLEY</u>	PRESENT					
<b>COUNCIL:</b>	<u>BRIAN MCARTHUR</u>	PRESENT					
<b>COUNCIL:</b>	<u>JASON FULBRIGHT</u>	EXCUSED					
<b>CITY ADMINISTRATOR</b>	BRYAN RICHISON	PRESENT	<b>PARKS DIR:</b>	DICKIE BROWN			PRESENT
<b>CITY CLERK</b>	TAMMI CASEY	PRESENT	<b>PUBLIC WORKS:</b>	-			
<b>COM DEV</b>	DAVID BOOKLESS	PRESENT	<b>TREASURER:</b>	DAN KROUPA			EXCUSED
<b>FINANCE DIRECTOR</b>	BILL LEHMANN	PRESENT	<b>POLICE DEPT.</b>	CHIEF SHOCKEY			PRESENT
<b>CITY ATTORNEY</b>	BOB SWEENEY	PRESENT					

**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 A PORTION OF THE OUTSTANDING CERTIFICATES OF PARTICIPATION (CITY OF ARNOLD, MISSOURI, LESSEE), SERIES 2012; AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.**

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**WHEREAS**, the City of Arnold, Missouri (the “City”) authorized the delivery of \$12,965,000 original principal amount of Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2012 (the “Series 2012 Certificates”), which were delivered for the purpose of providing funds, together with other legally available funds of the City, to pay the costs of (1) refunding the outstanding Leasehold Revenue Bonds (Arnold Community Recreation Center), Series 2003, issued by the Arnold, Missouri, Public Facilities Corporation and (2) executing and delivering the Series 2012 Certificates; and

**WHEREAS**, the City finds and determines that it is advantageous and in the best interests of the City to enter into certain transactions with UMB Bank, N.A., as trustee (the “Trustee”), relating to the delivery of Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2019 (the “Series 2019 Certificates”), to provide funds, together with other legally available funds of the City, to (1) refund a portion of the outstanding Series 2012 Certificates and (2) pay the costs of delivering the Series 2019 Certificates; and

**WHEREAS**, the City owns certain real property upon which the Arnold Recreation Center is located (together with the existing improvements thereon, the “Leased Property”), which the City is leasing to the Trustee pursuant to a Base Lease dated as of June 1, 2012; and

**WHEREAS**, to facilitate the foregoing and to pay the cost thereof, it is necessary and desirable for the City to take the following actions:

1. Enter into a First Supplemental Lease Purchase Agreement dated as of May 1, 2019 (the “First Supplemental Lease”) with the Trustee, as lessor, the form of which is attached hereto as **Exhibit A**, which supplements and amends the Lease Purchase Agreement dated as of June 1, 2012 (the “Original Lease” and, together with the First Supplemental Lease, the “Lease”), pursuant to which the City is leasing the Leased Property from the Trustee on a year-to-year basis with an option to purchase the Trustee’s interest in the Leased Property;
2. Enter into a Continuing Disclosure Agreement dated as of May 1, 2019 (the “Continuing Disclosure Agreement”) with the Trustee, the form of which is attached hereto as **Exhibit B**, pursuant to which the City agrees to provide certain financial information, operating data and notices of certain enumerated events with respect to the Series 2019 Certificates;
3. Enter into a Tax Compliance Agreement dated as of May 1, 2019 (the “Tax Compliance Agreement”) with the Trustee, the form of which is attached hereto as **Exhibit C**, pursuant to which the City makes certain representations and covenants related to the exclusion of the Interest Portion of Basic Rent (as defined in the Lease) from gross income for purposes of federal income taxation;

4. Enter into a First Supplemental Declaration of Trust dated as of May 1, 2019 (the “First Supplemental Declaration of Trust”) with the Trustee, the form of which is attached hereto as **Exhibit D**, which supplements and amends the Declaration of Trust dated as of June 1, 2012 (the “Original Declaration of Trust” and, together with the First Supplemental Declaration of Trust, the “Declaration of Trust”), pursuant to which the Series 2019 Certificates will be executed and delivered;

5. Approve an Official Statement with respect to the Series 2019 Certificates, to be in substantially the same form as the Preliminary Official Statement with respect to the Series 2019 Certificates, the form of which is attached hereto as **Exhibit E** (the “Preliminary Official Statement,” and together, the “Official Statement”);

6. Enter into a Certificate Purchase Agreement (the “Certificate Purchase Agreement”) with the Trustee and Stifel, Nicolaus & Company, Incorporated, St. Louis, Missouri (the “Underwriter”), the form of which is attached hereto as **Exhibit F**; and

7. Deliver a Letter of Escrow Instructions (the “Letter of Escrow Instructions”) to UMB Bank, N.A., as escrow agent, the form of which is attached hereto as **Exhibit G**.

The Base Lease, the Lease, the Continuing Disclosure Agreement, the Tax Compliance Agreement, the Declaration of Trust, the Certificate Purchase Agreement and the Letter of Escrow Instructions are referred to together herein as the “City Documents.”

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

**Section 1. Approval of Delivery of the Series 2019 Certificates.** The City hereby approves the delivery of the Series 2019 Certificates in the original principal amount of \$[\*\*PRINCIPAL AMOUNT\*\*]. The Series 2019 Certificates shall be delivered and secured pursuant to the Declaration of Trust. The Series 2019 Certificates shall be dated the date of their original execution and delivery, shall become due on August 15 in the years and in the respective amounts, and shall bear interest from the date thereof payable semiannually on February 15 and August 15, beginning August 15, 2019, at the rates per annum, as follows:

**SERIAL CERTIFICATES**

<b><u>Payment Date</u></b> <b><u>(August 15)</u></b>	<b><u>Principal</u></b> <b><u>Portion</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>
2020	\$	%
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		

<u>Payment Date</u> <u>(August 15)</u>	<u>Principal</u> <u>Portion</u>	<u>Interest</u> <u>Rate</u>
2030		
2031		

The City ratifies and confirms the sale of the Series 2019 Certificates to the Underwriter at a purchase price of \$ \_\_\_\_\_ (consisting of the original principal amount of the Series 2019 Certificates, plus **[\*\*an\*\*][\*\*a net\*\*]** original issue premium of \$ \_\_\_\_\_ and less an underwriting discount of \$ \_\_\_\_\_), plus accrued interest, if any, to the date of delivery. The Trustee shall deliver the Series 2019 Certificates to the Underwriter as soon as practicable after the adoption of this Ordinance, upon payment therefor in accordance with the terms of the sale. The Series 2019 Certificates shall be in such denominations, shall be in such forms, shall be subject to prepayment prior to the stated payment dates thereof, shall have such other terms and provisions, and shall be executed and delivered in such manner subject to such provisions, covenants and agreements as are set forth in the Declaration of Trust.

**Section 2. Authorization and Approval of the City Documents.** The City Documents are hereby approved in substantially the forms submitted to and reviewed by the City Council on the date hereof, with such changes therein as are approved by the Mayor. The Mayor's execution of the City Documents will be conclusive evidence of such approval. The Mayor is hereby authorized and directed to execute and deliver the City Documents on behalf of and as the act and deed of the City. The City Clerk is hereby authorized to affix the City's seal to the City Documents and attest said seal.

The obligation of the City to pay Basic Rent Payments (as defined in the Lease) under the Lease is subject to annual appropriation and will constitute a current expense of the City and will not in any way be construed to be an indebtedness or liability of the City in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness or liability by the City, nor will anything contained in the Lease constitute a pledge of the general tax revenues, funds or moneys of the City, and all provisions of the Lease will be construed so as to give effect to such intent.

**Section 3. Limited Obligations.** The Series 2019 Certificates and the interest thereon shall be limited obligations, payable solely out of the rents, revenues and receipts received by the Trustee from the City pursuant to the Lease. Neither the Lease nor the Series 2019 Certificates shall constitute a debt or liability of the City or of the State of Missouri or of any political subdivision thereof, and neither the Lease nor the Series 2019 Certificates shall constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

**Section 4. Prepayment of the Series 2012 Certificates.** The Series 2012 Certificates maturing on August 15, 2020 and thereafter are hereby called for prepayment prior to maturity on August 15, 2019. Such Series 2012 Certificates shall be prepaid at the principal corporate trust office of the Trustee, by the payment on the prepayment date of the principal thereof, together with prepayment premium, if any, and accrued interest thereon to the prepayment date. The officers of the City are hereby authorized and directed to take such other action as may be necessary in order to effect the prepayment of such Series 2012 Certificates.

**Section 5. Approval of Official Statement.** The final Official Statement is hereby approved, supplementing, amending and completing the Preliminary Official Statement in substantially the form submitted to and reviewed by the City Council on the date hereof, with such changes therein as are approved by the Mayor. The Mayor's execution thereof will be conclusive evidence of such approval. The Mayor is hereby authorized and directed to execute and deliver the final Official Statement on behalf of and as the act and deed of the City, and the public distribution of the final Official Statement by the

Underwriter is in all respects hereby authorized and approved for use in connection with the sale of the Series 2019 Certificates.

For the purpose of enabling the Underwriter to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission (the "Rule"), the City hereby deems the Preliminary Official Statement to be "final" as of its date, except for the omission of such information as is permitted by the Rule. The appropriate officers of the City are hereby authorized, if requested, to provide the Underwriter a letter or certification to such effect and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Underwriter to comply with the requirement of such Rule.

**Section 6. Further Authority.** The City will, and the officials and agents of the City are hereby authorized and directed to, take such actions, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the City Documents, the other documents authorized or approved hereby.

**Section 7. Severability.** The sections of this Ordinance shall be severable. If any section of this Ordinance is found by a court of competent jurisdiction to be invalid, the remaining sections shall remain valid, unless the court finds that: (a) the valid sections are so essential to and inseparably connected and dependent upon the void section that it cannot be presumed that the City Council has or would have enacted the valid sections without the void ones, and (b) the valid sections, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent. The invalid provision shall be omitted and this Ordinance shall be amended to the extent possible to conform to the original intent of the City.

**Section 8. Governing Law.** This Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State of Missouri.

**Section 9. Effective Date.** This Ordinance shall be in full force and effect from and after its passage and approval.

[Remainder of Page Intentionally Left Blank.]

READ TWO TIMES, PASSED AND APPROVED THIS 16TH DAY OF MAY, 2019.

\_\_\_\_\_  
Presiding Officer of the City Council

\_\_\_\_\_  
Mayor Ron Counts

ATTEST:

\_\_\_\_\_  
City Clerk Tammi Casey

1st reading: \_\_\_\_\_

2nd reading: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney Robert Sweeney

Z:\CITYDOCS\ORDINANC\2741 Series 2012 Bonds Refinanced 2019.docx  
Friday, May 10, 2019

**EXHIBIT A**

**FIRST SUPPLEMENTAL LEASE PURCHASE AGREEMENT**

[On file in the office of the City Clerk]



**EXHIBIT B**  
**CONTINUING DISCLOSURE AGREEMENT**

[On file in the office of the City Clerk]

**EXHIBIT C**

**TAX COMPLIANCE AGREEMENT**

[On file in the office of the City Clerk]

**EXHIBIT D**

**FIRST SUPPLEMENTAL DECLARATION OF TRUST**

[On file in the office of the City Clerk]

**EXHIBIT E**

**PRELIMINARY OFFICIAL STATEMENT**

[On file in the office of the City Clerk]

**EXHIBIT F**  
**CERTIFICATE PURCHASE AGREEMENT**

[On file in the office of the City Clerk]

**EXHIBIT G**

**LETTER OF ESCROW INSTRUCTIONS**

[On file in the office of the City Clerk]

## FIRST SUPPLEMENTAL LEASE PURCHASE AGREEMENT

**THIS FIRST SUPPLEMENTAL LEASE PURCHASE AGREEMENT** (the “First Supplemental Lease”), dated as of May 1, 2019, 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 June 1, 2012 (the “Base Lease”), pursuant to which the City leased to the Trustee certain real property upon which the Arnold Recreation Center is located (together with the existing improvements thereon, the “Leased Property”).

2. The Trustee and the City entered into a Lease Purchase Agreement dated as of June 1, 2012 (the “Original Lease” and, together with this First Supplemental Lease, the “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 a Declaration of Trust dated as of June 1, 2012 (the “Original Declaration of Trust”), pursuant to which the Trustee delivered \$12,965,000 original principal amount of Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2012 (the “Series 2012 Certificates”) to provide funds, together with other legally available funds of the City, to pay the costs of (a) refunding the outstanding Leasehold Revenue Bonds (Arnold Community Recreation Center), Series 2003, issued by the Arnold, Missouri, Public Facilities Corporation and (b) executing and delivering the Series 2012 Certificates.

4. Concurrently herewith, the City and the Trustee are entering into a First Supplemental Declaration of Trust (the “First Supplemental Declaration of Trust” and, together with the Original Declaration of Trust, the “Declaration of Trust”), under which the Trustee will deliver \$[\*\*PRINCIPAL AMOUNT\*\*] principal amount of Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2019 (the “Series 2019 Certificates”) to provide funds, together with other legally available funds of the City, to (a) refund a portion of the outstanding Series 2012 Certificates and (b) pay the costs of delivering the Series 2019 Certificates.

5. The City and the Trustee desire to enter into this First Supplemental Lease, pursuant to which the Original Lease will be amended to modify the amount of the Basic Rent Payments payable thereunder upon the terms and conditions set forth herein.

6. **Article VIII** of the Original Declaration 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 Declaration of Trust, and it is hereby found and determined that this First Supplemental Lease will comply in all respects with the Original Declaration 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 Declaration 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:

**“First Supplemental Declaration of Trust”** means the First Supplemental Declaration of Trust dated as of May 1, 2019, between the City and the Trustee.

**“First Supplemental Lease”** means this First Supplemental Lease Purchase Agreement dated as of May 1, 2019, between the City and the Trustee.

**“Original Declaration of Trust”** means the Declaration of Trust dated as of June 1, 2012, between the City and the Trustee.

**“Original Lease”** means the Lease Purchase Agreement dated as of June 1, 2012, between the City and the Trustee.

**“Underwriter”** means, with respect to the Series 2012 Certificates, Stifel, Nicolaus & Company, Incorporated, and with respect to the Series 2019 Certificates, Stifel, Nicolaus & Company, Incorporated, the original purchaser of the Series 2019 Certificates.

#### **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, 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 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 word “including,” the 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.

**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, 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. Date of First Supplemental Lease.** The dating of this First Supplemental Lease as of May 1, 2019, 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 2019 Certificates.

**Section 1.06. Governing Law.** The Lease will be governed by and construed in accordance with the laws of the State of Missouri (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 the offering of the Series 2019 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 of 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 City Council 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 Event of Default exists 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, 2012, and the City has continued the Lease for each Renewal Term thereafter through and including August 31, 2019. 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 August 15, 2031.

**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 (a) 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 (b) 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 2019 Certificates.** The City covenants and agrees that (a) it will comply with the provisions of the Tax Compliance Agreement with respect to the Series 2019 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 2019 Certificates and (b) it will not use or permit the use of any proceeds of Series 2019 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 2019 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 2019 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 May 1, 2018 (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 Declaration of Trust (and, at the request of the Owners of Series 2019 Certificates of at least 25% aggregate principal amount of Outstanding Series 2019 Certificates and if indemnified to its satisfaction, will) or any Owners of Series 2019 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.** Subsections (a) and (b) of **Section 10.01** of the Original Lease are hereby amended by deleting the existing subsections (a) and (b) of **Section 10.01** and inserting the following in substitution thereof:

(a) On or after August 15, 20\_\_ upon payment in full of Rent Payments then due hereunder 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 Declaration of Trust in the amount necessary to provide for (1) the Basic Rent Payments becoming due and payable to and including the prepayment date, and (2) the 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 applicable prepayment date, which will be on or after August 15, 20\_\_.

**Section 5.02. Partial Prepayment.** Subsection (a) of **Section 10.02** of the Original Lease is hereby amended by deleting the existing subsection (a) of **Section 10.02** and inserting the following in substitution thereof:

(a) The City may prepay the Basic Rent Payments in part, upon giving written notice to the Trustee at least 45 days before the prepayment date (unless a shorter notice is satisfactory to the Trustee), on any date occurring on or after August 15, 20\_\_, 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 prepayment date.

## 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 Left 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 five Business Days prior to each Basic Rent Payment Date.

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**CONTINUING DISCLOSURE AGREEMENT**

**Dated as of May 1, 2019**

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**Between the**

**CITY OF ARNOLD, MISSOURI**

**and**

**UMB BANK, N.A.**

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**[\$\*\*PRINCIPAL AMOUNT\*\*]  
Refunding Certificates of Participation  
(City of Arnold, Missouri, Lessee)  
Series 2019**

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## CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** dated as of May 1, 2019 (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 \$[\*\*PRINCIPAL AMOUNT\*\*] aggregate principal amount of Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2019 (the "*Certificates*"), pursuant to a Declaration of Trust dated as of June 1, 2012 (as amended and supplemented, the "*Declaration*") by 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 June 1, 2012 (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 Declaration, 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.

"*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](http://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.

**Section 2. Provision of Annual Reports.**

(a) The City shall, or shall cause the Dissemination Agent to, not later than **180** days after the end of the City’s Fiscal Year, commencing with the Fiscal Year ending August 31, 2019, 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 provided 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 provided 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 relating to the Certificates, as described in **Exhibit B**, in substantially the same format contained in the final Official Statement with such adjustments to formatting or presentation determined to be reasonable by the City.

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 provided to the MSRB and are available through EMMA or 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**.

(b) Not later than **15** 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 provided the Annual Report to 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 provided an Annual Report to 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, in substantially the same form as **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 (b) above, provide the Annual Report to the MSRB and provide a report to the City (and if the Dissemination Agent is not the Trustee, the Trustee) certifying that the Annual Report has been provided pursuant to this Continuing Disclosure Agreement and stating the date it was provided to the MSRB.

(e) The Annual Report will be provided to the MSRB in such manner and format as is prescribed by the MSRB.

(f) 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) Not 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 security, or other material events affecting the tax-exempt status of the security;
- (7) modifications to rights of security holders, if material;
- (8) certificate calls, if material, and tender offers;
- (9) defeasances;

- (10) release, substitution or sale of property securing repayment of the securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) 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;
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (15) incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material;
- (16) default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties; and
- (17) the occurrence of an Event of Nonappropriation under the Lease.

For purposes of the events identified in paragraphs (1) through (17) above, the term “security” means Certificates, “security holders” means Certificate holders, and “obligated person” means the City. For purposes of the events identified in paragraphs (15) and (16) above, the term “financial obligation” means (A) a debt obligation; (B) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(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. Notwithstanding the foregoing, notice of Material Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the registered owners of affected Certificates under the Declaration.

**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 payment date 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 or waiver in the same manner as for a Material Event under **Section 3**.

(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 Declaration 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 compliance with any rule or regulation of the City or the Participating Underwriter in connection with the providing of information herein but is merely responsible for providing 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 the 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 Declaration, 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 Certificates:** \$[\*\*PRINCIPAL AMOUNT\*\*] Refunding Certificates of Participation  
(City of Arnold, Missouri, Lessee), Series 2019

**Date of Delivery:** May 30, 2019

**NOTICE IS HEREBY GIVEN** that the City of Arnold, Missouri, has not provided an Annual Report with respect to the above-named Certificates as required by the Continuing Disclosure Agreement dated as of May 1, 2019, 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 provided 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: \$[\*\*PRINCIPAL AMOUNT\*\*] Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2019

The City of Arnold, Missouri (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 180 days 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 Attachment 1 to 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 15 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 provided the Annual Report or will provide the Annual Report to the MSRB prior to the deadline. If you have any questions regarding how or where to submit the Annual Report to the Dissemination Agent, 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, Missouri 63102  
(314) 612-8490  
(314) 612-8498 – FAX

Enclosures

**ATTACHMENT 1**

**REQUIRED CONTENT OF ANNUAL REPORT**

1. **Audited financial statements of the City for the Fiscal Year.**
  
2. **Financial information and operating data set forth 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.”**

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**TAX COMPLIANCE AGREEMENT**

**Dated as of May 1, 2019**

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**Between the**

**CITY OF ARNOLD, MISSOURI**

**and**

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

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**[\$\*\*PRINCIPAL AMOUNT\*\*]  
Refunding Certificates of Participation  
(City of Arnold, Missouri, Lessee)  
Series 2019**

**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**

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**TAX COMPLIANCE AGREEMENT**

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**Exhibit A** – Debt Service Schedule and Proof of Yield

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**Exhibit D** – Certificate of Underwriter in Connection with the Purchase of Open Market Escrow Securities

**Exhibit E** – Sample Annual Compliance Checklist

**Exhibit F** – Tax Compliance Procedure

\* \* \*

## TAX COMPLIANCE AGREEMENT

**THIS TAX COMPLIANCE AGREEMENT** (the “Tax Agreement”), entered into as of May 1, 2019, 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 \$[\*\*PRINCIPAL AMOUNT\*\*] principal amount of Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2019 (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 June 1, 2012 (as amended and supplemented, including without limitation by the First Supplemental Lease Purchase Agreement dated as of May 1, 2019, the “Lease”), which Certificates are delivered under a Declaration of Trust dated as of June 1, 2012 (as amended and supplemented, including without limitation by the First Supplemental Declaration of Trust dated as of May 1, 2019, the “Declaration”) made by the Trustee, for the purposes described in this Tax Agreement, the Declaration 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 as **Exhibit F**, 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 Declaration 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** and substantially in the form attached as **Exhibit E**.

**“Basic Rent Payments”** means the Basic Rent Payments required by the Lease, each payment of which is comprised of a Principal Portion and an Interest Portion.

**“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 City’s 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 Declaration.

**“Certificate Year”** means each one-year period (or shorter period for the first Certificate Year) ending August 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.

**“Declaration”** means the Declaration of Trust dated as of June 1, 2012, between the City and the Trustee, as amended and supplemented in accordance with the provisions of the Declaration, including without limitation by the First Supplemental Declaration of Trust dated as of May 1, 2019.

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

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

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



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

**“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) Delivery Costs Fund.
- (2) Lease Revenue Fund.

**“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).

**“Interest Portion”** means the portion of each Basic Rent Payment that represents the payment of interest as set forth in the Lease.

**“Investment”** means any security, obligation, annuity contract or other investment-type property that is purchased directly with, or otherwise allocated to, Gross Proceeds. 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 May 30, 2019.

**“Lease”** means the Lease Purchase Agreement dated as of June 1, 2012, between the Trustee, as lessor, and the City, as lessee, as amended and supplemented in accordance with the provisions of the Lease, including without limitation by the First Supplemental Lease Purchase Agreement dated as of May 1, 2019.

**“Letter of Escrow Instructions”** means the Letter of Escrow Instructions dated May 30, 2019, from the City to the Escrow Agent.

**“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 end of the expected economic useful life of the property.

**“Minor Portion”** means the lesser of \$100,000 or 5% of the sale proceeds of the Certificates.

**“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.

**“Official Intent Date”** means May 20, 2003.

**“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 the Series 2003 Bonds which was the first issue 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.

**“Prepayment Date”** means August 15, 2019, the prepayment date of the Refunded Obligations.

**“Principal Portion”** means the portion of each Basic Rent Payment that represents the payment of principal as set forth in the Lease.

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

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

**“Qualified Use Agreement”** means any of the following:

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

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

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

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

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

**"Refunded Obligations"** means the Series 2012 Certificates originally scheduled to mature August 15 in the years 2020 through 2031, inclusive, outstanding in the aggregate principal amount of \$9,015,000.

**"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 2003 Bonds"** means the \$16,000,000 original principal amount Leasehold Revenue Bonds (Arnold Community Recreation Center) Series 2003, issued by Arnold, Missouri, Public Facilities Corporation on June 11, 2003, the proceeds of which financed new money capital expenditures.

**"Series 2012 Certificates"** means the \$12,965,000 original principal amount Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2012, issued and delivered on June 14, 2012, the proceeds of which advance refunded the Series 2003 Bonds.

**"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 F**.

**“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 Declaration.

**“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 Covenants and Allocation of Proceeds to Project.*

(1) 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 Declaration, 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.

(2) The City has and will account for the expenditure of proceeds of the Original Obligations and Qualified Equity for the Project as described in **Section 4.2**. For purposes of the following covenants related to the use of the Financed Facility portion of the Project, any Non-Qualified Use shall be treated as first allocated entirely to the portion of the Project financed with Qualified Equity.

(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 consulting with 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 none of the basic rent payments represented by the Refunded Obligations has 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 consulting with 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 consulting with 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 consulting with Special Tax Counsel.

(h) *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**. Based on this computation, the “average maturity” of the Certificates, as computed by Special Tax Counsel, does not exceed 120% of the “average reasonably expected economic life” of the Financed Facility. The “average reasonably expected economic life” of the Financed Facility was determined as follows: the average economic life of the Financed Facility as of the issue date of the Original Obligations was first

multiplied by 120%, then reduced by the number of years elapsed from the issue date of the Original Obligations to the Issue Date.

(i) *Expenditure of Certificate Proceeds.*

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

(2) The governing body of the City adopted a resolution declaring the intent of the City to finance the Financed Facility with tax-exempt bonds and to reimburse the City for expenditures made for the Financed Facility prior to the issuance of those bonds. No portion of the Net Proceeds of the Original Obligations was used to reimburse an expenditure paid by the City more than 60 days prior to the date the resolution was adopted.

(j) *Registration Requirement.* The Declaration requires that all of the Certificates will be delivered and held in registered form within the meaning of Code § 149(a).

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

(l) *IRS Form 8038-G.* Special Tax Counsel will prepare Form 8038-G (Information Return for Tax-Exempt Governmental Obligations) based on the representations and covenants of the City contained in this Tax 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**.

(m) *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 three years after the applicable 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 four years or more.

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

(o) *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 Certificates and (3) are expected to be paid from substantially the same source of funds as the Lease and Certificates (disregarding guarantees from unrelated parties, such as bond insurance).

(p) *Interest Rate Swap.* As of the Issue Date, the City has not entered into an interest rate swap agreement or any other similar arrangement designed to modify its interest rate risk with respect to the

Certificates. The City will not enter into any such arrangement in the future without first consulting with Special Tax Counsel.

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

(r) *Bank Qualified Tax-Exempt Obligation.* The City's obligation to pay Basic Rent under the Lease has not been designated a "qualified tax-exempt obligation" under Code § 265(b)(3).

**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, at the written request 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 and the City with such information as it may request in order for the City 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.

(c) The Trustee, acting on behalf of the City, will retain records related to the investment and expenditure of Gross Proceeds held in funds and accounts maintained by the Trustee and any records provided to the Trustee by the City related to the Post-Issuance Tax Requirements in accordance with **Section 4.2(a)** of this Tax Agreement. The Trustee will retain these records until three years following the final maturity of (i) the Certificates or (ii) any obligation issued to refund the Lease and Certificates; provided, however, if the Trustee is not retained to serve as trustee for any obligation issued to refund the Certificates (a "Refunding Obligation"), then the Trustee may satisfy its record retention duties under this **Section 2.3(c)** by providing copies of all records in its possession related to the Certificates to the trustee for the Refunding Obligation or other party agreed upon by the City.

**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 Declaration:

- (a) Delivery Costs Fund.
- (b) Lease Revenue Fund.

**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	\$[**PRINCIPAL AMOUNT**].00
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) \$ \_\_\_\_\_ of Certificate proceeds will be deposited in the Delivery Costs Fund and used to pay the costs of delivery of the Lease and Certificates; and
- (2) \$ \_\_\_\_\_ (consisting of \$ \_\_\_\_\_ of Certificate proceeds and \$ \_\_\_\_\_ contributed by the City) will be transferred to the Escrow Agent and applied in



accordance with the Letter of Escrow Instructions to prepay the principal portion and interest portion of the Refunded Obligations on the Prepayment Date.

**Section 3.6. Current Refunding.**

(a) *Proceeds Used for Current Refunding.* Certificate proceeds will be used to pay principal of and interest on the Refunded Obligations. All of these proceeds will be spent on the Prepayment Date and not later than 90 days after the Issue Date.

(b) *Allocation of Certificate Proceeds and Other Money to Investments.* The Escrow Agent will use \$ \_\_\_\_\_ to purchase the Escrowed Securities, as described in the Verification Report, and will hold \$ \_\_\_\_\_ uninvested as an initial cash balance. The maturing principal of and interest on the Escrow Securities and the initial cash deposit will be expended to pay the principal of and interest on the Refunded Obligations on the Prepayment Date.

(c) *Transferred Proceeds.* There are no unspent proceeds (sale proceeds, Investment proceeds or transferred proceeds) of the Refunded Obligations. Therefore, there are no transferred proceeds of the Certificates.

(d) *Yield on the Escrowed Securities.* The Yield on the Escrowed Securities allocable to the Certificates ( \_\_\_\_\_ %), does not exceed the Yield on the Lease ( \_\_\_\_\_ %), and the Yield on the Escrowed Securities allocable to other money does not exceed the Yield on the Refunded Obligations, all as shown in the Verification Report.

(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 Certificate as **Exhibit D** is a Certificate of Underwriter in Connection with the Purchase of Open Market Escrow Securities.

**Section 3.7. Project Completion.** The Project has previously been completed.

**Section 3.8. 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 3.9. 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 3.10. 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 3.11. Issue Price and Yield.**

(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").\*\*][\*\*maturing in the years \_\_\_\_\_ pursuant to Regulations § 1.148-1(f)(2)(i) (relating to the so-called "general rule"), and the issue prices of the Certificates maturing in the years \_\_\_\_\_ pursuant to Regulations § 1.148-1(f)(2)(ii) (relating to the so-called "hold-the-offering-price rule").\*\*][\*\*pursuant to 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 issue price, the Yield on the Lease 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 3.12. Miscellaneous Arbitrage Matters.**

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

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

**Section 3.13. Conclusion.** On the basis of the facts, estimates and circumstances set forth in this Tax 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 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 Declaration 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 advice or a written Opinion of Special Tax Counsel or to the extent otherwise provided in this Tax Agreement, the Bond Compliance Officer shall retain records related to the Post-Issuance Tax Requirements until three 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 and Qualified Equity.* Proceeds of the Certificates and other money will be used as described in **Sections 3.5** and **3.6**. 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 records evidencing the allocation of proceeds of the Original Obligations and Qualified Equity to the Project. This allocation is summarized on **Exhibit C**.

(c) *Annual Compliance Checklist.* Attached as **Exhibit E** is a sample 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. If the Annual Compliance Checklist identifies a deficiency in compliance with the requirements of this Tax Agreement, the Bond Compliance Officer will take the actions identified in advice of Special Tax Counsel or as described in the Tax Compliance Procedure to correct any deficiency.

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

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

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

(b) *Proceeds Allocable to Current Refunding.* Certificate proceeds deposited with the Escrow Agent or otherwise allocable to a current refunding of the Refunded Obligations (see **Section 3.8**) may be invested without Yield restriction for up to 90 days after the Issue Date.

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

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

(1) at least three bids on the Investment must be received from persons with no financial interest in the 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 deposited (a) with the Escrow Agent and used to currently refund the Refunded Obligations on August 15, 2019, or (b) in the Delivery Costs Fund and used to pay costs of delivery for the Certificates within six 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 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 the 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 advice of Special Tax Counsel.

**Section 4.7. Survival after Defeasance.** Notwithstanding anything in the Declaration to the contrary, if the City is obligated to pay arbitrage rebate to the United States, the obligation 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** 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** 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 this Opinion of Special Tax Counsel.

**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 Declaration or the Certificates, express or implied, gives to any person, other than the parties to this Tax Agreement, 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, the Declaration 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 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: \_\_\_\_\_

[Tax Compliance Agreement]

**EXHIBIT A**

**DEBT SERVICE SCHEDULE AND PROOF OF YIELD**

**EXHIBIT B**

**IRS FORM 8038-G**

**EXHIBIT C**

**DESCRIPTION OF PROPERTY COMPRISING THE FINANCED FACILITY**

**[See attached spreadsheet]**

**EXHIBIT D**

**CERTIFICATE OF UNDERWRITER  
IN CONNECTION WITH THE  
PURCHASE OF OPEN MARKET ESCROW SECURITIES**

**[\$Principal Amount]  
REFUNDING CERTIFICATES OF PARTICIPATION  
(CITY OF ARNOLD, MISSOURI, LESSEE)  
SERIES 2019  
(the “Certificates”)**

Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) is acting as underwriter of the above-referenced certificates (the “Certificates”). In addition, the Underwriter is assisting the City of Arnold, Missouri (the “Issuer”) with the purchase of certain United States government obligations (the “Escrow Securities”) to be deposited with UMB Bank, N.A., St. Louis Missouri (the “Escrow Agent”) pursuant to a Letter of Escrow Instructions (the “Letter of Escrow Instructions”) dated May 30, 2019, between the Issuer and Escrow Agent. In connection with the purchase of the Escrow Securities, the undersigned, a duly authorized officer of the Underwriter, certifies as follows:

1. On May 16, 2019 (the “Sale Date”), the issuance of Treasury Securities – State and Local Government Series (“SLGS”) by the United States Department of Treasury (the “Treasury”) was suspended. As a result, it was necessary for the Issuer to purchase the Escrow Securities in the open market.

2. If the issuance of SLGS had not been suspended by the Treasury on the Sale Date, the Issuer could have purchased SLGS to be deposited with the Escrow Agent pursuant to the Letter of Escrow Instructions at the interest rates shown on the SLGS daily rate table for the Sale Date as posted on the Treasury Direct website and attached to this Certificate as **Exhibit A**.

3. Representatives of the Underwriter have expertise in the purchase and sale of various financial products, including United States Treasury Securities (the “Treasuries”), in the cash or spot market (the “Treasuries Market”) and in conducting bona fide solicitations from known competitive providers for Treasuries pursuant to the safe harbor provisions of Treasury Regulations (the “Regulations”) Section 1.148-5(d)(6)(iii) (the “Safe Harbor Procedure”). In the professional judgment of the undersigned, taking into account the size and duration of the portfolio of Treasuries required pursuant to the Letter of Escrow Instructions, the purchase of the Escrow Securities at the lowest cost (including broker’s fees) could best be accomplished by purchasing the Escrow Securities in the Treasuries Market (as represented in the Bloomberg Trading Desk Platform commonly used by participants in the Treasuries Market) without soliciting offers of Treasuries from potential providers pursuant to the Safe Harbor Procedure.

4. Based on the collective experience of the representatives of the Underwriter in the Treasuries Market using the Bloomberg Trading Platform: (1) the Bloomberg Trading Platform provides no opportunity for Treasuries Market participants to consult with other Treasuries Market participants about their bids; (2) the bids represented on the Bloomberg Trading Platform are determined without regard to any other formal or informal agreement that the provider may have with the Issuer or any other person; (3) the bids represented on the Bloomberg Trading Platform are not being submitted as a courtesy to the Issuer or any other person; (4) all participants in the Treasuries Market using the Bloomberg Trading Platform had an equal opportunity to bid; (5) no potential bidder had the opportunity to review other bids (i.e., a last look) before providing its bid; and (6) all bidders are reasonably competitive bidders (i.e., a bidder that has an established Treasuries Market reputation as a competitive bidder for Treasuries).

5. The Underwriter purchased the Escrow Securities from [\*\*Name of Selling Entity\*\*] (the “**Seller**”) in the Treasuries Market using the Bloomberg Trading Desk Platform on the basis of at least three (3) offers to sell Treasuries satisfying the escrow requirements from participants in the Treasuries Market that the Underwriter, in its professional judgment, believes are competitive providers for Treasuries. The offers for Treasuries in the Treasury Market using the Bloomberg Trading Desk Platform on the Sale Date at [\*\*Insert Time Treasuries were purchased\*\*] (the “**Sale Time**”) are shown on **Exhibit B**.

6. The Underwriter did not and will not directly or indirectly receive any discount, accommodation, trailer fee or other kick back from the Seller for the purchase of the Escrow Securities.

7. None of the three (3) offers for Treasuries satisfying the escrow requirements, as shown on **Exhibit B**, is from the Underwriter or any entity related to the Underwriter or any party that, to the knowledge of the Underwriter, has a material financial interest in the Certificates.

8. The Underwriter reasonably believes that the purchase prices for the Escrow Securities being paid by the Issuer, as shown in the trade confirmations attached as **Exhibit C**, represents the fair market value for the Escrow Securities (i.e., the price at which a willing buyer would purchase the Escrow Securities from a willing seller in a bona fide, arm’s length transaction) determined on the Sale Date at the Sale Time.

9. The Underwriter is being compensated in the amount of \$[\*\*Total amount of fees/trading profit to be received by the Underwriter in connection with the purchase of the Escrow Securities, including broker’s fee or trader commission\*\*] in connection with the acquisition of the Escrow Securities (the “**Transaction Fee**”). The Transaction Fee has been included in the Issuer’s purchase price of the Escrow Security as shown on **Exhibit C**. The Transaction Fee does not exceed the lesser of (a) \$41,000, or (b) an amount equal to 0.20% of the amount of gross proceeds of the Certificates being used to acquire the Escrow Securities, or, if more, \$4,000.

10. The Underwriter acted as an independent broker/dealer, purchased the Escrow Securities in accordance with normal and customary practices of the Treasuries Market, and does not have a relationship with the Seller other than as a fellow participant in the Treasuries Market.

11. The Underwriter acknowledges that Gilmore & Bell, P.C, Bond Counsel, is relying upon this Certificate as a basis for its opinion regarding the exclusion of the interest on the Certificates from gross income for federal income tax purposes.

Dated: May 30, 2019

**STIFEL, NICOLAUS & COMPANY,  
INCORPORATED**

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

**EXHIBIT A.**

**SLGS DAILY RATE TABLE FOR MAY 16, 2019**



**EXHIBIT B**

**OFFERS FOR TREASURIES IN THE TREASURY MARKET  
USING THE BLOOMBERG TRADING DESK PLATFORM  
ON THE SALE DATE AT THE SALE TIME**

**EXHIBIT C**  
**TRADE CONFIRMATIONS AND PURCHASE PRICE**  
**OF**  
**ESCROW SECURITIES**

**EXHIBIT E**

**SAMPLE ANNUAL COMPLIANCE CHECKLIST**

<b>Name of tax-exempt obligation (“Certificates” financing Facility)*:</b>	<b>[\$**PRINCIPAL AMOUNT**] Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2019</b>
<b>Issue Date of Certificates:</b>	<b>May 30, 2019</b>
<b>Placed in service date of Financed Facility:</b>	
<b>Name of Bond Compliance Officer:</b>	
<b>Period covered by request (“Annual Period”):</b>	

<b>Item</b>	<b>Question</b>	<b>Response</b>
<b>1 Ownership</b>	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 advice of Special Tax Counsel obtained prior to the transfer?  If “Yes,” include a description of the advice in the Tax-Exempt Bond File.  If “No,” contact Special Tax Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

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\* 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
<b>2</b> <b>Leases &amp; Other Rights to Possession</b>	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 advice of Special Tax Counsel obtained prior to entering into the lease or other arrangement?  If "Yes," include a description of the advice in the Tax-Exempt Bond File.  If "No," contact Special Tax Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>3</b> <b>Management or Service Agreements</b>	During the Annual Period, 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 advice of Special Tax Counsel obtained prior to entering into the management agreement?  If "Yes," include a description of the advice in the Tax-Exempt Bond File.  If "No," contact Special Tax Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

Item	Question	Response
<b>4</b> <b>Other Use</b>	Was any other agreement entered into with an individual or entity that grants special legal rights or privileges to the Financed Facility that are not otherwise available to the general public? If "No," skip to Item 5.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," was advice of Special Tax Counsel obtained prior to entering into the agreement?  If "Yes," include a description of the advice in the Tax-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
<b>5</b> <b>Arbitrage &amp; Rebate</b>	1. Were all sale proceeds and investment proceeds spent within six months of the Issue Date of the Certificates?  2. During the annual period, was the balance in the Lease Revenue Fund reduced to zero on any date?  3. During the annual period, was a reserve or replacement fund established for the Certificates?	<input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> Yes <input type="checkbox"/> No
	If "No" to questions 1 or 2 or "Yes" to question 3, contact Rebate Analyst and incorporate report or include description of resolution in the Tax-Exempt Bond File.	

**Bond Compliance Officer:** \_\_\_\_\_

**Date Completed:** \_\_\_\_\_

**EXHIBIT F**

**BOND COMPLIANCE PROCEDURE**

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**FIRST SUPPLEMENTAL DECLARATION OF TRUST**

**by**

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

**Dated as of May 1, 2019**

**[\$\*\*PRINCIPAL AMOUNT\*\*]  
REFUNDING CERTIFICATES OF PARTICIPATION  
(CITY OF ARNOLD, MISSOURI, LESSEE)  
SERIES 2019**

**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**

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## FIRST SUPPLEMENTAL DECLARATION OF TRUST

**THIS FIRST SUPPLEMENTAL DECLARATION OF TRUST** (the “First Supplemental Declaration of Trust”), dated as of May 1, 2019, 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 June 1, 2012 (the “Base Lease”), pursuant to which the City is leasing to the Trustee certain real property upon which the Arnold Recreation Center is located (together with the existing improvements thereon, the “Leased Property”).

2. The Trustee and the City entered into a Lease Purchase Agreement dated as of June 1, 2012 (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 a Declaration of Trust dated as of June 1, 2012 (the “Original Declaration of Trust” and, together with this First Supplemental Declaration of Trust, the “Declaration of Trust”), pursuant to which the Trustee delivered \$12,965,000 original principal amount of Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2012 (the “Series 2012 Certificates”) to provide funds, together with other legally available funds of the City, to pay the costs of (a) refunding the outstanding Leasehold Revenue Bonds (Arnold Community Recreation Center), Series 2003, issued by the Arnold, Missouri, Public Facilities Corporation and (b) executing and delivering the Series 2012 Certificates.

4. The Trustee and the City propose to enter into this First Supplemental Declaration of Trust, under which the Trustee will deliver \$[\*\*PRINCIPAL AMOUNT\*\*] principal amount of Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2019 (the “Series 2019 Certificates”) to provide funds, together with other legally available funds of the City, to (a) refund a portion of the outstanding Series 2012 Certificates and (b) pay the costs of delivering the Series 2019 Certificates.

5. Concurrently herewith, the City and the Trustee are entering into a First Supplemental Lease Purchase Agreement (the “First Supplemental Lease” and, together with the Original Lease, the “Lease”), pursuant to which the Original Lease will be amended to modify the amount of the Basic Rent Payments payable thereunder.

6. **Section 8.01(b)(6)** of the Original Declaration of Trust permits the amendment, change or modification of the Original Declaration of Trust to provide for the execution and delivery of Additional Certificates, and it is hereby found and determined that this First Supplemental Declaration of Trust will comply in all respects with the Original Declaration 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 Declaration of



Trust, the following words and terms as used in this First Supplemental Declaration of Trust shall hereafter have the following meanings and **Section 1.01** of the Original Declaration of Trust is hereby amended and supplemented to so provide:

**“Certificate Purchase Agreement”** means (a) with respect to the Series 2012 Certificates, the Certificate Purchase Agreement pursuant to which the Underwriter agreed to purchase the Series 2012 Certificates and (b) with respect to the Series 2019 Certificates, the Certificate Purchase Agreement pursuant to which the Underwriter agrees to purchase the Series 2019 Certificates.

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

**“Letter of Escrow Instructions”** means the Letter of Escrow Instructions dated May 30, 2019, from the City to the Escrow Agent.

**“Prepayment Date”** means (a) with respect to the Series 2012 Certificates, any date on which the Series 2012 Certificates may be prepaid pursuant to **Section 5.02** of the Original Declaration of Trust and (b) with respect to the Series 2019 Certificates, any date on which the Series 2019 Certificates may be prepaid pursuant to **Section 4.02** of this First Supplemental Declaration of Trust.

**“Series 2019 Certificates”** means the \$[\*\*PRINCIPAL AMOUNT\*\*] aggregate principal amount Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2019, 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 Declaration of Trust.

**“Underwriter”** means (a) with respect to the Series 2012 Certificates, Stifel, Nicolaus & Company, Incorporated and (b) with respect to the Series 2019 Certificates, Stifel, Nicolaus & Company, Incorporated, the original purchaser of the Series 2019 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 Declaration 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, 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 section and article headings herein are for convenience only and in no way define, limit or describe the scope or intent of any of the provisions hereof.

**Section 1.03. Severability.**

(a) If any provision of the Declaration 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 Declaration of Trust contained will not affect the remaining portions of the Declaration of Trust, or any part thereof.

**Section 1.04. Date of First Supplemental Declaration of Trust.** The dating of this First Supplemental Declaration of Trust as of May 1, 2019, is intended as and for the convenient identification of this First Supplemental Declaration of Trust only and is not intended to indicate that this First Supplemental Declaration of Trust was executed and delivered on said date, this First Supplemental Declaration of Trust being executed and delivered and becoming effective simultaneously with the initial execution and delivery of the Series 2019 Certificates.

**Section 1.05. Governing Law.** The Declaration of Trust will be governed by and construed in accordance with the laws of the State of Missouri (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 Declaration 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 2019 CERTIFICATES**

**Section 3.01. Provisions Concerning the Series 2019 Certificates.**

(a) There will be prepared, executed and delivered under the Declaration of Trust a series of Certificates in the aggregate principal amount of \$[\*\*PRINCIPAL AMOUNT\*\*], which series of Certificates will be designated "Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2019." The Series 2019 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>Payment Date (August 15)</u>	<u>Principal Portion</u>	<u>Interest Rate</u>
2020	\$	%
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		

(b) The Series 2019 Certificates and the form of assignment to appear thereon will be in substantially the form set forth in **Exhibit A**.

(c) Prior to or simultaneously with the execution and delivery of the Series 2019 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 Declaration of Trust and the First Supplemental Lease and approving the execution and delivery of the Series 2019 Certificates to or upon the order of the Underwriter.

(2) Executed counterparts of this First Supplemental Declaration of Trust, the First Supplemental Lease and the Certificate Purchase Agreement relating to the Series 2019 Certificates.

(3) An opinion of Special Tax Counsel to the effect that the execution and delivery of the Series 2019 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 2019 Certificates and the exemption from federal income taxation of the Interest Portion of Basic Rent represented by the Series 2019 Certificates.

(5) A supplemental opinion of Special Tax Counsel stating that the Series 2019 Certificates are exempt from registration under the Securities Act of 1933, as amended, and the Declaration 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 Declaration of Trust or the Lease or as the Trustee may reasonably require for the delivery of the Series 2019 Certificates.

(d) When the documents specified above have been filed with the Trustee, and when the Series 2019 Certificates have been executed as required by the Declaration of Trust, the Trustee will deliver the

Series 2019 Certificates to or upon the order of the Underwriter or will hold the Series 2019 Certificates as FAST Agent for the benefit of the Beneficial Owners, but only upon payment of the purchase price of the Series 2019 Certificates, as specified in the Certificate Purchase Agreement. The Proceeds of the sale of the Series 2019 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. Prepayment Provisions with Respect to the Series 2019 Certificates.**

(a) *Optional Prepayment.* The Series 2019 Certificates that evidence Principal Portions of Basic Rent payable to Certificate Owners on or after August 15, 20\_\_ will be subject to optional prepayment, as a whole or in part at any time on or after August 15, 20\_\_, at a Prepayment Price equal to 100% of the Principal Portion of Basic Rent represented by the Series 2019 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) *Optional Prepayment Upon Damage, Destruction or Condemnation.* The Series 2019 Certificates will be subject to optional prepayment, as a whole, 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 Lease.

## ARTICLE V

### DELIVERY OF SERIES 2019 CERTIFICATES; FUNDS; APPLICATION OF PROCEEDS

#### **Section 5.01. Establishment of Funds and Accounts.**

(a) The Funds created under **Section 6.01** of the Original Declaration of Trust are hereby ratified. In addition, there is hereby established a Series 2019 Account within the Delivery Costs Fund.

(b) The Trustee will hold the Funds ratified or established pursuant to paragraph (a) above in trust for the benefit of the Certificate Owners. The money in those Funds will be deposited or applied as hereinafter provided.

**Section 5.02. Application of Proceeds of Series 2019 Certificates and Other Money.** The net Proceeds of the Series 2019 Certificates (less \$\_\_\_\_\_ withheld by the Underwriter for the reimbursement of certain Costs of Delivery of the Series 2019 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 2019 Certificates;

(b) in the Series 2019 Account of the Delivery Costs Fund, \$\_\_\_\_\_ from the Proceeds of the Series 2019 Certificates to pay the Costs of Delivery of the Series 2019 Certificates; and

(c) with the Escrow Agent, \$\_\_\_\_\_ (consisting of \$\_\_\_\_\_ from the Proceeds of the Series 2019 Certificates and \$\_\_\_\_\_ from other legally available funds of the City) to be deposited with the Escrow Agent and applied in accordance with the Letter of Escrow Instructions.

**Section 5.03. Disbursements from the Series 2019 Account of the Delivery Costs Fund.**

(a) Moneys in the Series 2019 Account of the Delivery Costs Fund will be used to pay Costs of Delivery of the Series 2019 Certificates. Payment will be made from moneys in the Series 2019 Account of the Delivery Costs 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 Delivery, 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 Series 2019 Account of the Delivery Costs Fund have been completed. The Trustee will make disbursements to pay the Costs of Delivery for which any such request is made within five (5) Business Days of the receipt of a properly executed certificate with all necessary supporting information.

(c) Any balance remaining in the Series 2019 Account of the Delivery Costs Fund on October 15, 2019, will be transferred and deposited to the credit of the Lease Revenue Fund to pay Basic Rent.

(d) In the event of acceleration pursuant to **Section 9.02** of the Original Declaration of Trust, any moneys then remaining in the Series 2019 Account of the Delivery Costs 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, teletypes, 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. Amendment of Exhibit C to Original Declaration of Trust.** The Payment Schedule attached to the Original Declaration of Trust as **Exhibit C** is hereby amended by deleting the existing **Exhibit C** and inserting in substitution thereof the Amended Payment Schedule attached as **Exhibit C** hereto.

**Section 6.03. Applicability of Original Declaration of Trust.** Except as otherwise provided in this First Supplemental Declaration of Trust, the provisions of the Original Declaration 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 Declaration of Trust to be executed by its duly authorized corporate officer, all as of the day and year first written above.

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

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

**THE TERMS AND PROVISIONS OF THIS FIRST SUPPLEMENTAL DECLARATION OF TRUST ARE HEREBY CONSENTED AND AGREED TO AND THE CITY OF ARNOLD, MISSOURI, HEREBY ACCEPTS ALL OBLIGATIONS IMPOSED UPON IT UNDER THIS DECLARATION, ALL AS OF MAY 1, 2019.**

**CITY OF ARNOLD, MISSOURI**

(SEAL)

By: \_\_\_\_\_  
Name: Ron Counts  
Title: Mayor

ATTEST:

By: \_\_\_\_\_  
Name: Tammi Casey  
Title: City Clerk



**EXHIBIT A**

**FORM OF SERIES 2019 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 2019**

**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>
_____ %	August 15, 20__	May 30, 2019	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 June 1, 2012, 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 Declaration of Trust dated as of June 1, 2012, as amended and supplemented from time to time (the “Declaration of Trust”), by the Trustee, 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 Declaration of Trust or the Lease.

**THE REGISTERED OWNER** of this Certificate is entitled to receive, subject to the terms of the Lease and the Declaration 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 February 15 and August 15, commencing on August 15, 2019, 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, prepayment premium, if any, and 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 payment date occurs (a "Record Date") by (1) check or draft upon the presentation and surrender of this Certificate at the designated corporate trust office of the Registrar or (2) electronic transfer to any Owner upon written notice given to the Trustee by such Owner not less than 15 days prior to the Record Date, containing the electronic transfer instructions including the bank, ABA routing number and account name and number to which such Owner wishes to have such transfer directed and an acknowledgement 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 Rent 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 Rent during such Fiscal Year and all moneys and investments, including earnings thereon, held by the Trustee pursuant to the Declaration 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 2019," evidencing a proportionate interest in Basic Rent Payments to be made by the City, pursuant to the Lease (the "Series 2019 Certificates") for the purpose of providing funds, together with other legally available funds of the City, to (1) refund a portion of the outstanding Certificates previously delivered under the Declaration of Trust and (2) pay the costs of delivering the Series 2019 Certificates. This Certificate has been executed by the Trustee pursuant to and is governed by the terms of the Declaration of Trust. Copies of the Lease and the Declaration 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 Declaration 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 2019 Certificates are delivered thereunder.

The Declaration of Trust permits certain amendments or supplements to the Declaration 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 Declaration of Trust. Such certificates of participation would be on a parity with the Series 2019 Certificates.

The Series 2019 Certificates that evidence Principal Portions of Basic Rent payable to Certificate Owners on or after August 15, 20\_\_ will be subject to optional prepayment, as a whole or in part, at any time on or after August 15, 20\_\_, at a Prepayment Price equal to 100% of the Principal Portion of Basic Rent represented by the Series 2019 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 2019 Certificates will be subject to optional prepayment, as a whole, 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 of Missouri 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 Declaration of Trust and will no longer be deemed to be outstanding under the Declaration 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 Declaration of Trust. Upon such transfer a new fully-registered Certificate or Certificates of the same payment date 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 Declaration 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 (1) payments of the Principal Portion of Basic Rent and the Interest Portion of Basic Rent, (2) notices and (3) 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 DECLARATION 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 Declaration 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 payment date. 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 Declaration 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 Declaration of Trust  
dated as of June 1, 2012, 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 Certificate in every particular.

Medallion Signature Guarantee:

**EXHIBIT B**

**FORM OF REQUISITION CERTIFICATE  
FOR COSTS OF DELIVERY**

**Request No.** \_\_\_\_\_

**Date:** \_\_\_\_\_

**WRITTEN REQUEST FOR DISBURSEMENT FOR  
COSTS OF DELIVERY**

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

Ladies and Gentlemen:

Pursuant to the Declaration of Trust dated as of June 1, 2012 (as amended and supplemented, the "Declaration of Trust"), by UMB Bank, N.A. (the "Trustee"), specifically **Section 5.04** of the First Supplemental Declaration of Trust dated as of May 1, 2019, the City of Arnold, Missouri (the "City") hereby requests payment in accordance with this request and the Declaration of Trust, and the City hereby states and certifies that:

- (a) All terms of this request are used with the meanings used in the Declaration of Trust.
- (b) The names of the persons, firms or corporations, if any, to whom the payments requested hereby are due and 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 Series 2019 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.

(i) 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  
SERIES 2019 ACCOUNT OF THE DELIVERY COSTS FUND**

**SCHEDULE OF PAYMENTS REQUESTED**

<u>Pavee and Address</u>	<u>Amount</u>	<u>Description</u>
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**EXHIBIT C**

**AMENDED PAYMENT SCHEDULE FOR SERIES 2019 CERTIFICATES\***

\*Basic Rent Payments are due at least five Business Days prior to each Basic Rent Payment Date.

§ \_\_\_\_\_  
**REFUNDING CERTIFICATES OF PARTICIPATION**  
**(CITY OF ARNOLD, MISSOURI, LESSEE)**  
**SERIES 2019**

May \_\_, 2019

**CERTIFICATE PURCHASE AGREEMENT**

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

UMB Bank, N.A., as Trustee  
2 South Broadway, Suite 600  
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 the Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2019 (the “**Series 2019 Certificates**”), to be executed and delivered pursuant to a Declaration of Trust dated as of June 1, 2012, as amended and supplemented by the First Supplemental Declaration of Trust dated as of May 1, 2019 (the “**Declaration**”), between UMB Bank, N.A., St. Louis, Missouri, as trustee (the “**Trustee**”), and the City of Arnold, Missouri (the “**City**”). The Series 2019 Certificates will evidence interests in the right of the Registered Owners thereof to a proportionate share of rent payments (the “**Rental Payments**”) to be made by the City pursuant to an annually renewable Lease Purchase Agreement dated as of June 1, 2012, as amended and supplemented by the First Supplemental Lease Purchase Agreement dated as of May 1, 2019 (the “**Lease**”), entered into 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 Declaration or the Lease unless some other meaning is plainly indicated.

The net proceeds received from the sale of the Series 2019 Certificates, will be used to provide funds to refund the Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2012, maturing on and after August 15, 2020 (the “**Refunded Certificates**”).

The Series 2019 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 10:00 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 2019 Certificates; the Base Lease; the Lease; the Declaration; this Certificate Purchase Agreement; the Escrow Agreement; the Tax Compliance Agreement; the Preliminary Official

Statement (as hereinafter defined); the Official Statement (as hereinafter defined); the Continuing Disclosure Agreement relating to the Series 2019 Certificates; 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 2019 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 the Series 2019 Certificates from the Trustee at a purchase price of \$ \_\_\_\_\_ (which is equal to the principal amount thereof, less an underwriter’s discount of \$ \_\_\_\_\_, less net original issue discount of \$ \_\_\_\_\_).

The City acknowledges and agrees that (i) the purchase and sale of the Series 2019 Certificates pursuant to this Certificate Purchase Agreement is an arm’s-length commercial transaction among the City, the Trustee and the Underwriter, (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the City, (iii) the Underwriter has not assumed (individually or collectively) a fiduciary responsibility in favor of the City with respect to the offering of the Series 2019 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 (iv) 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 2019 Certificates.

2. **Public Offering.**

(a) *Initial Public Offering.* The Underwriter intends to make a bona fide initial public offering of all of the Series 2019 Certificates at prices no higher than, or yields no lower than, set forth on **Schedule I**; 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 2019 Certificates. The Underwriter may offer and sell the Series 2019 Certificates to certain dealers (including dealers depositing Series 2019 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 (i) over-allot or effect transactions which stabilize or maintain the market price of the Series 2019 Certificates at levels above those that might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time without prior notice.

(b) *Underwriter to Provide Certain Information.* In conjunction with (i) an audit or inquiry by the Internal Revenue Service (the “**IRS**”) or the Securities and Exchange Commission (the “**SEC**”) relating to the pricing of the Series 2019 Certificates, or (ii) the implementation of future regulations or similar guidance from the IRS, the SEC or other federal or state regulatory authority regarding the retention of pricing data for the Series 2019 Certificates, at the request of the City, the Underwriter will provide information explaining the factual basis for the Underwriter’s representations in the Issue Price Certificate (as hereinafter defined), attached hereto as **Exhibit B** relating to the pricing of the Series 2019 Certificates, other than information that would identify customers (e.g., name or account number). This agreement by the Underwriter to provide such information will continue to apply after the Closing Time (as defined

herein) but shall not extend to any customer data or other confidential or proprietary information of the Underwriter.

3. **Establishment of Issue Price.**

The Underwriter agrees to assist the City and Special Counsel (as defined herein) in establishing the issue price of the Series 2019 Certificates and shall execute and deliver to the City 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 Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2019 Certificates.

Except as set forth in **Schedule I** attached hereto, the City will treat the first price or prices at which 10% of each maturity of the Series 2019 Certificates (the “**10% Test**”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Certificate Purchase Agreement, the Underwriter shall report to the City and Special Counsel the price or prices at which it has sold to the public each maturity of the Series 2019 Certificates. If at that time the 10% Test has not been satisfied as to any maturity of the Series 2019 Certificates, the Underwriter agrees to promptly report to the City and Special Counsel the prices at which it sells the unsold Series 2019 Certificates of that maturity to the public. This reporting obligation shall continue, whether or not the Closing has occurred, until either (a) the Underwriter has sold all Series 2019 Certificates of that maturity or (b) the 10% Test has been satisfied as to the Series 2019 Certificates of that maturity, provided that, the Underwriter’s reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the City or Special Counsel. For purposes of this Section, if Series 2019 Certificates mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Series 2019 Certificates.

The Underwriter confirms that it has offered the Series 2019 Certificates to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “**Initial Offering Price**”) set forth in **Schedule I** attached hereto, except as otherwise set forth therein. **Schedule I** also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Series 2019 Certificates for which the 10% Test has not been satisfied and for which the City and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the City to treat the Initial Offering Price to the public of each such maturity as of the sale date as the issue price of that maturity (the “**Hold-The-Offering-Price Rule**”). So long as the Hold-The-Offering-Price Rule remains applicable to any maturity of the Series 2019 Certificates, the Underwriter will neither offer nor sell unsold Series 2019 Certificates of that maturity to any person at a price that is higher than the Initial Offering Price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5<sup>th</sup>) business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Series 2019 Certificates to the public at a price that is no higher than the Initial Offering Price to the public.

The Underwriter will advise the City promptly after the close of the fifth (5<sup>th</sup>) business day after the sale date whether it has sold 10% of that maturity of the Series 2019 Certificates to the public at a price that is no higher than the Initial Offering Price to the public.

The Underwriter confirms that:

(a) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Series 2019 Certificates to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

- (i) (A) to report the prices at which it sells to the public the unsold Series 2019 Certificates of each maturity allocated to it, whether or not the Closing has occurred, until either all Series 2019 Certificates of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Series 2019 Certificates of that maturity, provided that, the reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (B) to comply with the Hold-The-Offering-Price Rule, if applicable, if and for so long as directed by the Underwriter,
- (ii) to promptly notify the Underwriter of any sales of Series 2019 Certificates that, to its knowledge, are made to a Underwriter who is a related party to an underwriter participating in the initial sale of the Series 2019 Certificates to the public (each such term being used as defined below), and
- (iii) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(b) any selling group agreement relating to the initial sale of the Series 2019 Certificates to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2019 Certificates to the public to require each broker-dealer that is a party to such third-party distribution agreement to (i) report the prices at which it sells to the public the unsold Series 2019 Certificates of each maturity allocated to it, whether or not the Closing has occurred, until either all Certificates of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Series 2019 Certificates of that maturity, provided that, the reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (ii) comply with the Hold-The-Offering-Price Rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

The City acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (a) in the event a selling group has been created in connection with the initial sale of the Series 2019 Certificates to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2019 Certificates, including, but not limited to, its agreement to comply with the Hold-The-Offering-Price Rule, if applicable to the Series 2019 Certificates, as set forth in a selling group agreement and the related pricing wires, and (b) in the event that a third-party distribution agreement was employed in connection with the

initial sale of the Series 2019 Certificates to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2019 Certificates, including, but not limited to, its agreement to comply with the Hold-The-Offering-Price Rule, if applicable to the Series 2019 Certificates, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing the issue price of the Series 2019 Certificates, including, but not limited to, its agreement to comply with the Hold-The-Offering-Price Rule, if applicable to the Series 2019 Certificates.

The Underwriter acknowledges that sales of any Series 2019 Certificates to any person that is a related party to an underwriter participating in the initial sale of the Series 2019 Certificates to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of the above:

(a) “**public**” means any person other than an underwriter or a related party,

(b) “**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 2019 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 2019 Certificates to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2019 Certificates to the public),

(c) a Underwriter of any of the Series 2019 Certificates is a “**related party**” to an underwriter if the underwriter and the Underwriter are subject, directly or indirectly, to (i) more than 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), and

(d) “**sale date**” means the date of execution of this Certificate Purchase Agreement by all parties.

4. **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 May \_\_, 2019 (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 2019 Certificates, is herein called the “**Preliminary Official Statement**”), in connection with the proposed offering of the Series 2019 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 compensation, aggregate principal amounts, principal per maturity, delivery dates, ratings, identity of the purchasers and other terms of the Series 2019 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 2019 Certificates, is herein called the “**Official Statement**”) executed on behalf of the City by duly authorized representatives in electronic format 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 2019 Certificates to the effect set forth in this Section.

If, after the date of this Certificate Purchase Agreement and until the earlier of (i) ninety days after the “end of the underwriting period” (as defined in the Rule) or (ii) 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 Special 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 in electronic format 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.

5. **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 with 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 2019 Certificates. Executed counterparts of the Transaction Documents 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 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 2019 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 described 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, the validity or enforceability of the Series 2019 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 or the financial condition of the City.

(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; provided that the City makes no representation with respect to materials that appear under, or matters omitted pertaining to material appearing under, the caption "UNDERWRITING," any information in Appendix D or that otherwise describes the Book-Entry-Only System, or such information in the Preliminary Official Statement or the Official Statement setting forth the principal amount, interest rates and prices of the Series 2019 Certificates or respecting the Underwriter.

**(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 2019 Certificates.** The City represents and warrants that the proceeds of the Series 2019 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 2019 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 2019 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 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 in accordance with accounting principles described in the notes to the financial statements included as Appendix B to the Preliminary Official Statement and the Official Statement. The City has not, since August 31, 2018, 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, 2018, 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 Time 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 agree, pursuant to 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 agreement 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 as to its obligations for continuing disclosure under the Rule.

6. **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 forth in the Declaration 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 2019 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.

7. **Closing.** Payment for the Series 2019 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 \_\_\_\_\_, 2019, 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 2019 Certificates shall be made in definitive form, bearing CUSIP numbers (provided neither the printing of a wrong number on any Series 2019 Certificate nor the failure to print a number thereon shall constitute cause to refuse delivery of any Series 2019 Certificate) as fully registered Series 2019 Certificates. One registered Series 2019 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 2019 Certificates shall be available for delivery to DTC in

accordance with DTC's settlement procedures, or delivered to and held by the Trustee for the benefit of DTC, at Closing Time.

8. **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 2019 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 2019 Certificates shall have been deposited and applied as described in the Declaration;

(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 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 Lease and the Declaration 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 Counsel Opinions.** The unqualified approving opinion and supplemental opinion of Special Counsel, each dated the Closing Date in the forms set forth in **Exhibit C** hereto;

(ii) **City Counsel Opinion.** The opinion of Robert K. Sweeney, L.L.C., Hillsboro, Missouri, counsel to the City, dated the Closing Date, in 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: (1) 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, (2) 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 (3) confirmation that the ordinance authorizing the execution and delivery of the Series 2019 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 the Closing Date, in the form set forth in **Exhibit E** hereto;

(v) **Specimen Certificate.** A specimen of the Series 2019 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 2019 Certificates;

(ix) **Form 8038-G.** A completed and executed Form 8038-G with respect to the Series 2019 Certificates;

(x) **Rating.** A letter from S&P Global Ratings, a division of S&P Global Inc., assigning an unenhanced rating of not less than "A+" to the Series 2019 Certificates;

(xi) **Trustee's Receipt.** A receipt of the Trustee for the purchase price of the Series 2019 Certificates on behalf of the City; and

(xii) **Other Closing Materials.** Such additional certificates and other documents as the Underwriter or its counsel or Special Counsel may reasonably request to evidence performance or compliance with the provisions hereof and the transactions contemplated hereby and by the Declaration 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 **Section 11** hereof.

9. **The Underwriter's Right to Cancel.** The Underwriter shall have the right to cancel its obligations hereunder to purchase the Series 2019 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 the Interest Component of Rental Payments represented by the Series 2019 Certificates or securities of the general character of the Series 2019 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 2019 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 2019 Certificates or the ability of the Underwriter to enforce contracts for the sale of the Series 2019 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 2019 Certificates or the ability of the Underwriter to enforce contracts for the sale of the Series 2019 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 2019 Certificates or the ability of the Underwriter to enforce contracts for the sale of the Series 2019 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 2019 Certificates or the ability of the Underwriter to enforce contracts for the sale of the Series 2019 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 2019 Certificates or the ability of the Underwriter to enforce contracts for the sale of the Series 2019 Certificates at the contemplated offering prices; or

(e) There shall have occurred since August 31, 2018, 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 2019 Certificates or obligations of the general character of the Series 2019 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 issuance, offering or sale of obligations of the general character of the Series 2019 Certificates or the issuance, offering or sale of the Series 2019 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 4** 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 issuance or delivery of any of the Series 2019 Certificates or the payment, collection or application of the proceeds of the Series 2019 Certificates or of other moneys or securities pledged or to be pledged under the Transaction Documents; (ii) the validity of the Series 2019 Certificates or the excludability from gross income for federal income tax purposes of the Interest Component of Rental Payments represented by the Series 2019 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 creation, organization or existence of the City 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.

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

**10. Representations, Warranties and Agreements to Survive Delivery.** All of the City's and the Trustee's representations, warranties and agreements contained in this Certificate Purchase Agreement shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriter; and (ii) delivery of and payment for the Series 2019 Certificates pursuant to this Certificate Purchase Agreement; provided, however, that such representations, warranties and agreements continue to be construed as having been given solely on the date hereof and shall not be deemed to refer to any future date or period except as otherwise expressly provided herein or as otherwise expressly agreed. The agreements in **Section 11** hereof shall survive any termination of this Certificate Purchase Agreement.

**11. Payment of Expenses.** Whether or not the Series 2019 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 2019 Certificates are delivered by the Trustee to the Underwriter, all expenses and costs to effect the authorization, preparation, execution and delivery of the Series 2019 Certificates (including, without limitation, the fees and disbursements of Special 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 2019 Certificates, the charges of any rating agency in connection with the Series 2019 Certificates and the expenses and costs for the preparation, printing, photocopying, execution and delivery of the Series 2019 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 2019 Certificates. If the Series 2019 Certificates are not delivered by the Trustee to the Underwriter (unless such sale be prevented at the Closing Time by the Underwriter's default), all such expenses and costs shall be paid by the City.

If the Series 2019 Certificates are sold to the Underwriter, the City shall pay out of the proceeds of the Series 2019 Certificates the discount of the Underwriter or the purchase price paid for the Series 2019 Certificates shall reflect such discount.

Except as otherwise provided in this **Section 11**, the Underwriter shall pay: (i) all advertising expenses in connection with the public offering of the Series 2019 Certificates; and (ii) all other expenses incurred by it in connection with its public offering and distribution of the Series 2019 Certificates, not described above.

**12. Notices.** Any notice or other communication to be given to the City or the Trustee 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 the Declaration, 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 address: 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. **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 and the Trustee are and shall be third party beneficiaries 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 and the Trustee in this Certificate Purchase Agreement.

16. **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 parties hereto) and no other person including any purchaser of the Series 2019 Certificates shall acquire or have any rights hereunder or by virtue hereof.

17. **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.

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

19. **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: Martin J. Ghafoori  
Title: Director

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

**CITY OF ARNOLD, MISSOURI**

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

Name: Ron Counts

Title: Mayor

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

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

**SCHEDULE I**

**MATURITY SCHEDULE**

**\$ \_\_\_\_\_**  
**REFUNDING CERTIFICATES OF PARTICIPATION**  
**(CITY OF ARNOLD, MISSOURI, LESSEE)**  
**SERIES 2019**

**Evidencing Proportionate Interests of the Owners  
Thereof in Rental Payments to be Made by the  
CITY OF ARNOLD, MISSOURI**

**Series 2019 Certificates**

Dated: Date of Delivery (\_\_\_\_\_, 2019)

Callable: August 15, \_\_\_\_ @ 100%

1st Interest Payment: August 15, 2019

<b>Maturity Date</b> <b><u>(August 15)</u></b>	<b>Principal</b> <b><u>Amount</u></b>	<b>Interest</b> <b><u>Rate</u></b>	<b><u>Price</u></b>
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\* Mandatory sinking fund prepayment

\*\*Maturity has satisfied the 10% Test.

**EXHIBIT A  
TO  
CERTIFICATE PURCHASE AGREEMENT**

Underwriting Group:

1. Stifel, Nicolaus & Company, Incorporated

**EXHIBIT B  
TO  
CERTIFICATE PURCHASE AGREEMENT**

**FORM OF UNDERWRITER'S RECEIPT FOR CERTIFICATES AND ISSUE PRICE  
CERTIFICATE**

§ \_\_\_\_\_  
**REFUNDING CERTIFICATES OF PARTICIPATION  
(CITY OF ARNOLD, MISSOURI, LESSEE)  
SERIES 2019**

This Certificate is furnished by the undersigned in connection with the sale and issuance of the \$ \_\_\_\_\_ aggregate principal amount of Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2019 (the "**Series 2019 Certificates**"), to assist in establishing, among other things, the "issue price" of the Series 2019 Certificates (and thus, the "yield" thereon) within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "**Code**"), and the Treasury Regulations thereunder.

THE UNDERSIGNED HEREBY CERTIFIES as follows:

1. **Certificate Purchase Agreement.** On May \_\_, 2019 (the "**Sale Date**"), the undersigned, UMB BANK, N.A., as Trustee (the "**Trustee**") and the City of Arnold, Missouri (the "**City**") executed a Certificate Purchase Agreement (the "**Certificate Purchase Agreement**") in connection with the sale of the Series 2019 Certificates. The undersigned has not modified the Certificate Purchase Agreement since its execution on the Sale Date.

2. **Receipt for Certificates.** We acknowledge receipt on the date hereof from the Trustee of the Series 2019 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 Declaration.

3. **Compliance with Certificate Purchase Agreement.** We further acknowledge that the conditions to closing set forth in Section 8(b) of the Certificate Purchase Agreement have been satisfied (except to the extent we have waived in writing for purposes of closing or consented to modification in writing of certain provisions thereof). Nothing contained herein shall affect our rights under the Certificate Purchase Agreement, and we retain the right to require future performance, upon reasonable written notice, of any condition to closing set forth in Section 8(b) of the Certificate Purchase Agreement that has not been satisfied (and previously acknowledged in writing by the parties to the Certificate Purchase Agreement prior to closing) and has, therefore, been waived for purposes of closing.

4. **Issue Price.**

(a) On or before the Sale Date, the Underwriter offered all of the Series 2019 Certificates to the Public in a *bona fide* initial offering at the initial public offering prices listed on **Schedule A** (the "**Initial Offering Prices**").

(b) As of the date of this Certificate, for each Maturity listed on **Schedule 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 **Schedule B**. **Schedule 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 **Schedule C** as the “Hold-the-Offering-Price Maturities,” the Underwriter agreed in writing that (i) it would neither offer nor sell any of the Series 2019 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 undersigned 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.

5. ***Defined Terms.***

(a) “**City**” means the City of Arnold, Missouri.

(b) “**Maturity**” means Series 2019 Certificates with the same credit and payment terms. Series 2019 Certificates with different maturity dates, or Series 2019 Certificates with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) “**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 2019 Certificates is a “**related party**” to an Underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 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).

(d) “**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 2019 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 2019 Certificates to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2019 Certificates to the Public).

(e) Capitalized words and terms used herein but not otherwise defined herein shall have the meanings set forth in the Declaration of Trust dated as of June 1, 2012, as amended and supplemented by the First Supplemental Declaration of Trust dated as of May 1, 2019 (the “**Declaration**”) between the Trustee and the City.

4. ***Reliance.*** 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 dated as of May 1, 2019 and with respect to compliance with the federal income tax rules affecting the Series 2019 Certificates, and by Special Counsel, in connection with rendering its opinion that the interest on the Series 2019 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 2019 Certificates.

**STIFEL, NICOLAUS & COMPANY, INCORPORATED**

By: \_\_\_\_\_  
Director

By: \_\_\_\_\_  
Director – Municipal Syndicate

Dated: \_\_\_\_\_, 2019

**EXHIBIT C**  
**TO**  
**CERTIFICATE PURCHASE AGREEMENT**  
**FORMS OF SPECIAL COUNSEL OPINIONS**  
**[FORM OF APPROVING OPINION]**

**[FORM OF SUPPLEMENTAL OPINION]**

**EXHIBIT D  
TO  
CERTIFICATE PURCHASE AGREEMENT  
FORM OF CITY COUNSEL OPINION**

**EXHIBIT E  
TO  
CERTIFICATE PURCHASE AGREEMENT**

**FORM OF UNDERWRITER'S COUNSEL OPINION**

## LETTER OF ESCROW INSTRUCTIONS

May 30, 2019

Ms. Rebecca Dengler  
UMB Bank, N.A.  
Corporate Trust Department  
2 South Broadway, Suite 600  
St. Louis, Missouri 63102

RE: \$12,965,000 Refunding Certificates of Participation (City of Arnold, Missouri, Lessee),  
Series 2012

Dear Ms. Dengler:

UMB Bank, N.A. (the "Trustee") is hereby advised, in its capacity as trustee with respect to the above-referenced certificates (the "Series 2012 Certificates"), issued pursuant to that certain Declaration of Trust dated as of June 1, 2012 by the Trustee (the "Declaration of Trust"), that the City Council of the City of Arnold, Missouri (the "City") has authorized the delivery of \$[\*\*PRINCIPAL AMOUNT\*\*] Refunding Certificates of Participation (City of Arnold, Missouri, Lessee), Series 2019 (the "Series 2019 Certificates"), to provide funds, together with other legally available funds of the City, to prepay the Series 2012 Certificates with payment dates on and after August 15, 2020 (the "Prepaid Certificates"), on August 15, 2019 (the "Prepayment Date").

Since the issuance of Treasury Securities – State and Local Government Series by the United States Department of Treasury is suspended, Stifel, Nicolaus & Company, Incorporated (the "Underwriter") will assist the City in identifying United States government obligations (the "Escrowed Securities") and will direct the Trustee, in writing, as to which Escrowed Securities, and in what amounts, shall be purchased.

Upon the delivery of the Series 2019 Certificates, you will receive funds in the amount of \$ \_\_\_\_\_ from the proceeds of the Series 2019 Certificates (the "Prepayment Funds"), a portion of which shall be used to purchase the Escrowed Securities selected by the City and the Underwriter. Together, the maturing Escrowed Securities and interest to accrue thereon will provide sufficient funds to prepay the outstanding Prepaid Certificates on the Prepayment Date.

The owners of the Prepaid Certificates are hereby given an express lien on and security interest in the Prepayment Funds until used and applied in accordance with this Letter. The Prepayment Funds are hereby pledged and assigned and shall be applied solely for the payment of the principal of, prepayment premium, if any, and interest on the Prepaid Certificates on the Prepayment Date.

On the Prepayment Date, the Trustee shall use the Prepayment Funds to pay the principal of, prepayment premium, if any, and interest on all outstanding Prepaid Certificates. The liability of the Trustee to make the payments required by this paragraph shall be limited to the Prepayment Funds.

Upon the payment in full of the principal of, prepayment premium, if any, and interest on the Prepaid Certificates, all remaining Prepayment Funds, together with any interest thereon, shall be transferred to the Lease Revenue Fund for the Series 2012 Certificates established under the Declaration of Trust.

The Trustee shall not be liable for any loss resulting from any investment, sale, transfer or other disposition made pursuant to this Letter in compliance with the provisions hereof. The Trustee shall have no lien whatsoever on any of the Prepayment Funds for the payment of fees and expenses for services rendered by the Trustee under this Letter or otherwise.

The Trustee shall not be liable for the accuracy of the calculations as to the sufficiency of the Prepayment Funds to pay the Prepaid Certificates on the Prepayment Date. So long as the Trustee applies the Prepayment Funds as provided herein, the Trustee shall not be liable for any deficiencies in the amounts necessary to pay the Prepaid Certificates caused by such calculations. Notwithstanding the foregoing, the Trustee shall not be relieved of liability arising from and proximate to its failure to comply fully with the terms of this Letter.

If the Trustee fails to account for any money received by it, said money shall be and remain the property of the City in trust for the holders of the Prepaid Certificates, and, if for any reason such money is not applied as herein provided, the assets of the Trustee shall be impressed with a trust for the amount thereof until the required application shall be made.

The Trustee will not be entitled to any additional fee for performing any of the duties, terms or provisions of this Letter as Trustee for the Prepaid Certificates. Notwithstanding the preceding sentence, the Trustee 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 Letter. Claims for such reimbursement may be made to the City and in no event shall such reimbursement be made from funds held by the Trustee pursuant to this Letter.

The Trustee 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 Letter, the acceptance of the moneys deposited therein, or any payment, transfer or other application of the moneys held by the Trustee in accordance with the provisions of this Letter or by reason of any non-negligent act, omission or error of the Trustee made in good faith in the conduct of its duties. The duties and obligations of the Trustee shall be determined by the express provisions of this Letter. The Trustee may consult with counsel who may or may not be counsel to the City, and in reliance upon the opinion 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 Trustee deems it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Letter, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the City. The Trustee shall have all rights, protections, and immunities granted to it under the Declaration of Trust and the Lease Purchase Agreement dated as of June 1, 2012 by and between the Trustee and the City in performing any services hereunder.

Please acknowledge your receipt hereof by signing at the bottom of this letter and return a copy of this letter to the City's bond counsel as follows: Mark D. Grimm, Esq., Gilmore & Bell, P.C., 211 North Broadway, Suite 2000, St. Louis, Missouri 63102.



Ms. Rebecca Dengler  
May 30, 2019  
Page 3

Please call Mr. Grimm at (314) 436-1000 if you have any questions concerning these instructions.

Very truly yours,

**CITY OF ARNOLD, MISSOURI**

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

Acknowledged and agreed to this 30th day of May, 2019.

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

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