

AGENDA
Board of Directors
Industrial Development Authority of the City of Centralia, Missouri
Monday, November 16, 2015
6:00 p.m.
City Hall Council Chambers

- I. Roll Call
- II. Approval of Previous Minutes
- III. Election of Corporate Officers
- IV. Resolution Changing the Registered Agent for the Industrial Development Authority of the City of Centralia, Missouri
- V. Resolution Authorizing a Tax-Exempt Financing Compliance Procedure for the Industrial Development Authority of the City of Centralia, Missouri
- VI. Resolution Approving and Authorizing and Directing the Issuance, Sale and Delivery of Public Facilities Revenue Bond Series 2015 and Prescribing the Form and Details of Said Bond and Authorizing Certain Other Documents and Action in Connection Therewith.
- VII. As May Arise
- VIII. Adjourn

BYLAWS

OF

THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF CENTRALIA

ARTICLE I

NAME, OFFICE, RECORDS AND SEAL

1. Name. The name of this corporation shall be The Industrial Development Authority of the City of Centralia, Missouri.
2. Principal Office. The principal office and location of the corporation shall be in Centralia, Missouri, and shall be located at City Hall, Centralia, Missouri.
3. Records. The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the board of directors and each committee of the board of directors. The corporation shall keep at its principal office a record of the name and address of each director.
4. Seal. The board of directors shall adopt, and may alter at pleasure, a corporate seal, which shall have inscribed thereon the name of the corporation and the words: Corporate Seal--Missouri. The corporate seal may be used by causing it, or a facsimile thereof, to be impressed or affixed or to be in any other manner reproduced.

ARTICLE II

PURPOSES

Purposes Stated in Articles. The purposes of this corporation shall be those purposes stated in the Articles of Incorporation as may be amended.

ARTICLE III

DIRECTORS

1. Directors in Lieu of Members. The corporation shall not have members as such, but, in lieu thereof, shall have only a board of directors.
2. Powers. The property and affairs of the corporation shall be managed by the board of directors of the corporation. The board of directors shall have and is invested with all and unlimited powers and authorities, except as it may be expressly limited by law, the Articles of Incorporation or these bylaws, to supervise, control, direct and manage the property, affairs and activities of the corporation to determine the policies of the corporation, to do or cause to be done any and all lawful things for and on behalf of the corporation, to exercise or cause to be exercised any or all of its powers, privileges or franchises, and to seek the effectuation of its objects and purposes; provided, however, that (1) the board of directors shall not authorize or permit the corporation to engage in any activity not permitted to be transacted by the Articles of Incorporation or by an

b. Notification. Not less than sixty (60) days prior to the annual meeting of the board of directors to be held in 1981 and each second annual meeting of the board thereafter, the secretary of the corporation shall, with respect to each director whose term will expire with such annual meeting, notify (in the manner hereinafter set forth) the City Council of the City of Centralia, Missouri. Such notice shall set forth the name of the person whose term is about to expire and shall advise such City Council that it shall have the right to elect by a date specified in the notice (which shall be not less than seven (7) days prior to the annual meeting date) a person as a director for a six (6) year term.

c. Election. Each such person elected as a director by the City Council of the City of Centralia, Missouri shall be elected to serve for a term of six (6) years (commencing with the annual meeting specified in the notice by the secretary) and until his successor is duly elected and has commenced his term of office.

The name of any individual who has been so elected by the City Council of the City of Centralia, Missouri, shall be forwarded by the City Clerk of the City of Centralia, Missouri to the secretary of the corporation not less than seven (7) days prior to the date of the annual meeting.

The failure to comply with the time schedule hereinabove set forth shall not invalidate the election of any director otherwise duly elected.

5. Commencement of Term of Office. A director shall be deemed elected as of the time specified at the time of his election, but he shall not be deemed to have commenced his term of office or to have any of the powers or responsibilities of a director until the time he accepts the office of director either by written acceptance filed with the City Clerk of the City of Centralia, Missouri, or by participating in the affairs of the corporation at a meeting of the board of directors or otherwise.

6. Vacancies. Vacancies among the directors resulting from the death, resignation, removal, incapacity or disqualification of a director, or by reason of an increase in the number of directors or the failure of an elected director to accept the office of director, may be filled by the City Council of the City of Centralia, Missouri. A director elected to fill a vacancy shall meet any qualifications set forth in these bylaws, and shall serve for the unexpired term of his predecessor and until his successor has been duly elected and has commenced his term of office.

7. Compensation. No director shall receive compensation from the corporation for any service he may render to it as a director. However, a director may be reimbursed for his actual expenses reasonably incurred in and about the performance of his duties as a director.

8. Resignation. Any director may resign from the board of directors. Such resignation shall be in writing and shall be filed with the City Clerk and effective upon appointment of a new director by the City Council of the City of Centralia, Missouri.

9. Removal. Directors may be removed by the City Council of the City of Centralia, Missouri, with or without cause at any time, but a director shall be removed only after a hearing in the event that a director requests a hearing.

ARTICLE IV

MEETINGS

1. Place. Meetings of the board of directors of the corporation may be held at the City Hall in the City of Centralia, Missouri or such other place as may be determined from time to time by resolution of the board or by written consent of the members of the board.

2. Annual Meetings. The annual meeting of the board of directors shall be held at 10:00 a.m. on the 1st day of September of each year, commencing in 1981, if not a legal holiday, and if a legal holiday, then on the next secular day following. Notice of an annual meeting shall be given to each elected and newly elected director not less than five (5) days before the date of the annual meeting.

3. Regular Meetings. In addition to the annual meeting, the board of directors may hold regular meetings at such time and place as may be determined from time to time by resolution of the board. Notice of a regular meeting need not be given. Any business may be transacted at a regular meeting.

4. Special Meetings. Special meetings of the board of directors may be held at any time and for any purpose or purposes. Special meetings may be called by the president or the secretary or by a majority of the board of directors by notice duly signed by the officer or directors calling the same and given in the manner hereinafter provided.

5. Notice of special Meetings. Written or printed notice stating the place, day and hour of a special meeting and the purpose or purposes for which the meeting is called shall be delivered to each director not less than five (5) days before the date of the meeting, either personally or by mail, by or at the direction of the president, or the persons calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the director at his address as it appears on the records of the corporation, with postage thereon prepaid.

6. Waiver of Notice. Any notice provided or required to be given to the directors may be waived in writing by any of them whether before or after the time stated therein. Attendance of a director at any meeting shall constitute a waiver of notice of such meeting except where the director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

7. Quorum. The presence of a majority of the whole board shall be requisite for and shall constitute a quorum for the transaction of business at all meetings. The act of a majority of the directors present at a meeting at which a quorum is present shall be valid as the act of the board of directors except in those specific instances in which a larger vote may be required by law, by the Articles of Incorporation or by these bylaws.

8. Adjournment. If a quorum shall not be present at any such meeting, the directors present shall have power successively to adjourn the meeting, without notice other than announcement at the meeting, to a specified date. At any such adjourned meeting at which a quorum shall be present any business may be transacted which could have been transacted at the original session of the meeting.

9. Voting. Each director present at any meeting shall be entitled to cast one vote on each matter coming before such meeting for decision.

10. Rules of Order. "Roberts Rules of Order Revised" shall govern the proceedings and meetings of the corporation in all cases, unless they are in conflict with these bylaws of The Industrial Development Authority for the City of Centralia, Missouri.

11. Agenda. The secretary or his designate shall prepare for each regular meeting of the board an agenda of the items to be considered in accordance with these bylaws. Twenty-four hour notice shall be given of items on agenda prior to meeting.

ARTICLE V

OFFICERS

1. General. The officers of the corporation shall be a president, two vice presidents, a secretary, a treasurer, and such other officers as the board of directors may elect, including, but not limited to, a chairman of the board of directors, assistant secretaries and assistant treasurers. All officers shall be elected from among the members of the board of directors and shall at all times while holding such office be a member of the board of directors. Any two or more offices may be held by the same person, except the offices of president and secretary.

Initially, the officers shall be elected by the board of directors named in these bylaws at the first meeting of that body, to serve at the pleasure of the board until the first annual meeting of the board and until their successors are duly elected and qualified.

At the first and each subsequent annual meeting of the board of directors the newly elected board shall elect officers to serve at the pleasure of the board until the next annual meeting of the board and until their successors are duly elected and qualified.

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An officer shall be deemed qualified when he enters upon the duties of the office to which he has been elected or appointed and furnishes any bond required by the board or these bylaws; but the board may also require of such person his written acceptance and promise faithfully to discharge the duties of such office.

2. Removal. Any officer of the corporation may be removed with or without cause or discharged from his position as an officer of the corporation by an affirmative vote of at least three members of the board of directors.

If for any reason any officer ceases to be a member of the board of directors, then such officer shall automatically be removed from his office in the corporation.

3. Compensation. No officer shall receive any salary or compensation for serving as such. Each officer may be reimbursed for his actual expenses if they are reasonable and incurred in connection with the business and activities of the corporation.

4. Vacancies. Vacancies in the offices of the corporation caused by the death, resignation, incapacity, removal or disqualification of an officer of the corporation shall be filled by the board of directors at an annual or other regular meeting or at any special meeting called for that purpose, and such person or persons so elected to fill any such vacancy shall serve at the pleasure of the board until the next annual meeting of the board, and until his successor is duly elected and qualified.

5. The Chairman of the Board. If a chairman of the board is elected or appointed, he shall preside at all meetings of the board of directors at which he may be present and shall have such other duties, powers and authority as may be prescribed elsewhere in these bylaws. The board of directors may delegate such other authority and assign such additional duties to the chairman of the board, other than those conferred by law exclusively upon the president, as it may from time to time determine, and, to the extent permissible by law, the board may designate the chairman of the board as the chief executive officer of the corporation with all of the powers otherwise conferred upon the president of the corporation under paragraph 6 of this Article V, or it may, from time to time, divide the responsibilities, duties and authority for the general control and management of the corporation's business and affairs between the chairman of the board and president.

6. The President. Unless the board otherwise provides, the president shall be the chief executive officer of the corporation, and shall have such general executive powers and duties of supervision and management as are usually vested in the office of the chief executive officer of a corporation, and he shall carry into effect all directions and resolutions of the board. In the absence of the chairman of the board or if there be no chairman of the board, the president shall preside at all meetings of the board of directors at which he may be present. If the board of directors appoints no Administrator pursuant to Article VI or in the absence, disability or inability to act of any Administrator so appointed, the president may exercise all of the powers and perform all of the duties of the Administrator.

The president may execute all bonds, notes, debentures, mortgages, and other contracts requiring a seal, under the seal of the corporation and may cause the seal to be affixed thereto, and all other instruments for and in the name of the corporation.

If a chairman of the board be elected or appointed and designated as the chief executive officer of the corporation, as provided in paragraph 5 of this Article, the president shall perform such duties as may be specifically delegated to him by the board of directors and as are conferred by law exclusively upon him, and in the absence, disability or inability to act of the chairman of the board, the president shall perform the duties and exercise the powers of the chairman of the board.

The president shall have the right to attend any meeting of any committee of the board of directors and to express his opinion and make reports at such meeting; provided, however, that unless he shall be specifically appointed to any committee he shall not be considered to be a

committee member or have the right to vote or be counted for the purpose of determining a quorum at any such meeting.

The president shall have such other duties, powers and authority as may be prescribed elsewhere in these bylaws or by the board of directors.

7. Vice President. The vice president shall work in cooperation with the president and shall perform such duties as the board of directors may assign to him. In the event of the death, absence, incapability, inability or refusal to act of the president, the vice president (in order of seniority if there is more than one vice president) shall be vested with all the powers and perform all the duties of the office of president. He shall have such other or further duties or authority as may be prescribed elsewhere in these bylaws or from time to time by the board of directors.

8. The Secretary. The secretary shall attend the meetings of the board of directors and shall record or cause to be recorded all votes taken and the minutes of all proceedings in the minute book of the corporation to be kept for that purpose. He shall perform like duties for any standing or special committees when requested by such committee to do so. He shall be the custodian of all the books, papers, and records of the corporation and shall at such reasonable times as may be requested permit an inspection of such books, papers and records by any director of the corporation. He shall upon reasonable demand furnish a full, true and correct copy of any book, paper or record in his possession. He shall be the administrative and clerical officer of the corporation under the supervision of the president and board of directors.

The secretary shall keep in safe custody the seal of the corporation and when authorized to do so shall affix the same to any instrument requiring the seal, and when so affixed he shall attest the same by his signature.

The secretary shall have the principal responsibility to give or cause to be given notice of the meetings of the board of directors, but this shall not lessen the authority of others to give such notice as provided in these bylaws.

The secretary shall have the general duties, powers and responsibilities of a secretary of a corporation and shall have such other or further duties or authority as may be prescribed elsewhere in these bylaws or from time to time by the board of directors.

9. The Treasurer. The treasurer shall have supervision and custody of all monies funds and credits of the corporation and shall cause to be kept full and accurate accounts of the receipts and disbursements of the corporation in books belonging to it. He shall keep or cause to be kept all other books of account and accounting records of the corporation as shall be necessary, and shall cause all monies and credits to be deposited in the name and to the credit of the corporation in such accounts and depositories as may be designated by the board of directors. The treasurer shall disburse or supervise the disbursement of funds of the corporation in accordance with the authority granted by the board of directors, taking proper vouchers therefor.

The treasurer shall be relieved of all responsibility for any monies or other valuable property or ;the disbursement thereof committed by the board of directors to the custody of any other person or corporation, or the supervision of which is delegated by the board to any other officer, agent or employee.

The treasurer shall render to the president or to any member of the board of directors, whenever requested by any of them, an account of all transactions as treasurer and of those under his jurisdiction and the financial condition of the corporation.

The treasurer shall be bonded unless the board of directors expressly waives the requirement of such bonding.

The treasurer shall be a member of the board of directors, shall have the general duties, powers and responsibilities of a treasurer of a corporation, shall be the chief financial officer and shall have and perform such other duties, responsibilities and authorities as may be prescribed from time to time by the board of directors or by law.

10. Assistant Secretary and Assistant Treasurer. Each assistant secretary or assistant treasurer, if any, in order of their seniority, in the event of the death, absence, incapacity, inability or refusal to act of the secretary or treasurer, respectively, shall perform the duties and exercise the powers of said respective officers and perform such other duties as the directors may from time to time prescribe or as may be prescribed by law.

ARTICLE VI

EMPLOYEES

1. General. There shall be such administrative employees as required by law, by the Articles of Incorporation, by these bylaws or as the board may establish. The powers and duties of any employee shall be prescribed by the board of directors when such position of employment is created. Employees cannot be a member of the board of directors.

2. Salaries. No employee shall receive any salary or other compensation for services rendered unless the same shall first be set by the board of directors. Employees may be reimbursed for their actual expenses if they are reasonable and incurred in connection with the business and activities of the corporation.

3. Personnel System. The board of directors shall adopt an orderly and consistent personnel system which shall apply to all employees of the corporation.

ARTICLE VII

GENERAL PROVISIONS

1. Contracts. The board of directors may authorize any officer or employee to enter into any contract or execute and deliver any instrument, in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

2. Depositories and Checks. The monies of the corporation shall be deposited in such manner as the directors shall direct in such banks or trust companies as the directors may designate and shall be drawn out by checks signed in such manner as may be provided by resolution adopted by the board of directors.

3. Bonds. In addition to any bonds required of the treasurer any other officer or employee handling monies of the corporation may be bonded at the corporation's expense in such amounts as may be determined by the board of directors.

4. Custodian of Securities. The board of directors may from time to time appoint one or more banks or trust companies to act for reasonable compensation as custodian of all securities and other valuables owned by the corporation, and to exercise in respect thereof such powers as may be conferred by resolution of the board of directors. The board of directors may resolve any such custodian at any time.

5. Annual Audit. An annual audit of the books of account and financial records of the corporation shall be performed by an independent accounting firm.

6. Loans. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the board of directors. Such authority may be general or confined to specific instances. The corporation shall not make any loan to a member of the board of directors or employee of the corporation.

7. Indemnification and Liability of Directors and Employees. Each director and employee or former director and employee shall be indemnified by the corporation as provided by the Articles of Incorporation or by law.

8. Absence of Personal Liability. The directors of the corporation are not individually or personally liable for the debts, liabilities or obligations of the corporation.

9. Checks, Drafts, etc. All checks, drafts, or other orders for the payment of bonds, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by the treasurer and countersigned by the president or other officer or employee of the corporation and in such manner as shall from time to time be determined by resolution of the board of directors.

ARTICLE VIII

FISCAL YEAR

The fiscal year of the corporation shall begin on the 1st day of September each year and end on the 31st day of August each year.

ARTICLE IX

LEGAL COUNSEL

The board of directors shall require a letter of agreement from any company applying for authorization to issue bonds stating that the company requesting the bond issue furnish all funds necessary for legal counsel for the board pertaining to such bond issue during and through the life of the bonds.

The board of directors shall require that outside legal counsel shall be obtained for any transactions prior to the issuance of the bonds.

ARTICLE X

AMENDMENTS

The board of directors of the corporation shall have the power to make, alter, amend and repeal the bylaws of the corporation and to adopt new bylaws, which power may be exercised by the affirmative vote of three members of the full board of directors. The corporation shall keep at its principal office a copy of the bylaws as amended, which shall be open to inspection by any board member at all reasonable times during office hours.

CERTIFICATE

The foregoing bylaws were duly adopted as and for the bylaws of The Industrial Development Authority for the City of Centralia, Missouri by the board of directors of said corporation on the 8th day of September, 1981.

Paul D. Sturgeon

Chairman of the Board

Chester Loren

Secretary of the Board

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE
CITY OF CENTRALIA, MISSOURI, HELD ON NOVEMBER 30, 2012

The Board of Directors of the Industrial Development Authority of the City of Centralia, Missouri, met in open session on November 30, 2012, at 12:00 noon at Centralia City Hall.

The following members and officers of the Board of Directors of the Industrial Development Authority were present at said meeting: David Hoppock, Ed Reynolds, Drew Umstatted, and Curt Kelly.

Absent: LeeAllen Smith.

City Administrator Lynn Behrns was also present.

Mr. Hoppock called the meeting to order. Minutes of the last meeting of the Board of Directors were read. Mr. Umstatted moved for the minutes to be approved as read. Motion was seconded by Mr. Hoppock. All Members present voted "aye" and minutes were approved as read.

This being the first meeting after September 1, new officers needed to be selected.

Mr. Umstatted moved that all current officers be retained in their present positions. Mr. Hoppock seconded the motion. There were no other nominations. All members present voted "aye" and the motion carried. Mr. Hoppock will remain as President, Mr. Umstatted will remain as Vice President, Mr. Smith will remain as Secretary, and Mr. Reynolds will remain as Treasurer.

Mr. Hoppock moved that Resolution No. 12-1 be adopted so as to replace former Centralia City Clerk Kathy Colvin with present City Clerk Heather Lockett as the registered agent of The Industrial Authority. Mr. Reynolds seconded the motion and the motion carried by unanimous vote of those present.

There being no further business to discuss, Mr. Umstatted moved the meeting adjourn. Mr. Reynold seconded the motion and the motion carried by unanimous vote of those present. The meeting of the Board of Directors of the Industrial Development Authority was adjourned at 12:07 p.m.

Minutes prepared and submitted by Lynn P. Behrns.

Secretary of the Board of Directors

RESOLUTION NO. 2015-1

RESOLUTION CHANGING THE REGISTERED AGENT OF THE
INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF CENTRALIA, MISSOURI

BE IT RESOLVED by the Board of Directors of The Industrial Development Authority of the City of Centralia, Missouri, as follows:

The Board of Directors of The Industrial Development Authority of the City of Centralia, Missouri hereby appoints Heather Russell (formerly known as Heather Lockett) the Registered Agent of The Industrial Development Authority of the City of Centralia, Missouri of the City of Centralia, Missouri. The registered office of The Industrial Development Authority of the City of Centralia, Missouri shall remain at 114 S. Rollins, Centralia, Missouri 65240.

This Resolution shall take effect immediately. Copies of this Resolution and other necessary documents shall accompany the next filing of the corporation's annual registration report to the Secretary of State of the State of Missouri, if necessary.

PASSED BY THE Board of Directors of The Industrial Development Authority of the City of Centralia, Missouri this ____ day of November, 2015.

David Hoppock,
President of the Authority

ATTEST:

Gabe Martinez,
Secretary of the Authority

RESOLUTION NO. 2015-2

OF

**THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF CENTRALIA, MISSOURI**

ADOPTED

NOVEMBER 16, 2015

**A RESOLUTION AUTHORIZING A TAX-EXEMPT FINANCING COMPLIANCE
PROCEDURE FOR FINANCIAL OBLIGATIONS OF THE INDUSTRIAL
DEVELOPMENT AUTHORITY OF THE CITY OF CENTRALIA, MISSOURI**

WHEREAS, The Industrial Development Authority of the City of Centralia, Missouri (the “Authority”), from time to time issues obligations to finance improvements for various borrowers pursuant to Chapter 349 of the Revised Statutes of Missouri, as amended; and

WHEREAS, the Internal Revenue Service (“IRS”) has increased its requirements for compliance with federal tax laws and regulations for tax-advantaged governmental obligations, has expanded its enforcement of such federal tax laws and regulations and has shifted the burden of proof for compliance with such laws and regulation to the issuers of governmental obligations; and

WHEREAS, the Board of Directors of the Authority deems it to be necessary and in the best interests of said Authority to adopt policies and procedures for its financial obligations to evidence compliance with IRS laws and regulations;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF CENTRALIA, MISSOURI, AS FOLLOWS:

Section 1. It is hereby found, determined and declared to be necessary and in the best interests of the Authority to authorize and approve the “Tax-Exempt Financing Compliance Procedure” to be dated as of the date of this Resolution, attached hereto as **Exhibit A**, for financial obligations issued by the Authority.

Section 2. Said Tax Compliance Procedure shall be amended and revised from time to time as may be necessary to comply with IRS laws and regulations relating to financial obligations of the Authority.

Section 3. This Resolution shall be in full force and effect from and after its passage.

PASSED by the Board of Directors of The Industrial Development Authority of the City of Centralia, Missouri, this 16th day of November, 2015.

(SEAL)

David Hoppock,
President of the Board of Directors

ATTEST:

Gabe Martinez,
Secretary of the Board of Directors

EXHIBIT A

**THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF CENTRALIA, MISSOURI
TAX-EXEMPT FINANCING COMPLIANCE PROCEDURE**

Dated as of November 16, 2015

November 16, 2015

TAX-EXEMPT FINANCING COMPLIANCE PROCEDURE

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TAX-EXEMPT FINANCING COMPLIANCE PROCEDURE

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Capitalized words and terms used in this Compliance Procedure have the following meanings:

“**Annual Compliance Checklist**” means a questionnaire and/or checklist described in **Section 6.1** hereof that is completed each year by a Conduit User for the Tax-Exempt Bonds.

“**Authority**” means The Industrial Development Authority of the City of Centralia, Missouri.

“**Bond Compliance Officer**” means the Authority’s President or, if the position of President is vacant, the person filling the responsibilities of the President for the Authority.

“**Bond Counsel**” means a law firm selected by the Authority or the Conduit User to provide a legal opinion regarding the tax status of interest on the Tax-Exempt Bonds as of the issue date or the law firm selected to advise the Authority on matters referenced in this Compliance Procedure.

“**Bond Restricted Funds**” means the funds, accounts, and investments that are subject to arbitrage rebate and/or yield restriction rules that have been identified in the Tax Compliance Agreement for the Tax-Exempt Bonds.

“**Bond Transcript**” means the “transcript of proceedings” or other similarly titled set of transaction documents assembled by Bond Counsel following the issuance of the Tax-Exempt Bonds.

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

“**Compliance Procedure**” means this Tax-Exempt Financing Compliance Procedure.

“**Conduit User**” means the entity that receives proceeds of Tax-Exempt Bonds issued by the Authority and is required to pay principal of and interest on the Tax-Exempt Bonds.

“**Conduit User Bond Compliance Officer**” means the individual officer or employee of the Conduit User named as the primary individual responsible for post-issuance tax compliance by the Conduit User in connection with the Tax-Exempt Bonds.

“**Cost**” or “**Costs**” means all costs and expenses paid for the acquisition, design, construction, equipping or improvement of a Project Facility or costs of issuing Tax-Exempt Bonds for a Project Facility.

“**Final Written Allocation**” means the Final Written Allocation of Tax-Exempt Bond proceeds prepared pursuant to **Section 5.4** of this Compliance Procedure.

“**Financed Assets**” means that part of a Project Facility treated as financed with Tax-Exempt Bond proceeds as reflected in a Final Written Allocation or, if no Final Written Allocation was prepared, the accounting records of the Trustee and the Conduit User and the Tax Compliance Agreement for the Tax-Exempt Bonds.

“Governing Body” means the Board of Directors of the Authority.

“Intent Resolution” means a resolution of the Authority or the Conduit User stating (1) the intent of the Authority or the Conduit User to finance all or a portion of the Project Facility, (2) the expected maximum size of the financing and (3) the intent of the Authority to reimburse Costs of the Project Facility paid by the Conduit User from proceeds of the Tax-Exempt Bonds.

“IRS” means the Internal Revenue Service.

“Placed In Service” means that date (as determined by the Conduit User Bond Compliance Officer) when the Project Facility is substantially complete and in operation at substantially its design level.

“Project Facility” means all tangible or intangible property financed in whole or in part with Tax-Exempt Bonds that are (1) functionally related or integrated in use, (2) located on the same physical site or proximate sites, and (3) expected to be Placed In Service within a one-year period of each other.

“Rebate Analyst” means the rebate analyst for the Tax-Exempt Bonds selected pursuant to the Tax Compliance Agreement.

“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 tax-exempt obligations.

“Tax Compliance Agreement” means the Federal Tax Certificate, Tax Compliance Agreement, Arbitrage Agreement, or other written certification or agreement of the Authority and the Conduit User setting out representations and covenants for satisfying the post-issuance tax compliance requirements for the Tax-Exempt Bonds.

“Tax-Exempt Bonds” means any bond, note, installment sale agreement, lease or certificate intended to be a debt obligation of the Authority, the proceeds of which are to be loaned or otherwise made available to the Conduit User, and the interest on which is excludable from gross income for federal income tax purposes. A list of all Tax-Exempt Bonds outstanding and subject to this Compliance Procedure as of November 16, 2015, is attached as **Exhibit A**.

“Tax-Exempt Bond File” means documents and records which may consist of paper and electronic medium, maintained for the Tax-Exempt Bonds. Each Tax-Exempt Bond File will include the following information if applicable:

- (a) Intent Resolution. (Duplicate Copy Maintained by Bond Compliance Officer)
- (b) Bond Transcript. (Duplicate Copy Maintained by Bond Compliance Officer)
- (c) Final Written Allocation and/or all available accounting records related to the Project Facility showing expenditures allocated to the proceeds of the Tax-Exempt Bonds and expenditures (if any) allocated to other sources of funds.
- (d) All rebate and yield reduction payment calculations performed by the Rebate Analyst and all investment records provided to the Rebate Analyst for purposes of preparing the calculations.
- (e) Forms 8038-T together with proof of filing and payment of rebate. (Duplicate Copy Maintained by Bond Compliance Officer)
- (f) Investment agreement bid documents (unless included in the Bond Transcript) including:

- (1) bid solicitation, bid responses, certificate of broker;
- (2) written summary of reasons for deviations from the terms of the solicitation that are incorporated into the investment agreement; and
- (3) copies of the investment agreement and any amendments.
- (g) Any item required to be maintained by the terms of the Tax Compliance Agreement involving the use of the Project Facility or expenditures related to tax compliance for the Tax-Exempt Bonds.
- (h) Any opinion of Bond Counsel regarding the Tax-Exempt Bonds not included in the Bond Transcript. (Duplicate Copy Maintained by Bond Compliance Officer)
- (i) Amendments, modifications or substitute agreements to any agreement contained in the Bond Transcript. (Duplicate Copy Maintained by Bond Compliance Officer)
- (j) Any correspondence with the IRS relating to the Tax-Exempt Bonds including all correspondence relating to an audit by the IRS of the Tax-Exempt Bonds or any proceedings under the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP). (Duplicate Copy Maintained by Bond Compliance Officer)
- (k) Any available questionnaires or correspondence substantiating the use of the Project Facility in accordance with the terms of the Tax Compliance Agreement for the Tax-Exempt Bonds.
- (l) For refunding bond issues, the Tax-Exempt Bond File for the refunded Tax-Exempt Bonds.

“**Trustee**” means the corporate trustee named in a trust indenture or other similar document included in the Bond Transcript for the Tax-Exempt Bonds.

ARTICLE II

PURPOSE AND SCOPE

Section 2.1. Purpose of Compliance Procedure.

(a) Authority’s Use of Tax-Exempt Bonds. The Authority issues Tax-Exempt Bonds and loans or otherwise makes the proceeds available to Conduit Users to fund Costs of a Project Facility. The Authority understands that in exchange for the right to issue Tax-Exempt Bonds at favorable interest rates and terms, the Code and Regulations impose ongoing requirements related to the proceeds of the Tax-Exempt Bonds and the Project Facility financed by the Tax-Exempt Bonds. These requirements focus on the investment, use and expenditure of proceeds of the Tax-Exempt Bonds and related funds as well as restrictions on the use of the Project Facility.

(b) IRS Recommends Separate Written Procedures. The Authority recognizes that the IRS has stated that all issuers of Tax-Exempt Bonds should have separate written procedures regarding ongoing compliance with the federal tax requirements for Tax-Exempt Bonds.

(c) Authority Commitment. The Authority is committed to full compliance with the federal tax law requirements for all of its outstanding and future tax-exempt financings. This Compliance Procedure is adopted by the Governing Body to comply with the IRS directives and to improve tax law compliance and documentation. As the Conduit User for the Tax-Exempt Bonds is primarily responsible for the expenditure and investment of proceeds of the Authority’s Tax-Exempt Bonds, the use of the Financed Assets and the Project Facility, this Compliance Procedure provides that the Conduit User will

assume substantially all obligations related to post-issuance compliance for Tax-Exempt Bonds issued for its benefit.

Section 2.2. Scope of Compliance Procedure; Conflicts. (a) This Compliance Procedure applies to all Tax-Exempt Bonds currently outstanding and all Tax-Exempt Bonds issued in the future. If the provisions of this Compliance Procedure conflict with a Tax Compliance Agreement or any other specific written instructions of Bond Counsel, the terms of the Tax Compliance Agreement or specific written instructions of Bond Counsel will supersede and govern in lieu of this Compliance Procedure. Any exception to this Compliance Procedure required by Bond Counsel as part of a future issue of Tax-Exempt Bonds will be incorporated in the Tax Compliance Agreement for the future issue. Any requirements imposed on the Authority in the Tax Compliance Agreement, will be noted by the Bond Compliance Officer and incorporated into the Annual Compliance Checklist.

(b) This Compliance Procedure is limited to tax matters. The Authority does not anticipate that it will ever be an “obligated person” under SEC Rule 15c2-12 or be required to enter into a continuing disclosure undertaking with respect to that Rule.

Section 2.3. Amendments and Publication of Compliance Procedure. This Compliance Procedure may be amended from time-to-time by the Governing Body. Copies of this Compliance Procedure and any amendments will be included in the permanent records of the Authority.

ARTICLE III

BOND COMPLIANCE OFFICER; TRAINING

Section 3.1. Bond Compliance Officer Duties. The Bond Compliance Officer is responsible for implementing this Compliance Procedure. The Bond Compliance Officer will work with the Conduit User Bond Compliance Officer and the Trustee to assist in implementing this Compliance Procedure. The Bond Compliance Officer will consult with Bond Counsel, legal counsel to the Authority, accountants, tax return preparers and other outside experts to the extent necessary to carry out the purposes of this Compliance Procedure. The Bond Compliance Officer will report to the Governing Body as necessary, and at least annually, regarding implementation of this Compliance Procedure and any recommended changes or amendments to this Compliance Procedure.

Section 3.2. Training.

(a) Training Programs. When appropriate, the Bond Compliance Officer and/or other employees of the Authority under the direction of the Bond Compliance Officer will attend training programs offered by the IRS or other industry professionals regarding Tax-Exempt Bonds that are relevant to the Authority.

(b) Change in Bond Compliance Officer. Any time an individual acting as the Bond Compliance Officer passes the responsibilities for carrying out the provisions of this Compliance Procedure to another individual, the Authority will ensure the incoming individual acting as Bond Compliance Officer is trained on how to implement the policies and procedures included in this Compliance Procedure to ensure the Authority’s continued compliance with the provisions of this Compliance Procedure and all Tax Compliance Agreements for any outstanding Tax-Exempt Bonds.

ARTICLE IV

TAX-EXEMPT BONDS CURRENTLY OUTSTANDING

Section 4.1. Tax-Exempt Bonds Covered by Article IV Procedures. This Article IV applies to all Tax-Exempt Bonds issued prior to the date of this Compliance Procedure that are currently outstanding. These Tax-Exempt Bonds are listed on **Exhibit A**.

Section 4.2. Tax-Exempt Bond File. As soon as practical, the Bond Compliance Officer will attempt to assemble as much of the Tax-Exempt Bond File as is available for the Tax-Exempt Bonds listed on **Exhibit A**.

Section 4.3. Conduit User Contact. As soon as practical the Bond Compliance Officer will send to the Conduit User of the Tax-Exempt Bonds listed on **Exhibit A**, a copy of the Tax Compliance Agreement for the financing along with a letter reminding the Conduit User that under the agreement it is responsible for post-issuance tax compliance related to the investment of Bond Restricted Funds, record keeping, use of Tax-Exempt Bond proceeds, and use of the Project Facility. The letter will contain a list of records comprising the Tax-Exempt Bond File that the Conduit User should retain for the applicable Tax-Exempt Bonds.

Section 4.4. Annual Certification. As soon as practical following the adoption of this Compliance Procedure, the Bond Compliance Officer will request each Conduit User to confirm annually in writing its compliance with the terms of the Tax Compliance Agreement for the Tax-Exempt Bonds. Where possible, the Bond Compliance Officer will combine this certification request with other disclosures the Conduit User regularly provides to the Trustee (such as ongoing continuing disclosure). Certifications completed by the Conduit User will be retained by the Bond Compliance Officer.

Section 4.5. Correcting Prior Deficiencies in Compliance. In the event a Conduit User informs the Bond Compliance Officer of a deficiency in compliance with a Tax Compliance Agreement for an outstanding Tax-Exempt Bond listed on **Exhibit A**, the Bond Compliance Officer will consult with Bond Counsel and, as necessary, direct the Conduit User to follow the procedures described in the Regulations or the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP) to remediate the noncompliance. If remediation of the noncompliance requires the Authority to submit a request under VCAP, the Bond Compliance Officer will undertake this step only after reporting the violation to the Governing Body and obtaining its approval.

ARTICLE V

COMPLIANCE PROCEDURE FOR NEW TAX-EXEMPT BOND ISSUES

Section 5.1. Application. This Article V applies to Tax-Exempt Bonds issued on or after the date of this Compliance Procedure.

Section 5.2. Prior to Issuance of Tax-Exempt Bonds.

(a) Intent Resolution. The Governing Body will authorize and approve the issuance of Tax-Exempt Bonds. Prior to or as a part of the authorizing resolution or ordinance, the Governing Body may adopt an Intent Resolution. The Bond Compliance Officer will provide the Conduit User with a copy of this Compliance Procedure prior to adoption of the Intent Resolution.

(b) Directions to Bond Counsel. The Bond Compliance Officer will provide a copy of this Compliance Procedure to Bond Counsel with directions for Bond Counsel to structure the documentation and procedural steps taken prior to issuing the Tax-Exempt Bonds so that they conform to the requirements of this Compliance Procedure, except to the extent Bond Counsel determines that different procedures are required. The Bond Compliance Officer will consult with Bond Counsel so that appropriate provisions are made to fund or reimburse the Authority's costs and expenses incurred to implement this Compliance Procedure. To the extent the Authority relies on or acts at the direction of the Conduit User, the Tax Compliance Agreement will contain appropriate provision for Authority indemnification by the Conduit User.

(c) Tax Compliance Agreement. For each issuance of Tax-Exempt Bonds, a Tax Compliance Agreement will be signed by the Conduit User Bond Compliance Officer or other duly authorized officer of the Conduit User. The Tax Compliance Agreement will (1) describe the Project Facility and the anticipated Financed Assets, (2) identify all Bond Restricted Funds and provide for arbitrage and rebate compliance by the Conduit User, (3) for new money financings, require the Conduit User to complete a Final Written Allocation, and (4) contain a form of the Annual Compliance Checklist for the Tax-Exempt Bonds. The Conduit User Bond Compliance Officer will confer with Bond Counsel, the Bond Compliance Officer and the Authority's counsel regarding the meaning and scope of each representation and covenant contained in the Tax Compliance Agreement.

(d) Preliminary Cost Allocations. For each issuance of Tax-Exempt Bonds, the Conduit User Bond Compliance Officer in consultation with Bond Counsel, will prepare a preliminary cost allocation plan for the Project Facility. The preliminary cost allocation plan will identify the assets and expected costs for the Project Facility, and when necessary, will break-out the portions of Costs that are expected to be financed with proceeds of the Tax-Exempt Bonds (the "Financed Assets") and the portions, if any, expected to be financed from other sources.

(e) Tax Review with Bond Counsel. Prior to the sale of Tax-Exempt Bonds, the Bond Compliance Officer, Conduit User Bond Compliance Officer and Bond Counsel will review this Compliance Procedure together with the draft Tax Compliance Agreement to ensure that any tax compliance issues in the new financing are adequately addressed by this Compliance Procedure and/or the Tax Compliance Agreement. If Bond Counsel determines that this Compliance Procedure conflicts with the Tax Compliance Agreement, or must be supplemented to account for special issues or requirements for the Tax-Exempt Bonds, the Bond Compliance Officer will ask Bond Counsel to include the written modifications or additions in the final Tax Compliance Agreement. The Bond Compliance Officer will request Bond Counsel to prepare a form of Annual Compliance Checklist for use in monitoring the ongoing compliance requirements for the Tax-Exempt Bonds.

Section 5.3. Accounting and Recordkeeping.

(a) Accounting for New Money Projects. The Conduit User Bond Compliance Officer will be responsible for accounting for the investment and allocation of proceeds of the Tax-Exempt Bonds. The Conduit User Bond Compliance Officer will establish separate accounts or subaccounts to record expenditures for Costs of the Project Facility. The Conduit User Bond Compliance Officer may use accounts established pursuant to a trust indenture for the Tax-Exempt Bonds to assist it in accounting for the investment and expenditure of Tax-Exempt Bonds. In recording Costs for the Project Facility, the Conduit User Bond Compliance Officer will ensure that the accounting system will include the following information: (1) identity of person or business paid, along with any other available narrative description of the purpose for the payment, (2) date of payment, (3) amount paid, and (4) invoice number or other identifying reference.

(b) Accounting for Refunded Bonds and Related Refunded Bond Accounts. For Tax-Exempt Bonds that are issued to refund prior Tax-Exempt Bonds, the Tax Compliance Agreement will set out special accounting and allocation procedures for the proceeds of the financing, and if necessary proceeds of the refinanced Tax-Exempt Bonds.

(c) Tax-Exempt Bond File. The Conduit User Bond Compliance Officer will be responsible for assembling and maintaining the Tax-Exempt Bond File. The Conduit User Bond Compliance Officer will provide copies to the Authority of items contained in the Tax-Exempt Bond File upon request.

Section 5.4. Final Allocation of Bond Proceeds.

(a) Preparation of Final Written Allocation; Timing. The Conduit User Bond Compliance Officer is responsible for making a written allocation of proceeds of Tax-Exempt Bonds to expenditures and identifying the Financed Assets. This process will be memorialized in the Final Written Allocation. For a new money financing, the Conduit User Bond Compliance Officer will commence this process as of the earliest of (1) the requisition of all Tax-Exempt Bond proceeds from any segregated Tax-Exempt Bond funded account, (2) the date the Project Facility has been substantially completed or (3) four and one-half years following the issue date of the Tax-Exempt Bonds. For Tax-Exempt Bonds issued only to refund a prior issue of Tax-Exempt Bonds, the Conduit User Bond Compliance Officer will work with Bond Counsel to prepare and/or document the Final Written Allocation for the Project Facility financed by the refunded Tax-Exempt Bonds and include it in the Tax Compliance Agreement.

(b) Contents and Procedure. The Conduit User Bond Compliance Officer will consult the Tax Compliance Agreement and, if necessary, contact Bond Counsel to seek advice regarding any special allocation of Tax-Exempt Bond proceeds and other money of the Conduit User to the Costs of the Project Facility. If no special allocation is required or recommended, the Conduit User Bond Compliance Officer will allocate Costs of the Project Facility to the proceeds of the Tax-Exempt Bonds in accordance with the Conduit User's accounting records. Each Final Written Allocation will contain the following: (1) a reconciliation of the actual sources and uses to Costs of the Project Facility, (2) the percentage of the cost of the Project Facility financed with proceeds of the Tax-Exempt Bonds (sale proceeds plus any investment earnings on those sale proceeds), (3) the Project Facility's Placed in Service date, (4) the estimated economic useful life of the Project Facility, and (5) any special procedures to be followed in completing the Annual Compliance Checklist (e.g., limiting the Annual Compliance Checklist to specific areas of the Project Facility that the Final Written Allocation or the Tax Compliance Agreement treats as having been financed by Tax-Exempt Bonds).

(c) Finalize Annual Compliance Checklist. As part of the preparation of the Final Written Allocation, the Conduit User Bond Compliance Officer will update the draft Annual Compliance Checklist contained in the relevant Tax Compliance Agreement. The Conduit User Bond Compliance Officer will include reminders for all subsequent arbitrage rebate computations required for the Tax-Exempt Bonds in the Annual Compliance Checklist.

(d) Review of Final Written Allocation and Annual Compliance Checklist. Each Final Written Allocation and Annual Compliance Checklist will be reviewed by legal counsel to the Conduit User or Bond Counsel for sufficiency and compliance with the Tax Compliance Agreement and this Compliance Procedure. Following the completion of the review, the Conduit User Bond Compliance Officer will execute the Final Written Allocation.

(e) Conduit User Certification of Compliance. The Conduit User Bond Compliance Officer will certify in writing to the Trustee completion of its responsibilities under this **Section 5.4.**

ARTICLE VI

ONGOING MONITORING PROCEDURES

Section 6.1. Annual Compliance Checklist. An Annual Compliance Checklist will be completed by the Conduit User Bond Compliance Officer each year following completion of the Final Written Allocation. Each Annual Compliance Checklist will be designed and completed for the purpose of identifying potential noncompliance with the terms of the Tax Compliance Agreement or this Compliance Procedure and obtaining documents (such as investment records, arbitrage calculations, or other documentation for the Project Facility) that are required to be incorporated in the Tax-Exempt Bond File. The Conduit User Bond Compliance Officer will refer any responses indicating a violation of the terms of the Tax Compliance Agreement to legal counsel to the Conduit User or Bond Counsel and, if recommended by counsel, will follow the procedure set out in **Section 4.4** hereof to remediate the non-compliance.

Section 6.2. Arbitrage and Rebate Compliance. The Conduit User Bond Compliance Officer will monitor the investment of Bond Restricted Funds and provide investment records to the Rebate Analyst on a timely basis. The Bond Compliance Officer will follow the directions of the Rebate Analyst with respect to the preparation of and the timing of rebate or yield reduction computations.

ADOPTED BY THE BOARD OF DIRECTORS
OF THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF CENTRALIA, MISSOURI

November 16, 2015

EXHIBIT A

LIST OF TAX-EXEMPT BONDS COVERED BY THIS COMPLIANCE PROCEDURE

- **\$2,390,000 Public Facilities Lease Revenue Bond (City of Centralia, Missouri, Projects), Series 2015**

RESOLUTION NO. 2015 -3

OF

**THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF CENTRALIA, MISSOURI**

ADOPTED

NOVEMBER 16, 2015

AUTHORIZING

\$2,390,000

**PUBLIC FACILITIES LEASE REVENUE BOND
(CITY OF CENTRALIA, MISSOURI, PROJECTS)
SERIES 2015**

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- Exhibit A – Form of Bond
- Exhibit B – Base Lease
- Exhibit C – Lease Purchase Agreement

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Exhibit E – Tax Compliance Agreement
Exhibit F – Leasehold Deed of Trust, Security Agreement and Assignment
of Rents and Leases

A RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF A PUBLIC FACILITIES LEASE REVENUE BOND (CITY OF CENTRALIA, MISSOURI, PROJECTS), SERIES 2015, OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF CENTRALIA, MISSOURI; PRESCRIBING THE FORM AND DETAILS OF SAID BOND; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, The Industrial Development Authority of the City of Centralia, Missouri (the “Authority”), is authorized and empowered under the provisions of the Industrial Development Corporations Act, Chapter 349 of the Missouri Revised Statutes, as amended (the “Act”), to (i) purchase, construct, extend and improve “projects” (as defined in the Act), including public facilities, (ii) issue revenue bonds for the purpose of providing funds to pay the costs of such projects, (iii) acquire a leasehold interest in real and personal properties which the board of directors of the Authority may deem necessary in connection with a project undertaken pursuant to the Act, (iv) lease to others any of its projects and to charge and collect rent therefor and to terminate any such lease upon the failure of the lessee to comply with any of the obligations thereof; and to include in any such lease, if desired, a provision that the lessee thereof shall have an option to purchase the project, and (v) sell, assign, mortgage, grant a security interest in, any of its properties whenever its board of directors shall find such action to be in furtherance of the purposes for which the Authority was organized; and

WHEREAS, in order to acquire, construct and install a community recreation center (together with the real property on which it is located, the “Leased Property”), the City of Centralia, Missouri (the “City”) and UMB Bank, N.A., Kansas City, Missouri (the “Refunded Certificates Trustee”), have previously entered into a Base Lease, dated August 15, 2008, pursuant to which the City, as lessor, leased to the Refunded Certificates Trustee, as lessee, all of the City’s interest in the Leased Property; and

WHEREAS, the Refunded Certificates Trustee and the City have previously entered into a Lease Purchase Agreement, dated August 15, 2008 (the “Refunded Lease”), pursuant to which the Refunded Certificates Trustee agreed to lease to the City the Leased Property and contemporaneously therewith delivered Certificates of Participation (Recreation Center Project), Series 2008 (the “Series 2008 Certificates”), in the original principal amount of \$1,985,000 pursuant to a Declaration of Trust dated as of August 15, 2008 (the “Declaration”), made by the Refunded Certificates Trustee, for the purpose of, among other things, providing funds to pay the costs to acquire, construct and equip the Leased Property, such Series 2008 Certificates evidenced proportionate interests of the owners thereof in the right to receive basic rent payments payable by the City pursuant to the Refunded Lease; and

WHEREAS, the Board of Aldermen of the City has adopted an ordinance (the “City Ordinance”) authorizing the City to enter into a Base Lease (the “Base Lease”), in order to convey to the Authority a leasehold interest in the Leased Property in consideration of the payment by the Authority to the City of \$2,390,000 (the “Base Lease Rental Amount”), to be obtained through a loan from Central Bank of Boone County, a Missouri state-chartered bank (together with its successors and assigns, the “Lender”), evidenced by a certain “Public Facilities Lease Revenue Bond (City of Central, Missouri, Projects), Series 2015” (the “Bond”), to be issued by the Authority to the Lender; and

WHEREAS, the proceeds of the Bond will be used to (a) prepay the City’s outstanding Series 2008 Certificates (the “Refunded Certificates”), (b) pay the costs of renovating, extending and improving

the City's community swimming pool (the "Project") and (c) pay closing costs related to the execution and delivery of the Base Lease and the Lease, and the issuance of the Bond; and

WHEREAS, the City Ordinance further authorizes the City to enter into a Lease Purchase Agreement (the "Lease"), pursuant to which the City will agree, subject to annual appropriation, to pay Rental Payments (defined therein) to the Authority, in consideration for the Authority's sublease of the Leased Property back to the City; and

WHEREAS, at the City's request, the Board of Directors of the Authority intends, pursuant to this resolution, to authorize the Authority to, among other things, (a) lease the Leased Property from the City pursuant to the Base Lease, for the consideration stated above, (b) enter into the Lease in order to sublease the Leased Property back to the City, in consideration of the City's agreement to pay Rental Payments, subject to annual appropriation, (c) issue the Bond, the repayment of which is limited solely to Rental Payments made by the City under the Lease, and (d) secure the repayment of the Bond by a Leasehold Deed of Trust, Security Agreement and Assignment of Rents and Leases (the "Deed of Trust"), given by the Authority to a trustee in favor of Lender, on the Leased Property, pursuant to which, among other things, the Authority will assign to the Lender all its rights, title and interests under the Lease; and

WHEREAS, the Board of Directors hereby finds that the actions authorized by this resolution are in furtherance of the purposes for which the Authority was organized.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF CENTRALIA, MISSOURI, AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. Capitalized words and terms used in this Resolution shall have the meanings assigned thereto in the Lease, unless otherwise defined in this Resolution. In addition to words and terms defined elsewhere herein, the following words and terms as used in this Resolution shall have the following meanings:

"Authority" means The Industrial Development Authority of the City of Centralia, Missouri, and any successors or assigns.

"Bond" means the Public Facilities Lease Revenue Bond (City of Centralia, Missouri, Projects), Series 2015, in the original principal amount of \$2,390,000, authorized and issued by the Authority pursuant to this Resolution.

"Bond Counsel" means Gilmore & Bell, P.C., Kansas City, Missouri, or other attorneys or firm of attorneys with a nationally recognized standing in the field of municipal bond financing selected by the City, with the consent of the Authority and the Lender, which consent will not be unreasonably withheld.

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

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

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

“Lender” means Central Bank of Boone County, Columbia, Missouri, as the initial Owner of the Bond, and its successors and assigns.

“Payment Date” means, (i) with respect to principal installments, each March 15 beginning March 15, 2016, and continuing until the final maturity of the Bond, and (ii) with respect to interest payable on the Bond, each March 15 and September 15, beginning March 15, 2016, and continuing until the final maturity or earlier Redemption Date of the Bond.

“Project Escrow Agent” means Central Bank of Boone County, Columbia, Missouri, and any successors or assigns.

“Project Escrow Agreement” means the Project Escrow Agreement among the Authority, the City, the Lender and the Escrow Agent, in substantially the form attached as **Exhibit D**.

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

“Redemption Date” means the date fixed for such redemption pursuant to the terms of this Resolution.

“Redemption Price” means 100% of the outstanding principal amount of the Bond.

“Resolution” means this Resolution adopted by the governing body of the Authority, authorizing the issuance of the Bond, as amended from time to time in accordance with the terms hereof.

“Tax Compliance Agreement” means the Tax Compliance Agreement between the Authority and the City, in substantially the form attached as **Exhibit E**.

ARTICLE II

AUTHORIZATION OF THE BOND

Section 201. Authorization of the Bond. There shall be issued and hereby is authorized and directed to be issued the Authority’s Public Facilities Lease Revenue Bond (City of Centralia, Missouri, Projects), Series 2015 (the **“Bond”**), in the original principal amount of \$2,390,000, for the purpose of providing funds to refund the Refunded Bonds and pay the costs related to the issuance of the Bond.

Section 202. Description of Bond.

(a) The Bond shall consist of a single fully registered bond in the original principal amount of \$2,390,000, without coupons, numbered R-1. The Bond shall be substantially in the form set forth in **Exhibit A** attached hereto, and shall be subject to registration, transfer and exchange as provided in **Section 205** hereof.

(b) Principal of the Bond shall be payable in installments on the Payment Dates and in the amounts set forth on **Schedule 1** attached to the Bond (**Exhibit A**), subject to prepayment as provided in the Bond, and shall bear interest at the rate stated in the Bond, from the initial date of delivery of the Bond or from the most recent Payment Date to which interest has been paid or duly provided for. Interest is payable on the Payment Dates set forth in the Bond.

(c) The Lender shall keep a record of payment of principal and Redemption Price of and interest on the Bond and shall provide at least semiannual account statements of such records to the Authority and the City.

Section 203. Designation of Paying Agent . The City Treasurer of the City of Centralia, Missouri, is hereby designated as the Authority's paying agent for the payment of principal of and interest on the Bond and bond registrar with respect to the registration, transfer and exchange of the Bond (herein called the "Paying Agent").

Section 204. Registration, Transfer and Exchange of the Bond.

(a) The Authority covenants that, as long as the Bond remains Outstanding, it will cause the Bond Register to be kept at the office of the Paying Agent as herein provided. Each Bond when issued shall be registered in the name of the owner thereof on the Bond Register.

(b) The Bond may be transferred or exchanged, as provided in the Resolution, only on the Bond Register kept for that purpose at the payment office of the Paying Agent, upon surrender of the Bond together with a written instrument of transfer or authorization for exchange satisfactory to the Paying Agent duly executed by the Registered Owner or the Registered Owner's duly authorized agent, and thereupon a new Bond, in a principal amount reduced by the installments of principal of the Bond that have been paid or redeemed, shall be issued to the transferee in exchange therefor, as provided in this Resolution and upon payment of the charges herein prescribed.

(c) In all cases in which the privilege of transferring or exchanging the Bond is exercised, the Authority shall execute and the Paying Agent shall authenticate and deliver the Bond in accordance with the provisions of this Resolution. If any Registered Owner fails to provide a correct taxpayer identification number to the Paying Agent, then the Paying Agent may make a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure and, in compliance with Section 3406 of the Code, the charge may be deducted by the Paying Agent from amounts otherwise payable to such Registered Owner hereunder or under the Bond.

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

Section 205. Execution, Registration, Authentication and Delivery of the Bond.

(a) The Bond, including any bond issued in exchange or as substitution for the Bond initially delivered, shall be signed by the manual signature of the President of the Board of Directors and attested

by the manual signature of the Secretary of the Board of Directors. In case any officer whose signature appears on the Bond ceases to be such officer before the delivery thereof, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

(b) The Bond shall have endorsed thereon a certificate of authentication substantially in the form set forth in **Exhibit A** to this Resolution, which shall be manually executed by the Paying Agent. No Bond shall be entitled to any security or benefit under this Resolution or be valid or obligatory for any purpose unless and until such certificate of authentication has been duly executed by the Paying Agent. Such executed certificate of authentication upon any Bond shall be conclusive evidence that the Bond has been duly authenticated and delivered under this Resolution. Upon authentication, the Paying Agent shall deliver the Bond to or upon the order of the Lender, upon the Lender's deposit in the Project Fund the sum of \$2,390,000, as the purchase price of the Bond.

Section 206. Mutilated, Destroyed, Lost and Stolen Bond.

(a) If (a) any mutilated Bond is surrendered to the Paying Agent or the Paying Agent receives evidence to its satisfaction of the destruction, loss or theft of the Bond, and (b) there is delivered to the Paying Agent such security or indemnity as may be required by the Paying Agent, then, in the absence of notice to the Paying Agent that such Bond has been acquired by a bona fide purchaser, the Authority shall execute and the Paying Agent shall authenticate and deliver a new Bond, in exchange for or in lieu of the mutilated, destroyed, lost or stolen Bond.

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

(c) Every new Bond issued pursuant to this Section shall constitute a replacement of the prior obligation of the Authority, and shall be entitled to all the benefits of this Resolution in the same manner as the Bond that was replaced.

Section 207. Cancellation and Destruction of the Bond Upon Payment. When the Bond has been paid or redeemed or has otherwise been surrendered to the Paying Agent, either at or before its final maturity, such Bond shall be cancelled by the Paying Agent immediately upon the payment, redemption and surrender thereof to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent. The Paying Agent shall execute a certificate describing the Bond so cancelled and shall file an executed counterpart of such certificate with the Authority.

Section 208. Optional Prepayment and Redemption of the Bond. Upon 30 days' prior written notice to the Lender, the Bond shall be subject to optional redemption and prepayment by the Authority, at the option of the City pursuant to the Lease, on any date, in whole or in part, at a redemption price equal to 100% of the principal amount of the Bond to be redeemed, plus accrued interest thereon to the Redemption Date. If less than all of the outstanding principal amount of the Bond is to be redeemed, the Redemption Price shall be applied to reduce principal in inverse order of the principal installments payable.

Section 209. Authorization of Related Agreements. The Authority is hereby authorized to enter into the agreements set forth below (the “Authority Documents”), in substantially the forms attached hereto, and the President of the Board of Directors is hereby authorized and directed to execute the Authority Documents with such changes therein as such official may deem appropriate, for and on behalf of and as the act and deed of the Authority, the Authority Documents being as follows:

- Exhibit B:** Base Lease
- Exhibit C:** Lease
- Exhibit D:** Project Escrow Agreement
- Exhibit E:** Tax Compliance Agreement

Section 210. Security for the Bond. In order to secure the payment of the principal of and interest on the Bond, the Authority is hereby authorized to execute and deliver to the Lender the Deed of Trust in substantially the form attached as **Exhibit F** hereto, and the President of the Board of Directors is hereby authorized and directed to execute the Deed of Trust with such changes therein as such official may deem appropriate, for and on behalf of and as the act and deed of the Authority.

Section 211. Limited Obligation. The Bond and the interest thereon shall be a limited obligation, payable solely out of the rents, revenues and receipts received by the Authority pursuant to the herein authorized Lease, and such rents, revenues and receipts are pledged and assigned to the Lender as security for the payment of the Bond as provided in the Deed of Trust. The Bond and the interest thereon shall not constitute a debt or liability of the City, or of the State of Missouri or of any political subdivision thereof, and the Bond shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

Section 212. Sale of Bond. The sale of the Bond to the Lender at a purchase price equal to the original principal amount of the Bond is hereby approved. Delivery of the Bond shall be made to the Lender on or about November 24, 2015, upon deposit of an amount equal to the purchase price in the Project Fund.

ARTICLE III

REMEDIES

Section 301. Events of Default. If any of the following events occur, it is hereby defined as and declared to be and to constitute an Event of Default under this Resolution:

- (a) Default by the Authority in the due and punctual payment of any interest on the Bond;
- (b) Default by the Authority in the due and punctual payment of the principal of the Bond, whether at the stated maturity or accelerated maturity thereof, or at the redemption date thereof;
- (c) The occurrence of an Event of Nonappropriation under the Lease;
- (d) An Event of Default as specified in **Section 12.1** of the Lease shall have occurred.

Section 302. Acceleration of Maturity in Event of Default.

(a) If an Event of Default shall have occurred and be continuing, the Lender, as the Registered Owner of the Bond, may, by notice in writing delivered to the Authority and the City, declare the remaining principal of the Bond and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable; provided, however, that only the City's obligations to pay Rental Payments under the then current Renewal Term of the Lease may be accelerated.

(b) In case of any rescission of such declaration of acceleration, the Authority, the City and the Lender, as the Registered Owner, shall be restored to their former position and rights hereunder respectively, but no such rescission shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon.

Section 303. Remedies Cumulative. No remedy conferred herein upon the Lender, as the Registered Owner, is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the Lender shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies consequent thereon. No delay or omission of the Lender to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Lender, as the Registered Owner of the Bond, by this Resolution may be enforced and exercised from time to time and as often as may be deemed expedient. If any suit, action or proceedings taken by the Lender on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or has been determined adversely to the Lender, then, and in every such case, the Authority and the Lender, as the Registered Owner of the Bond, shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Lender shall continue as if no such suit, action or other proceedings had been brought or taken.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 401. Tax Covenants.

(a) The Authority covenants and agrees that (1) it will comply with all applicable provisions of the Code necessary to maintain the exclusion from federal gross income of the interest on the Bond and (2) comply with all provisions and requirements of the Tax Compliance Agreement, which is hereby approved in substantially the form attached hereto as **Exhibit E**. The Authority will also adopt such other 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 on the Bond will remain excluded from federal gross income, to the extent any such actions can be taken by the Authority.

(b) The covenants contained in this Section and in the Tax Compliance Agreement shall remain in full force and effect until the final maturity of the Bond.

Section 402. Amendments. The rights and duties of the Authority and the Lender, as the Registered Owner of the Bond, and the terms and provisions of the Bond or of this Resolution, may be amended or modified at any time in any respect by resolution of the Authority's Board of Directors, with the written consent of the Lender, such consent to be evidenced by an instrument or instruments executed by such Registered Owner and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Secretary of the Board of Directors; provided, however, that no such amendment shall alter the repayment terms of the Bond unless the Authority and the Lender has obtained a written opinion of Bond Counsel that such amendment will not adversely affect the exclusion from gross income of the interest on the Bond. It shall not be necessary to note on the Bond any reference to such amendment or modification. The Authority shall furnish to the Paying Agent a copy of any amendment to the Bond or this Resolution which affects the duties or obligations of the Paying Agent under this Resolution.

Section 403. Further Authority. The officers of the Authority, including the President of the Board of Directors and Secretary of the Board of Directors, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Resolution and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 404. Parties Interested Herein. Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Authority, the Paying Agent and the Lender, as the Registered Owner of the Bond, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation thereof, and all covenants, stipulations, promises and agreements in this Resolution contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Paying Agent and the Lender, as the Registered Owner of the Bond.

Section 405. Severability. If any section or other part of this Resolution, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Resolution.

Section 406. Governing Law. This Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State of Missouri.

Section 407. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the Board of Directors.

Section 408. Electronic Transactions. The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means.

ADOPTED by the Board of Directors of The Industrial Development Authority of the City of Centralia, Missouri, this 16th day of November, 2015.

(SEAL)

David Hoppock
President of the Board of Directors

ATTEST:

Gabe Martinez
Secretary of the Board of Directors

**EXHIBIT A
TO RESOLUTION**

FORM OF BOND

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

**Registered
No. R-__**

**Registered
\$2,390,000.00**

**THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF CENTRALIA, MISSOURI
PUBLIC FACILITIES LEASE REVENUE BOND
(CITY OF CENTRALIA, MISSOURI, PROJECTS)
SERIES 2015**

<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Dated Date</u>
3.69%	March 15, 2035	November 24, 2015

REGISTERED OWNER: CENTRAL BANK OF BOONE COUNTY

**ORIGINAL
PRINCIPAL AMOUNT: TWO MILLION THREE HUNDRED NINETY THOUSAND AND
00/100 DOLLARS**

THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF CENTRALIA, MISSOURI (the “**Authority**”), an industrial development authority organized and existing under Chapter 349 of the Revised Statutes of the Missouri, as amended, for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner shown above, or registered assigns, the principal amount shown above in installments on the dates and in the amounts shown on **Schedule 1** attached hereto (subject to prior redemption and prepayment as described herein), and to pay interest thereon at the interest rate per annum shown above (computed on the basis of actual days elapsed over a 360-day year) from the Dated Date shown above or from the most recent interest payment date to which interest has been paid or duly provided for, payable semiannually on March 15 and September 15 in each year, beginning on March 15, 2016, until said principal amount has been paid.

The principal installments and interest payable on the Bond on each Payment Date shall be paid to the Registered Owner of this Bond as shown on the Bond Register maintained by the City Treasurer of the City of Centralia, Missouri (the “**Paying Agent**”), as of the Payment Date, (i) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register, or (ii) by electronic transfer to such Registered Owner upon written notice signed by such Registered Owner given to the Paying Agent by such Registered Owner, not less than 5 days prior to the Payment Date, containing the electronic transfer instructions including the bank (which shall be in the continental United States), ABA routing number and account name and account number to which such Registered Owner wishes to have such transfer directed. The final installment of principal will be paid on the final maturity date of this Bond, upon presentation and surrender of the Bond at the payment office of the Paying Agent. Interim installments of principal will be paid without the necessity of presentment and surrender of the Bond. The principal of and

interest on the Bond shall be payable by check or draft in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

This Bond, in the original principal amount of \$2,390,000, is issued by the Authority under the authority of and in full compliance with the constitution and laws of the State of Missouri and a resolution duly adopted by the Authority's governing body (the "Resolution") and proceedings duly and legally had by the governing body of the Authority. The proceeds of this Bond will be used to (a) prepay the City's outstanding Series 2008 Certificates (the "Refunded Certificates"), (b) pay the costs of renovating, extending and improving the City's community swimming pool (the "Project") and (c) pay closing costs related to the execution and delivery of the Base Lease and the Lease, and the issuance of this Bond. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Resolution.

This Bond shall be subject to optional redemption and prepayment by the Authority, at the direction of the City, on any date, at a Redemption Price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the Redemption Date. If less than all of the outstanding principal amount of this Bond is to be redeemed, the Redemption Price shall be applied to reduce principal in inverse order of the principal installments payable.

This Bond and the interest thereon is a limited obligation of the Authority payable solely out of the Rental Payments and other payments, revenues and receipts derived by the Authority under the annually-renewable Lease Purchase Agreement dated November 24, 2015 (the "Lease"), between the Authority, as sublessor, and the City of Centralia, Missouri (the "City"), as sublessee, including, under certain circumstances, proceeds from insurance and condemnation awards and proceeds from the sale of the Authority's interest in the Leased Property under the Base Lease dated November 24, 2015, between the City, as lessor, and the Authority, as lessee. The Bond and the interest thereon are secured by (a) a mortgage on the Authority's interest in the Leased Property, pursuant to a Leasehold Deed of Trust, Security Agreement and Assignment of Rents and Leases dated November 24, 2015 (the "Deed of Trust"), from the Authority, as grantor, to a mortgage trustee for the benefit of Central Bank of Boone County (the "Lender"), and (b) a pledge and assignment under the Deed of Trust of all Rental Payments and other payments, revenues and receipts derived by the Authority under the Lease. The Bond shall not constitute a debt or liability of the City or of the State of Missouri or of any political subdivision thereof and shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Pursuant to the provisions of the Lease, the Authority has leased the Leased Property to the City for an initial term ending on March 31, 2016, with 19 successive one-year renewal options, provided that the final Renewal Term of the Lease end not later than March 16, 2035. On or before each March 15 and September 15 during the term of the Lease, beginning March 15, 2016 ("Payment Dates"), the City will deposit with the Trustee a Rental Payment in funds which will be immediately available to the Registered Owner on the Payment Date, in amounts which will be sufficient for the prompt payment when due of the principal of and interest on this Bond becoming due on that Payment Date. Each Rental Payment shall be made by the City directly to the Lender, as the Registered Owner of this Bond, for the account of the Authority. Neither the Resolution, the Lease nor this Bond impose upon the City any obligation to make payments in any year beyond the Fiscal Year during which the Lease is in effect, nor is the City obligated to renew or extend the term of the Lease at the end of the Initial Term or any Renewal Term.

If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Bond or in the Lease, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if

done on the due date provided herein and in the Lease. "Business Day," as used herein, means a day, other than a Saturday, Sunday or holiday on which the Lender is scheduled in the normal course of its operations to be closed to the public for conduct of its banking operations.

This Bond is issued in fully registered form and may be exchanged at the office of the Paying Agent for a Bond in a principal amount reduced by the installments of principal of the Bond that have been paid or redeemed, upon the terms provided in the Resolution.

This Bond may be transferred or exchanged, as provided in the Resolution, only on the Bond Register kept for that purpose at the payment office of the Paying Agent, upon surrender of this Bond together with a written instrument of transfer or authorization for exchange satisfactory to the Paying Agent duly executed by the Registered Owner or the Registered Owner's duly authorized agent, and thereupon a new Bond, in a principal amount reduced by the installments of principal of the Bond that have been paid or redeemed, shall be issued to the transferee in exchange therefor, as provided in the Resolution and upon payment of the charges therein prescribed. The Authority and the Paying Agent may deem and treat the person in whose name this Bond is registered on the Bond Register as the absolute owner hereof for the purpose of receiving payments due hereon and for all other purposes.

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

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the Bond have existed, happened and been performed in due time, form and manner as required by law; that a direct annual tax upon all taxable tangible property situated in the Authority has been levied for the purpose of paying the principal of and interest on the Bond when due; and that the total indebtedness of the Authority, including this Bond, does not exceed any constitutional or statutory limitation.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF CENTRALIA, MISSOURI, has caused this Bond to be executed by the manual signature of its President of the Board of Directors and attested by the manual signature of its Secretary of the Board of Directors and its official seal to be affixed or imprinted hereon.

**THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE CITY OF
CENTRALIA, MISSOURI**

[SEAL]

By: _____
President of the Board of Directors

ATTEST:

By _____
Secretary of the Board of Directors

CERTIFICATE OF AUTHENTICATION

This Bond is the one described in the within-mentioned Resolution.

Registration Date: _____

City Treasurer, City of Centralia, Missouri
as paying agent and registrar

ASSIGNMENT

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

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

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

Dated: _____

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

Signature Guaranteed By:

(Name of Eligible Guarantor Institution as defined by SEC Rule 17 Ad-15 (17 CFR 240.17 Ad-15))

By _____
Title: _____

SCHEDULE 1
to
THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF CENTRALIA, MISSOURI
PUBLIC FACILITIES LEASE REVENUE BOND
(CITY OF CENTRALIA, MISSOURI, PROJECTS)
SERIES 2015

Schedule of Principal Installments

Payment Date <u>(March 15)</u>	<u>Principal</u>
2016	\$ 35,000
2017	90,000
2018	90,000
2019	95,000
2020	100,000
2021	100,000
2022	105,000
2023	110,000
2024	115,000
2025	115,000
2026	120,000
2027	125,000
2028	130,000
2029	135,000
2030	140,000
2031	145,000
2032	150,000
2033	155,000
2034	165,000
2035	170,000
Total	\$2,390,000

**EXHIBIT B
TO RESOLUTION**

BASE LEASE

**EXHIBIT C
TO RESOLUTION**

LEASE PURCHASE AGREEMENT

**EXHIBIT D
TO RESOLUTION**

PROJECT ESCROW AGREEMENT

**EXHIBIT E
TO RESOLUTION**

TAX COMPLIANCE AGREEMENT

**EXHIBIT F
TO RESOLUTION**

**LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT
AND ASSIGNMENT OF RENTS AND LEASES**

(The above space is reserved for Recorder's Certification)

TITLE OF DOCUMENT: BASE LEASE

DATE OF DOCUMENT: November 24, 2015

GRANTOR: CITY OF CENTRALIA, MISSOURI

GRANTOR'S MAILING ADDRESS: 114 South Rollins Street
Centralia, MO 65240
Attention: Mayor

GRANTEE: THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE CITY OF CENTRALIA,
MISSOURI

GRANTEE'S MAILING ADDRESS: 114 South Rollins Street
Centralia, MO 65240
Attention: President of the Board of Directors

RETURN DOCUMENTS TO: Central Bank of Boone County
Box 678
Columbia, MO 65205
Attention: Mike Watson

LEGAL DESCRIPTION: See Schedule 1

BASE LEASE

THIS BASE LEASE (the “Base Lease”) dated as of November 24, 2015, by and between the **CITY OF CENTRALIA, MISSOURI**, a political subdivision organized and existing under the laws of the State of Missouri, as Base Lessor (the “City”), and **THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF CENTRALIA, MISSOURI**, a nonprofit corporation organized under the laws of the State of Missouri, as Base Lessee (the “Authority”).

RECITALS:

1. In order to acquire, construct and install a community recreation center on the real estate described in **Schedule 1** attached hereto (the “Leased Property”), the City and UMB Bank, N.A., Kansas City, Missouri (the “Refunded Certificates Trustee”), have previously entered into a Base Lease, dated August 15, 2008, pursuant to which the City, as lessor, leased to the Refunded Certificates Trustee, as lessee, all of the City’s interest in the Leased Property.

2. The Refunded Certificates Trustee and the City have previously entered into a Lease Purchase Agreement, dated August 15, 2008 (the “Refunded Lease”), pursuant to which the Refunded Certificates Trustee agreed to lease to the City the Leased Property and contemporaneously therewith delivered Certificates of Participation (Recreation Center Project), Series 2008 (the “Series 2008 Certificates”), in the original principal amount of \$1,985,000 pursuant to a Declaration of Trust dated as of August 15, 2008 (the “Declaration”), made by the Refunded Certificates Trustee, for the purpose of, among other things, providing funds to pay the costs to acquire, construct and equip the Leased Property, such Series 2008 Certificates evidenced proportionate interests of the owners thereof in the right to receive basic rent payments payable by the City pursuant to the Refunded Lease.

3. The Board of Aldermen of the City has adopted an ordinance (the “Ordinance”) authorizing the City to enter into this Base Lease in order to convey to the Authority a leasehold interest in the Leased Property in consideration of the payment by the Authority to the City of \$2,390,000 (the “Base Lease Rental Amount”), to be obtained through a loan from Central Bank of Boone County, a Missouri state-chartered bank (together with its successors and assigns, the “Lender”), evidenced by a certain “Public Facilities Lease Revenue Bond (City of Central, Missouri, Projects), Series 2015” (the “Bond”), to be issued by the Authority to the Lender.

4. The proceeds of the Bond will be used to (a) prepay the City’s outstanding Series 2008 Certificates (the “Refunded Certificates”), (b) pay the costs of renovating, extending and improving the City’s community swimming pool (the “Project”) and (c) pay closing costs related to the execution and delivery of this Base Lease and the Lease (defined herein), and the issuance of the Bond. The Ordinance further authorizes the City to enter into a Lease Purchase Agreement of even date herewith (the “Lease”), pursuant to which the City will agree, subject to annual appropriation, to pay Rental Payments (defined herein) to the Authority, in consideration for the Authority’s sublease of the Leased Property back to the City.

5. Pursuant to a resolution adopted by the Board of Directors of the Authority (the “Bond Resolution”), the Authority has been authorized to (a) lease the Leased Property from the City pursuant to this Base Lease, for the consideration stated above, (b) enter into the Lease in order to sublease the Leased Property back to the City, in consideration of the City’s agreement to pay Rental Payments, subject to annual appropriation, (c) issue the Bond, the repayment of which is limited solely to Rental Payments made by the City hereunder, and (d) secure the repayment of the Bond by a Leasehold Deed of Trust, Security Agreement and Assignment of Rents and Leases of even date herewith (the “Deed of

Trust”), given by the Authority to a trustee in favor of Lender, on the Leased Property, pursuant to which, among other things, the Authority will assign to the Lender all its rights, title and interests under the Lease.

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

ARTICLE I

DEFINITIONS, RULES OF CONSTRUCTION

Section 1.1. Definitions of Words and Terms. In addition to words and terms defined herein or the Lease capitalized words and terms as used in this Base Lease shall have the meanings given to such words and terms in the Lease (which definitions are hereby incorporated by reference).

Section 1.2. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words importing the singular number shall include the plural and vice versa, and words importing person shall include firms, associations and corporations, including public bodies, as well as natural persons. Accounting terms used herein and not otherwise specifically defined shall have the meaning ascribed such terms by generally accepted accounting principles as from time to time in effect. The table of contents hereto and the headings and captions herein are not a part of this document. Whenever an item or items are listed after the word “including,” such listing is not intended to be a listing that excludes items not listed.

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations of the City. The City represents, warrants and covenants to the Authority as follows:

(a) The City is a fourth class city and political subdivision duly organized and existing under laws of the State of Missouri, as amended.

(b) The City has full power and authority to enter into this Base Lease and the transactions contemplated by this Base Lease and to carry out its obligations hereunder, and by proper action has duly authorized the execution and delivery of this Base Lease by its duly authorized officers.

(c) The execution and delivery of this Base Lease and the Lease, the consummation of the transactions contemplated hereby and thereby, and the performance of or compliance with the terms and conditions of this Base Lease and the Lease by the City will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any mortgage, deed of trust, lease or any other restriction or any agreement or instrument to which the City is a party or by which it or any of its property is bound, or any order, rule or regulation applicable to the City 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 City under the terms of any instrument or agreement to which the City is a party.

(d) The City has good and marketable fee simple title to the Leased Property as of the date hereof, free and clear of any liens or encumbrances, except Permitted Encumbrances, and such real estate will thereby be exempt from property and any other taxes levied by the State of Missouri or any political subdivision thereof or by the City.

(e) The lease of the Leased Property by the City to the Authority, as provided in this Base Lease, is necessary, desirable and in the public interest.

(f) The Leased Property complies in all material respects with all presently applicable building and zoning, health, environmental and safety ordinances and laws and all other applicable laws, rules and regulations.

Section 2.2. Representations of the Authority. The Authority represents, warrants and covenants to the City as follows:

(a) The Authority is an industrial development authority duly organized and existing under the laws of the State of Missouri.

(b) The Authority has corporate power to enter into this Base Lease, and by proper corporate action has duly authorized the execution and delivery of this Base Lease by its duly authorized officers.

(c) The execution and delivery of this Base Lease, the consummation of the transactions contemplated hereby, and the performance of or compliance with the terms and conditions of this Base Lease, the Lease, the Bond, the Deed of Trust, the Bond Resolution and other documents relating to the execution and delivery of the Bond will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any restriction or any agreement or instrument to which the Authority is a party or by which it or any of its property is bound, or the Authority's articles of incorporation or bylaws, or any order, rule or regulation applicable to the Authority 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 Authority under the terms of any instrument or agreement to which the Authority is a party or by which it or any of its property is bound.

ARTICLE III

LEASE OF THE LEASED PROPERTY

Section 3.1. Lease of Leased Property. The City hereby demises and leases the Leased Property to the Authority, and the Authority hereby leases the Leased Property from the City, subject to Permitted Encumbrances, on the terms and conditions herein set forth.

Section 3.2. Base Lease Term. The term of this Base Lease shall commence as of the date of the delivery hereof and shall end on the fortieth (40th) anniversary hereof, unless such term is sooner terminated as hereinafter provided.

Section 3.3. Quiet Enjoyment.

(a) Subject to the Lease, the Authority at all times during the term of this Base Lease shall peaceably and quietly have and enjoy the Leased Property, subject to Permitted Encumbrances. The Authority shall use the Leased Property solely for the purpose of subleasing the Leased Property to the City pursuant to the Lease; provided, that in the event of default by the City under the Lease, the Authority may exercise the remedies provided in the Lease and this Base Lease.

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

Section 3.4. No Merger. Subject to **Section 5.1** hereof, no union of the interests of the City and the Authority herein shall result in a merger of this Base Lease and the Lease or of this Base Lease and the fee title to the Leased Property.

Section 3.5. Assignments, Subleases and Mortgage.

(a) Simultaneously with the delivery of this Base Lease, the Authority is subleasing the Leased Property to the City pursuant to the Lease, but subject to the Deed of Trust and the reservation of certain rights under this Base Lease.

(b) The Authority may not mortgage or otherwise assign its rights under this Base Lease or sublet the Leased Property without the written consent of the City except (a) the sublease and lease of the Leased Property pursuant to the Lease, (b) the assignment pursuant to the Deed of Trust of its rights under the Base Lease and the Lease, (c) if the Lease is terminated for any reason and this Base Lease is not otherwise terminated as provided herein, or (d) if an Event of Default or an Event of Nonappropriation under the Lease has occurred.

(c) Except with respect to Permitted Encumbrances and as otherwise provided herein, in the Lease or in the Deed of Trust, neither the Authority nor the City shall, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property. Whenever and as often as any mechanics' or other lien is filed against the Leased Property, or any part thereof, the City shall discharge the same of record within 60 days after the date of filing. Notice is hereby given that the Authority shall not be liable for any labor or materials furnished to the City or to anyone claiming by, through or under the City upon credit, and that no mechanics' or other lien shall attach to or affect the reversionary or other estate of the Authority in and to the Leased Property or any part thereof.

Section 3.6. Eminent Domain. In the event the whole or any part of the Leased Property is taken by eminent domain proceedings, the interest of the Authority shall be recognized. The proceeds of said condemnation shall be applied as provided in **Article VIII** of the Lease. The Authority and the City have reached an agreement on the terms of the acquisition of the Leased Property at the City's option, and to the use of the Leased Property, all as set forth in the Lease. Any acquisition of the Leased Property or rights to their use by the City (whether pursuant to the exercise of eminent domain powers or otherwise) shall be pursuant to and in accordance with the Lease, including payment of Rental Payments and the applicable Option Purchase Price as set forth in the Lease. If the City allows the Lease to expire without exercising its option to purchase (whether by failure to exercise its option to extend the Lease for a Renewal Term, failure to exercise its option to purchase at the conclusion of the Lease Term or failure to

cure an Event of Default under the Lease), that action shall constitute an irrevocable determination by the City that the Leased Property is not required by it for any public purpose for the term of this Base Lease.

ARTICLE IV

RENTAL PROVISIONS

Section 4.1. Rent and Other Considerations. As and for rental hereunder and in consideration for the leasing of the Leased Property to the Authority hereunder, the Authority shall:

- (a) Execute and deliver the Bond to the Lender in the principal amount of \$2,390,000; and
- (b) Cause the proceeds of the Bond to be used to (i) prepay the Refunded Certificates by paying and transferring a portion of the proceeds to UMB Bank, N.A., as escrow agent, for deposit in the Refunding Escrow Fund to be applied in accordance with the Refunding Escrow Agreement, (ii) pay costs of the Project pursuant to the Lease, and (iii) pay closing costs related to this Base Lease, the Lease and the Bond.

ARTICLE V

TERMINATION

Section 5.1. Termination. This Base Lease shall terminate upon the completion of the Base Lease term specified in **Section 3.2** hereof; provided, however, in the event (a) the City pays all Rental Payments and Additional Payments required by the Lease during the Lease Term, or exercises the option to purchase the remaining Base Lease term of the Authority hereunder and pays the then applicable Option Purchase Price as provided in the Lease, and (b) the Bond has been fully paid in accordance with its terms, then this Base Lease shall be considered assigned to the City and terminated through merger of the leasehold interest with the fee interest if the City is the owner of the fee interest and elects to terminate the leasehold interest so acquired from the Authority. The Authority agrees, upon such assignment and termination of the Base Lease term, to quit and surrender the Leased Property as they then exist to the City free and clear of encumbrances, except Permitted Encumbrances.

Section 5.2. Default by the City. If an Event of Default or an Event of Nonappropriation under the Lease occurs for any reason, or if the City terminates the Lease and fails to purchase the Authority's interest in the Leased Property as provided in the Lease, the Authority, or its assignee, shall have the right to possession of the Leased Property for the remainder of the Base Lease term and shall have the right to sublease the same or sell its interest in this Base Lease upon whatever terms and conditions it deems prudent. In such event, the Authority shall obtain the same insurance coverage with respect to the Leased Property as the City is required to obtain under the Lease for the remainder of the Base Lease term and will furnish the City with evidence thereof. In the event that the Authority shall receive a payment for the sale of its interest or total rental payments for subleasing that are, after the payment of the Authority's expenses in connection therewith including fees and expenses of the Lender, in excess of the purchase price applicable at the time of termination or default plus interest thereon at the applicable interest rate per annum borne by the Bond, with amounts so received to be credited, *first*, to interest on the Bond; *second*, to principal on the Bond; and, *finally*, any excess shall be paid to the City.

Section 5.3. Default by the Authority. The City shall not have the right to exclude the Authority from the Leased Property or to take possession thereof (except pursuant to the Lease) or to terminate this Base Lease prior to the termination of the Base Lease term upon any default by the Authority hereunder; except that if, upon exercise of the option to purchase the Authority's interest in the Leased Property under the Lease granted to the City in the Lease and after the payment of the purchase price specified therein and the other sums payable under the Lease, the Authority fails to convey its interest therein to the City pursuant to said option, then the City shall have the right to terminate this Base Lease, such termination to be effective 30 days after delivery of written notice of such termination to the Authority and the Lender. However, in the event of any default by the Authority hereunder, the City may maintain an action for damages or, if permitted in equity, for specific performance.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.1. Amendments, Changes and Modifications. This Base Lease may not be effectively amended, changed, modified, altered or terminated, except as provided in the Deed of Trust.

Section 6.2. Notices. Any notice, request, complaint, demand or other communication required by this Base Lease to be given to or filed with the City, the Authority or the Lender shall be in writing and shall be given or filed in the manner and at the addresses specified in the Lease.

Section 6.3. Waiver of Personal Liability. All liabilities under this Base Lease on the part of the Authority are corporate liabilities of the Authority, and, to the extent permitted by law, the City hereby releases each and every incorporator, member, director and officer of the Authority of and from any personal or individual liability under this Base Lease. No incorporator, member, director or officer of the Authority shall at any time or under any circumstances be individually or personally liable under this Base Lease for anything done or omitted to be done by the Authority hereunder.

Section 6.4. Binding Effect. This Base Lease shall inure to the benefit of and shall be binding upon the City, the Authority and their respective successors and assigns.

Section 6.5. Severability. In the event any provision of this Base Lease shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

Section 6.6. Execution in Counterparts. This Base Lease may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute but one and the same instrument.

Section 6.7. Applicable Law. This Base Lease shall be governed by and construed in accordance with the laws of the State of Missouri.

Section 6.8. Electronic Storage of Documents. The Authority and the City agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions or original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

IN WITNESS WHEREOF, the City has caused this Base Lease to be executed in its name with its seal hereto affixed and attested by its duly authorized officers, and the Authority has caused this Base Lease to be executed in its name with its seal hereto affixed and attested by its duly authorized officers, all as of the date first above written.

**CITY OF CENTRALIA, MISSOURI
as Lessor and Grantor**

By: _____
Name: Tim Grenke
Title: Mayor

(SEAL)

ATTEST:

Name: Heather Russell
Title: City Clerk

**THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE CITY OF CENTRALIA,
MISSOURI,
as Lessee and Grantee**

By: _____
Name: David Hoppock
Title: President of the Board of Directors

(SEAL)

ATTEST:

By: _____
Name: Gabe Martinez
Title: Secretary of the Board of Director

ACKNOWLEDGMENT

STATE OF MISSOURI)
) **SS.**
COUNTY OF BOONE)

On this _____ day of November, 2015, before me, the undersigned, a Notary Public in and for said State, personally appeared **TIM GRENKE**, to me personally known, who, being before me duly sworn, did say that he is the Mayor of the **CITY OF CENTRALIA, MISSOURI**, and that the seal affixed to the foregoing instrument is the seal of said City, and that said instrument was signed and sealed on behalf of said City by authority of its Board of Aldermen, and said official acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

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

Notary Public in and for said State
Commission Expires:

*PLEASE AFFIX SEAL FIRMLY AND
CLEARLY IN THIS BOX*

ACKNOWLEDGMENT

STATE OF MISSOURI)
) **SS.**
COUNTY OF BOONE)

On this _____ day of November, 2015, before me, the undersigned, a Notary Public in and for said State, personally appeared **DAVID HOPPOCK**, to me personally known, who, being before me duly sworn, did say that he is the President of the Board of Directors of **THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF CENTRALIA, MISSOURI**, a Missouri statutory industrial development authority, and that the seal affixed to the foregoing instrument is the seal of said entity and that said instrument was signed on behalf of said entity by authority of its Board of Directors, and said official acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said entity.

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

Notary Public in and for said State
Commission Expires:

*PLEASE AFFIX SEAL FIRMLY AND
CLEARLY IN THIS BOX*

**EXHIBIT A
TO BASE LEASE**

THE LEASED PROPERTY

The Leased Property consists of the following-described real property situated in the County of Boone, State of Missouri, together with the existing improvements thereon, and all additions, modifications, improvements, replacements and substitutions made thereto pursuant to the Lease, as they may at any time exist:

A portion of a tract of land described by a warranty deed recorded in Book 413 at Page 152 being the same tract as shown by a survey recorded in Book 442 at Page 645, located in Block I of John C. Hitt's Subdivision in the northeast quarter of the southeast quarter of section 16, township 51 north, range 11 west, Centralia, Boone County, Missouri, described as follows:

Starting at the northwest corner of Block I of John C. Hitt's Subdivision; Thence with the north line of Block I of John C. Hitt's Subdivision, S88°-44'-15"E, 520.4 feet to the projection of the east line of the survey recorded in Book 442 at Page 645 being the same line as described by the warranty deed recorded in Book 413 at Page 152; Thence with the east line of said survey, S1°-31'W, 60.0 feet to the south right-of-way line of Lakeview Street, said point being the Point of Beginning; Thence continuing with the east line of said survey, S1°-31'W, 240.0 feet; Thence parallel with the south right-of-way line of Lakeview Street, N88°-44'-15"W, 210.0 feet; Thence parallel with the east line of the survey recorded in Book 442 at Page 645, N1°-31'E, 150.0 feet; Thence parallel with the south right-of-way line of Lakeview Street, N88°-44'-15"W, 120.0 feet; Thence parallel with the east line of the survey recorded in Book 442 at Page 645, N1°-31'E, 90.0 feet to the south right-of-way line of Lakeview Street; Thence with the south right-of-way line, S88°-44'-15"E, 330.0 feet to the Point of Beginning and containing 1.40 acres.

* * *

LEASE PURCHASE AGREEMENT

Dated as of November 24, 2015

between

**THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE
CITY OF CENTRALIA, MISSOURI,
as Lessor and Grantor**

and the

**CITY OF CENTRALIA, MISSOURI,
as Lessee and Grantee**

The interest of The Industrial Development Authority of the City of Centralia, Missouri (the “Authority”), in this Lease Purchase Agreement has been pledged and assigned to Central Bank of Boone County (the “Lender”), as Assignee under the Leasehold Deed of Trust, Security Agreement and Assignment of Rents and Leases of even date herewith, between the Authority and the Lender.

LEASE PURCHASE AGREEMENT

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LEASE PURCHASE AGREEMENT

THIS LEASE PURCHASE AGREEMENT, dated as of November 24, 2015 (the “Lease”), is entered into between **THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF CENTRALIA, MISSOURI**, a body politic and corporate and a public instrumentality organized and existing under the laws of the State of Missouri (together with its successors and assigns, the “Authority”), as lessor and grantor, and the **CITY OF CENTRALIA, MISSOURI**, a political subdivision and body corporate duly organized and existing under the laws of the State of Missouri (the “City”), as lessee and grantee;

RECITALS

1. In order to acquire, construct and install a community recreation center on the real estate described in **Exhibit A** attached hereto (the “Leased Property”), the City and UMB Bank, N.A., Kansas City, Missouri (the “Refunded Certificates Trustee”), have previously entered into a Base Lease, dated August 15, 2008, pursuant to which the City, as lessor, leased to the Refunded Certificates Trustee, as lessee, all of the City’s interest in the Leased Property.

2. The Refunded Certificates Trustee and the City have previously entered into a Lease Purchase Agreement, dated August 15, 2008 (the “Refunded Lease”), pursuant to which the Refunded Certificates Trustee agreed to lease to the City the Leased Property and contemporaneously therewith delivered Certificates of Participation (Recreation Center Project), Series 2008 (the “Series 2008 Certificates”), in the original principal amount of \$1,985,000 pursuant to a Declaration of Trust dated as of August 15, 2008 (the “Declaration”), made by the Refunded Certificates Trustee, for the purpose of, among other things, providing funds to pay the costs to acquire, construct and equip the Leased Property, such Series 2008 Certificates evidenced proportionate interests of the owners thereof in the right to receive basic rent payments payable by the City pursuant to the Refunded Lease.

3. The Board of Aldermen of the City has adopted an ordinance (the “Ordinance”) authorizing the City to enter into a Base Lease of even date herewith (the “Base Lease”), in order to convey to the Authority a leasehold interest in the Leased Property in consideration of the payment by the Authority to the City of \$2,390,000 (the “Base Lease Rental Amount”), to be obtained through a loan from Central Bank of Boone County, a Missouri state-chartered bank (together with its successors and assigns, the “Lender”), evidenced by a certain “Public Facilities Lease Revenue Bond (City of Central, Missouri, Projects), Series 2015” (the “Bond”), to be issued by the Authority to the Lender.

4. The proceeds of the Bond will be used to (a) prepay the City’s outstanding Series 2008 Certificates (the “Refunded Certificates”), (b) pay the costs of renovating, extending and improving the City’s community swimming pool (the “Project”) and (c) pay closing costs related to the execution and delivery of the Base Lease and this Lease, and the issuance of the Bond. The Ordinance further authorizes the City to enter into this Lease, pursuant to which the City agrees, subject to annual appropriation, to pay Rental Payments (defined herein) to the Authority, in consideration for the Authority’s sublease of the Leased Property back to the City.

5. Pursuant to a resolution adopted by the Board of Directors of the Authority, the Authority has been authorized to (a) lease the Leased Property from the City pursuant to the Base Lease, for the consideration stated above, (b) enter into this Lease in order to sublease the Leased Property back to the City, in consideration of the City’s agreement to pay Rental Payments, subject to annual appropriation, (c) issue the Bond, the repayment of which is limited solely to Rental Payments made by the City hereunder,

and (d) secure the repayment of the Bond by a Leasehold Deed of Trust, Security Agreement and Assignment of Rents and Leases of even date herewith (the “Deed of Trust”), given by the Authority to a trustee in favor of Lender, on the Leased Property, pursuant to which, among other things, the Authority will assign to the Lender all its rights, title and interests under this Lease.

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the Authority and the City do hereby represent, covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. In addition to any words and terms defined elsewhere in this Lease capitalized words and terms as used in this Lease shall have the following meanings:

“Additional Payments” means the payments payable by the City pursuant to **Section 5.3** of this Lease.

“Authority” means The Industrial Development Authority of the City of Centralia, Missouri, a Missouri, and its successors and assigns when acting or serving in its capacity as lessor under this Lease.

“Authority Representative” means the President, Secretary or Treasurer of the Board of Directors of the Authority, or such other person at the time designated to act on behalf of the Authority as evidenced by a written certificate furnished to the City containing the specimen signature of such person and signed on behalf of the Authority by the President or Secretary of the Board of Directors. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authority Representative.

“Base Lease Rental Amount” means \$2,390,000, to be paid, or cause to be paid, by the Authority to the City, as consideration for the City’s conveyance to the Authority of a leasehold interest in the Leased Property pursuant to the Base Lease.

“Bond” means the Authority’s Public Facilities Lease Revenue Bond (City of Centralia, Missouri, Projects), Series 2015, issued in the principal amount of \$2,390,000, authorized and issued by the Authority pursuant to the Bond Resolution.

“Bond Resolution” means the resolution adopted by the Board of Directors of the Authority on November 16, 2015, authorizing the issuance of the Bonds and approving the Base Lease, the Lease and the Tax Compliance Agreement.

“City” means the City of Centralia, Missouri, a fourth class city and political subdivision duly organized and validly existing under the laws of the State of Missouri.

“City Representative” means Mayor, the City Clerk or City Administrator of the City, or such other person at the time designated to act on behalf of the City as evidenced by a written certificate furnished to the Authority containing the specimen signature of such person and signed on behalf of the City by the Mayor. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the City Representative.

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

“**Closing Date**” is the date when the term of this Lease begins and the City’s obligation to pay rent accrues, which date shall be the date on which this Lease is delivered by the Authority and the City (November 24, 2015).

“**Deed of Trust**” means the Leasehold Deed of Trust, Security Agreement and Assignment of Rents and Leases of even date herewith, from the Authority, as grantor, to the trustee named therein, for the benefit of the Lender, as the same may from time to time be amended or supplemented in accordance with the provisions thereof, securing the Bond.

“**Event of Default**” means an Event of Default as described in **Section 12.1** of this Lease.

“**Event of Nonappropriation**” means a nonrenewal of this Lease by the City determined by the failure of the City to appropriate and budget, or the election of the City not to so appropriate and budget, on or before March 31 during the Original Term or any Renewal Term, moneys sufficient to pay the Rental Payments and reasonably expected Additional Payments due and payable during the next Renewal Term.

“**Fiscal Year**” means the twelve-month period used from time to time by the City for its financial accounting purposes, such period currently extending from April 1 to the next succeeding March 31.

“**Full Insurable Value**” means the actual replacement cost of the property insured exclusive of land, excavations, footings, foundations and parking lots, but in no event shall such value be less than the then outstanding aggregate principal amount of the Bond.

“**Lease**” means this Lease Purchase Agreement between the Authority and the City, as from time to time amended and supplemented in accordance with the provisions hereof.

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

“**Leased Property**” means the real estate described in **Exhibit A** hereto and the existing improvements thereon, and all additions, modifications, improvements, replacements and substitutions made thereto pursuant to this Lease, as they may at any time exist.

“**Lender**” means (a) Central Bank of Boone County, a Missouri state-chartered bank, (b) any surviving or resulting corporation of Central Bank of Boone County, and (c) except where the context requires otherwise, any permitted transferee as the Registered Owner the Bond, as shown on the Bond Register.

“**Net Proceeds**” means the net proceeds derived from policies of insurance required by this Lease (including, but not limited to, any moneys derived from any self-insurance program), or any condemnation award with respect to the Leased Property, or from any reletting or sale of the Leased Property, remaining after payment of all expenses (including attorneys’ fees and any extraordinary expenses of the Authority) incurred in the collection of such proceeds or award from the gross proceeds thereof.

“**Officer’s Certificate**” when used with respect to the City shall mean a certificate signed by the City Representative or, when used with respect to the Authority, the Authority Representative.

“Opinion of Counsel” shall mean an opinion in writing signed by legal counsel acceptable to the Authority and, to the extent the City is asked to take action in reliance thereon, the City, who may be an employee of or counsel to the Authority.

“Opinion of Special Tax Counsel” shall mean an opinion in writing signed by legal counsel selected by the City and satisfactory to the Authority and the Lender, who shall be nationally recognized as expert in matters pertaining to the validity of obligations of governmental issuers and the exemption from federal income taxation of interest on such obligations.

“Option Purchase Price” means the price that the City shall pay to the Authority in the event that the City elects to purchase the Authority’s interest in the Leased Property in accordance with **Article XI** of this Lease, which price equals 100% of the outstanding principal of the Bond.

“Optional Payment Date” means any date upon which the City, pursuant to **Section 11.1** hereof, may elect to purchase the Authority’s interest in the Leased Property for the then applicable Option Purchase Price.

“Original Term” means the period from the date hereof until the end of the current Fiscal Year of the City.

“Permitted Encumbrances” means, with respect to the Leased Property as of any particular time:

- (a) liens for taxes and assessments not then delinquent;
- (b) this Lease and the Deed of Trust;
- (c) any financing statements filed to perfect security interests pursuant to this Lease and the Deed of Trust;
- (d) utility, access and other easements and rights-of-way, restrictions, exceptions and encumbrances that will not materially interfere with or impair the operations being conducted at the Leased Property or easements granted to the Authority;
- (e) any mechanic’s, laborer’s, materialman’s, supplier’s or vendor’s lien or rights in respect thereof if payment is not yet due under the contract in question or if such lien is being contested in accordance with **Section 7.4** of this Lease;
- (f) zoning laws and similar restrictions which are not violated by the current use of the Leased Property; and
- (g) such minor defects, irregularities, encumbrances, easements, mechanic’s liens, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Leased Property and as do not in the aggregate materially impair the property affected thereby for the purpose for which it was acquired or is held by the Authority or the City.

“Person” means one or more individuals, estates, joint ventures, joint-stock companies, partnerships, corporations, limited liability companies, trusts or unincorporated organizations and one or more governments or agencies or political subdivisions thereof.

“Project” means the renovation, extension and improvement to the City’s community swimming pool, the Project Costs of which are financed pursuant to this Lease.

“Project Costs” means all or any part of the cost of the Project, including but not limited to, engineering, financial and legal services (including costs related to the closing of the Bond, the Base Lease and this Lease); plans, specifications, surveys, and such other expenses as the City determines may be necessary or incidental to the construction, installation and acquisition of the Project.

“Project Escrow Agreement” means the Escrow Agreement dated as of the Closing Date, among the City, the Authority, the Lender and Central Bank of Boone County, Columbia, Missouri, as escrow agent.

“Project Fund” means the fund by that name referred to in the Project Escrow Agreement.

“Refunding Escrow Agreement” means the Escrow Trust Agreement dated as of the Closing Date, between the City and UMB Bank, N.A., Kansas City, Missouri, as escrow agent.

“Refunding Escrow Fund” means the fund by that name referred to in the Refunding Escrow Agreement.

“Refunded Certificates” means all the outstanding Series 2008 Certificates.

“Refunded Certificates Trustee” means UMB Bank, N.A., Kansas City, Missouri, under the Declaration of Trust, dated August 15, 2008.

“Renewal Term” means any optional renewal term of this Lease entered into after the expiration of the Original Term or any Renewal Term in effect, each having a duration of one year and a term co-extensive with the City’s Fiscal Year, as provided for in **Section 3.2** hereof.

“Rental Payment Date” means each date on which a Rental Payment is due and payable pursuant to this Lease.

“Rental Payments” means the rental payments payable by the City pursuant to **Section 5.2** hereof during the Lease Term in consideration of the City’s right to use the Leased Property during the then current portion of the Lease Term.

“Series 2008 Certificates” means the \$1,985,000 original principal amount of Certificates of Participation (Recreation Center Project), Series 2008, which certificates were delivered by the Refunded Certificates Trustee, and evidence proportionate interests in the owners thereof right to receive rental payments payable by the City pursuant to a Lease Purchase Agreement dated as of August 15, 2008, between the Refunded Certificates Trustee, as lessor, and the City, as lessee. The outstanding Series 2008 Certificates are being prepaid with a portion of the proceeds of the Bond.

“Special Tax Counsel” means Gilmore & Bell, P.C., or an attorney or firm of attorneys with a nationally recognized standing in the field of municipal finance approved by the Lender, with the consent of the City and the Authority.

“Tax Agreement” means, with respect to the Bond, the Tax Compliance Agreement entered into between the City and the Authority, dated as of the date of delivery of the Bond, as such agreement may from time to time be amended in accordance with the provisions thereof.

Section 1.2. Rules of Construction.

- (a) Words of the masculine gender will be deemed and construed to include correlative words of the feminine and neuter genders.
- (b) Unless the context otherwise indicates, words importing the singular number include the plural and vice versa, and words importing persons include firms, associations and corporations, including public bodies, as well as natural persons.
- (c) Wherever in this Lease it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision will even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation.
- (d) All references in this Lease to designated “Articles”, “Sections” and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this Lease as originally executed. The words “herein”, “hereof”, “hereunder” and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or other subdivision.
- (e) The Table of Contents and the Article and Section headings of this Lease will not be treated as a part of this Lease or as affecting the true meaning of the provisions hereof.
- (f) Whenever an item or items are listed after the word “including”, such listing is not intended to be a listing that excludes items not listed.

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations by the Authority. The Authority makes the following representations as the basis for the undertakings on its part herein contained:

- (a) The Authority is an industrial development authority duly organized and existing and in good standing under the laws of the State of Missouri.
- (b) The Authority has lawful power and authority to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder. By proper action of its Board of Directors, the Authority has been duly authorized to execute and deliver this Lease, acting by and through its duly authorized officers.
- (c) The execution and delivery of this Lease, the consummation of the transactions contemplated hereby, and the performance of or compliance with the terms and conditions of this Lease will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any restriction or any agreement or instrument to which the Authority is a party or by which it or any of its property is bound, or the Authority’s articles of incorporation or bylaws or any order, rule or regulation applicable to the Authority 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 Authority under the terms of any instrument or agreement to which the Authority is a party.

(d) The Authority acknowledges and recognizes that this Lease will be terminated at the end of the Lease Term if sufficient funds are not budgeted and appropriated by the City, specifically with respect to this Lease, to continue paying all Rental Payments and Additional Rental Payments during the next occurring Renewal Term, and that the acts of budgeting and appropriating funds are legislative acts and, as such, are solely within the discretion of the Board of Aldermen of the City.

(e) There is no litigation or proceeding pending or, to the knowledge of the Authority, threatened against the Authority or any other person affecting the right of the Authority to execute or deliver this Lease or to comply with its obligations under this Lease. Neither the execution and delivery of this Lease by the Authority, nor compliance by the Authority with its obligations under this Lease require the approval of any regulatory body, any parent company, or any other entity, which approval has not been obtained.

Section 2.2. Representations by the City. The City makes the following representations as the basis for the undertakings on its part herein contained:

(a) The City is a fourth class city and political subdivision duly organized and existing under the laws of the State of Missouri.

(b) The City has lawful power and authority to enter into this Lease and to carry out its obligations hereunder and has been duly authorized to execute and deliver this Lease, acting by and through its duly authorized officials.

(c) The execution and delivery of this Lease, the consummation of the transactions contemplated hereby, and the performance of or compliance with the terms and conditions of this Lease by the City will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any mortgage, deed of trust, loan agreement or any other restriction or any agreement or instrument to which the City is a party or by which it or any of its property is bound, or any order, rule or regulation applicable to the City 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 City under the terms of any instrument or agreement to which the City is a party.

(d) The acquisition of the Leased Property by the Authority, and the lease of the Leased Property to the City, as provided in this Lease, will contribute to the general welfare and benefit of the City and its residents, and will serve the public and governmental purposes of the City and is therefore necessary, desirable and in the public interest.

(e) The use of the Leased Property will comply with all presently applicable building, zoning, health, environmental and safety ordinances and laws and all other applicable laws, rules and regulations.

(f) There is no litigation or proceeding pending or, to the City's knowledge, threatened against the City or any other person affecting the right of the City to execute this Lease or the ability of the City to make the payments required hereunder or to otherwise comply with the obligations contained herein, or to consummate the transactions contemplated.

(g) No member of the governing body of the City or any other officer of the City has any significant or conflicting interest, financial, employment or otherwise, in the City or the Leased Property or in the transactions contemplated hereby.

(h) The City has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current fiscal year to make the Rental Payments scheduled to come due during the Original Term and to meet its other obligations for the Original Term, and such funds have not been expended for other purposes.

(i) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or threatened against or affecting the City, nor to the best knowledge of the City is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Lease or any other document, agreement or certificate which is used or contemplated for use in the consummation of the transactions contemplated by this Lease.

ARTICLE III

GRANTING PROVISIONS

Section 3.1. Initial Conveyance of Leasehold Interest in Leased Property to Authority. Simultaneously with the execution and delivery of this Lease, the City shall convey a leasehold interest in the Leased Property to the Authority pursuant to the Base Lease, in consideration of the payment of the Base Lease Rental Amount, to be deposited pursuant to **Section 5.1(b)** of this Lease.

Section 3.2. Sublease of Leased Property. The Authority hereby rents, subleases and sublets the Leased Property to the City, and the City hereby rents, subleases and hires the Leased Property from the Authority, subject to Permitted Encumbrances, for the rentals and upon and subject to the terms and conditions contained in this Lease.

Section 3.3. Lease Term.

(a) The Original Term of this Lease shall commence on the date hereof, and subject to earlier termination pursuant to the provisions hereof, shall terminate on the last day of City's current Fiscal Year (*i.e.*, March 31, 2016).

(b) The Lease Term may be extended, solely at the option of the City, at the end of the Original Term or any Renewal Term for an additional one-year Renewal Term for up to a maximum Lease Term of nineteen (19) Renewal Terms, except that the final Renewal Term shall expire not later than March 16, 2035.

(c) The City shall deliver written notice to the Authority and the Lender, as assignee of the Authority's interest herein, no later than each March 31 stating whether or not the City will extend the term of this Lease for the succeeding Renewal Term and describing in reasonable detail the actions taken by the governing body of the City to appropriate funds sufficient for the purpose of paying the Rental Payments and reasonably estimated Additional Payments to become due during such succeeding Renewal Term. If the governing body of the City has made the appropriation necessary to pay the Rental Payments and reasonably estimated Additional Payments to become due during such succeeding Renewal Term, the City's failure to deliver the foregoing notice on or before the appropriate March 31 shall not constitute an Event of Nonappropriation and this Lease shall be automatically renewed. The City's option

to renew or not to renew this Lease shall be conclusively determined by whether or not the governing body of the City has, on or before the March 31 immediately preceding the end of the Original Term or any Renewal Term then in effect, budgeted and appropriated, specifically with respect to this Lease, moneys sufficient to pay all the Rental Payments and reasonably estimated Additional Payments for the ensuing Renewal Term. The officer of the City at any time charged with the responsibility of formulating budget proposals is hereby directed to include in the budget proposals submitted to the governing body of the City, in any year in which this Lease is in effect, items for all payments required for the ensuing Renewal Term under this Lease and to take such further action (or cause the same to be taken) as may be necessary or desirable to assure the availability of moneys appropriated from legally available funds to pay Rental Payments and Additional Payments due for each Renewal Term. Notwithstanding the preceding sentence, it is the City's intention that the decision to renew or not to renew this Lease shall be made solely by the governing body of the City and not by any other official of the City. The City shall in any event, whether or not the Lease is to be renewed, furnish the Authority and the Lender, as assignee of the Authority's interest herein, with copies of its annual budget promptly after the budget is adopted.

The option hereby granted may not be exercised at any time during which an Event of Default has occurred and is then continuing under any of the terms of this Lease; provided, however, that if such Event of Default (money payments excepted) is curable but not within the period allowed for curing such Event of Default, then the City's right to exercise the option shall not be suspended if the City promptly commenced within such period cure of the breach and proceeds with diligence and continuity to cure the Event of Default.

(d) The City intends, subject to the provisions above respecting the failure of the City to budget or appropriate funds to make Rental Payments and Additional Payments, to continue the Lease Term and to pay the Rental Payments and Additional Payments hereunder. The City reasonably believes that legally available funds in an amount sufficient to make all Rental Payments and Additional Payments during the Original Term and each Renewal Term can be obtained. The City further intends to do all things lawfully within its power to obtain and maintain funds from which the Rental Payments and Additional Payments may be made, including making provision for such Rental Payments and Additional Payments to the extent necessary in each proposed annual budget submitted for approval in accordance with applicable procedures of the City and to exhaust all available reviews and appeals in the event such portion of the budget is not approved. Notwithstanding the foregoing, the decision to budget and appropriate funds or to continue the Lease Term is to be made in accordance with the City's normal procedures for such decisions.

(e) The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Rental Payments for the Renewal Term shall be as provided in the Bond, as such schedule may be revised as provided therein.

Section 3.4. Termination of the Lease Term. The Lease Term will terminate, and the City's right, title and interest in and to this Lease (except to the extent of any conveyance pursuant to **Article XI** hereof) and its obligations hereunder shall terminate without penalty upon the earliest to occur of any of the following events:

(a) the expiration of the Original Term or any Renewal Term and the nonrenewal of the Lease Term resulting from an Event of Nonappropriation pursuant to **Section 5.6**;

(b) the exercise by the City of the option to purchase the Authority's interest in the Leased Property pursuant to **Section 11.1**;

(c) an Event of Default and the Authority's election to terminate this Lease as provided in **Article XII**;

(d) the payment by the City of all Rental Payments and Additional Payments required to be paid by the City hereunder; or

(e) March 16, 2035.

Section 3.5. Possession and Use of the Leased Property.

(a) The Authority covenants and agrees that as long as the City is not in default hereunder, the City shall have sole and exclusive possession of the Leased Property (subject to the Authority's right of access pursuant to **Section 3.6** hereof) and the City shall and may peaceably and quietly have, hold and enjoy the Leased Property during the Lease Term and shall have the right to use the Leased Property for any lawful public purpose. The Authority covenants and agrees that it will not take any action, except as expressly set forth in this Lease, to prevent the City from having quiet and peaceable possession and enjoyment of the Leased Property during the Lease Term and will, at the request and expense of the City, cooperate with the City in order that the City may have quiet and peaceable possession and enjoyment of the Leased Property.

(b) Subject to the provisions of this Section, the City shall have the right to use the Leased Property for any lawful purpose. The City shall comply with all statutes, laws, ordinances, orders, judgments, decrees, regulations, directions and requirements of all federal, state, local and other governments or governmental authorities, now or hereafter applicable to the Leased Property or to any adjoining public ways, as to the manner of use or the condition of the Leased Property or of adjoining public ways. The City shall pay all costs, expenses, claims, fines, penalties and damages that may in any manner arise out of, or be imposed as a result of, the failure of the City to comply with the provisions of this Section; provided, however, the City may, at its own expense, contest in good faith or review by legal or other appropriate procedures the validity or applicability of any such statute, law, ordinance, order, judgment, decree, regulation, direction or requirement.

(c) The expiration or termination of the term of this Lease as to the City's right of possession of the Leased Property pursuant to this **Section 3.5** shall terminate the City's rights of use and occupancy of the Leased Property; provided, however, that all other terms of this Lease, including the continuation of the City's purchase right under **Section 11.1** hereof, shall be continuing until this Lease is discharged or foreclosed, as provided herein, except that all obligations of the City to pay any amounts shall thereafter be satisfied only as provided herein and, with respect to the Original Term or final Renewal Term prior to such expiration or termination as provided in the Lease, from Rental Payments that are payable prior to the termination of the Lease.

Section 3.6. Right of Access to the Leased Property. The City agrees that the Authority and the Lender, as assignee of the Authority's interest herein, and their duly authorized agents may, at reasonable times during business hours, subject to the City's usual safety and security requirements, examine and inspect the Leased Property without interference or prejudice to the City's operations. The City further agrees that the Authority and the Lender, as assignee of the Authority's interest herein, and their duly authorized agents shall have such rights of access to the Leased Property as may be reasonably necessary to (a) maintain and perform such work in and about the Leased Property made necessary by reason of the City's default under any of the provisions hereof, and (b) exhibit the Leased Property to prospective purchasers, lessees or trustees subsequent to an Event of Default or Event of Nonappropriation.

Section 3.7. Machinery and Equipment Purchased by the City. The City may from time to time at its own expense install machinery, equipment and other tangible property at the Leased Property. Any item of machinery or equipment the entire purchase price of which is paid by the City with the City's own funds, and no part of the purchase price of which is paid for from funds deposited pursuant to the terms of this Lease, shall be and remain the property of the City and shall not constitute part of the Leased Property; provided, however, that title to any such machinery, equipment and other tangible property which becomes permanently affixed to the Leased Property shall be subject to this Lease, and shall be included under the terms of this Lease in the event that the Leased Property would be damaged or impaired by the removal of such machinery, equipment or other tangible property.

ARTICLE IV

ACQUISITION, INSTALLATION AND CONSTRUCTION OF THE PROJECT

Section 4.1. Acquisition, Installation and Construction of the Project.

(a) The City will make, execute, acknowledge and transact any and all contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and in general do all things which may be necessary or proper, all for the construction, acquisition and installation of the Project. Construction, acquisition and installation of the Project will be in accordance with the construction or acquisition documents approved by the City, subject to reasonable change orders or any other reasonable changes approved by the City so long as such changes do not cause the Project to be used for purposes other than the lawful governmental purposes of the City. The City shall remain liable to any vendor or contractor in respect of its duties and obligations in accordance with each such contract or order and shall bear the risk of loss with respect to any loss or claim relating to any item of the Project covered thereby, and the Authority shall not assume any such liability or risk of loss.

(b) The City will acquire, construct and install the Project through the application of moneys in the Project Fund and will use its best efforts to complete the acquisition, construction and installation of the Project within a reasonable time. In no event, however, will there be any liability on the part of the Authority or the Lender, as assignee of the Authority, for failure to timely complete the Project, and there will be no diminution in or postponement of the Rental Payments required to be paid by the City during the Lease Term.

(c) If the amount available in the Project Fund is insufficient to pay the entire cost of constructing, acquiring, and installing the Project, the City either (i) will make such modifications to or deletions from the plans and specifications for the Project as will permit the Project to be acquired, constructed and installed from the amounts available therefor in the Project Fund or (ii) will complete the acquisition, construction and installation of the Project from whatever sources of funds are legally available to the City for that purpose (and will deposit or cause to be deposited those funds in the Project Fund).

(d) When the construction, acquisition and installation of the Project has been completed, the City will deliver a certificate to the Authority and the Lender stating that construction, acquisition and installation of the Project have been completed, the date thereof and, except for amounts estimated by the City to be necessary for payment of any Project Costs not then due and payable, all Project Costs have been paid. If the accounting of the Project Fund by the Authority shows that funds in the Project Fund will remain unexpended for Project Costs, the unexpended funds in the Project Fund will be applied to pay Rental Payments on the next scheduled Rental Payment Date.

ARTICLE V

CONVEYANCE OF LEASED PROPERTY TO AUTHORITY; RENTAL PAYMENT PROVISIONS FOR CITY'S SUBLEASE OF LEASED PROPERTY

Section 5.1. Conveyance of Leasehold Interest in Leased Property to Authority.

(a) *Base Lease.* Concurrently herewith, the City has leased the Leased Property to the Authority, and the Authority has leased the Leased Property from the Authority, for the rentals and upon and subject to the terms and conditions contained in the Base Lease.

(b) *Base Lease Rentals.* On the Closing Date, the Base Lease Rental Amount shall be deposited in accordance with the Project Escrow Agreement, as follows:

(i) The amount of \$1,433,243.75 shall be deposited with UMB Bank, N.A., as escrow agent, for deposit in the Refunding Escrow Fund, and applied to pay the Refunded Certificates pursuant to the Refunding Escrow Agreement.

(ii) The remaining amount of the Base Lease Rental Amount shall be deposited in the Project Fund and used to pay certain Project Costs as well as closing costs related to the Base Lease, this Lease and the Bond.

(c) *Title Insurance.* The City shall pay the cost of an Owner's Title Insurance Policy insuring the Authority's leasehold interest under the Base Lease, and a Loan Title Insurance Policy insuring the Lender's interest under the Deed of Trust, each providing coverage in an amount equal to the Base Lease Rental Amount, issued on the standard ALTA forms by a company reasonably acceptable to the Lender and authorized to issue such insurance in the State of Missouri, subject only to such exceptions as shall be acceptable to the Lender, with such endorsements and affirmative coverages as may be reasonably required by the Lender, including endorsements respecting access to public roads, and otherwise in form and substance satisfactory to the Lender.

(d) *Delivery of Bond and Deed of Trust.* In order to provide funds to pay the Base Lease Rental Amount for the Leased Property, the Authority agrees that, pursuant to the Bond Resolution, it will execute and deliver to the Lender the Bond and the Deed of Trust.

(e) *Costs of Closing and Recording.* The City shall pay all costs of Closing, whether assessed against the City or the Authority, including title insurance premiums, recording and filing fees, fees of Gilmore & Bell, P.C., as Special Tax Counsel to the City, Lender's origination fee and attorneys' fees, and any other fees incurred by the City, the Authority or the Lender in connection with the Closing.

Section 5.2. Rental Payments.

(a) The City covenants and agrees to make Rental Payments, exclusively from legally available funds, in lawful money of the United States of America, to the Lender, as assignee of the Authority's interest herein, during the Original Term and each Renewal Term, in the amounts sufficient to pay the aggregate amount of principal of and interest due on the Bond on the dates set forth in the Bond (or on any other date a Rental Payment is due whether at stated maturity, upon prepayment or otherwise), in funds which will be immediately available to the Lender on or before 11:00 a.m., Lender's local time, on such due dates. Each Rental Payment shall be in consideration for the use of the Leased Property by

the City for the period from the date of this Lease or, subsequent to the first Rental Payment Date, the immediately preceding Rental Payment Date.

(b) The City acknowledges and consents to the Authority's assignment of its rights hereunder to the Lender. The City and the Authority agree that the City will pay all Rental Payments directly to the Lender.

(c) If the City fails to make any portion of the Rental Payments that are due hereunder, the City will immediately quit and vacate the Leased Property, and the Rental Payments (except for Rental Payments that have been theretofore appropriated and then available for such purpose) shall thereupon cease. Neither the City nor any agency or political subdivision thereof is obligated to pay any Rental Payments, or the Option Purchase Price hereunder, except as provided herein. If the City fails to pay any portion of the required Rental Payments or Additional Payments and then fails to immediately quit and vacate the Leased Property, the Authority or the Lender, as assignee of the Authority's interest herein, may immediately bring legal action to evict the City from the Leased Property (and the City shall, to the extent permitted by law, pay as damages for its failure to quit and vacate the Leased Property upon termination of the then current term of this Lease in violation of the terms hereof an amount equal to the Rental Payments and Additional Payments otherwise payable during such term prorated on a daily basis) and commence proceedings to evict the City. No judgment may be entered against the City for failure to make any Rental Payments, Additional Payments or the Option Purchase Price hereunder, except to the extent that the City has theretofore incurred liability to make any such payments through its actual use and occupancy of the Leased Property, or through its exercise of an option that renews this Lease for an additional Renewal Term for which monies have been appropriated, or is otherwise obligated to make such payments pursuant to this Lease.

(d) If the City is not in default in paying Rental Payments under **Section 5.2** or Additional Payments under **Section 5.3**, the City may prepay Rental Payments, without penalty, at any time, with partial prepayments being applied in inverse order to the last installments of outstanding principal under the Bond.

Section 5.3. Additional Payments. The City shall timely pay during the Lease Term as Additional Payments, directly to the parties entitled thereto, the following amounts:

(a) All expenses (including without limitation reasonable attorneys' fees) incurred in connection with the enforcement of any rights hereunder by the Authority or the Lender or in connection with the protection of the Authority's interest in the Leased Property.

(b) All amounts of rebatable arbitrage, if any, required to be paid to the United States as provided herein or in the Tax Agreement.

(c) All other payments of whatever nature which the City has agreed to pay or assume with respect to the operation, maintenance and repair of the Leased Property, and otherwise under this Lease.

(d) All amounts payable by the Authority under the Bond (other than amounts payable as Rental Payments under **Section 5.2(a)** hereof) and the Deed of Trust.

If the City fails to pay any Additional Payments required by this Lease, the Authority or the Lender may (but shall be under no obligation to) pay such Additional Payments, which Additional Payments, together with interest thereon at the Prime Rate, are to be reimbursed to the Authority or the

Lender, by the City upon demand therefor, subject to the availability of sufficient legally available funds for such purpose.

Section 5.4. Rental Payments to Constitute Current Expenses of the City.

(a) The Authority and the City acknowledge and agree that the Rental Payments and Additional Payments hereunder shall constitute currently budgeted expenditures of the City, and shall not in any way be construed to be a general obligation or debt of the City in contravention of any applicable constitutional, statutory or charter limitation or requirements concerning the creation of indebtedness by the City, nor shall anything contained herein constitute a pledge of the general credit, tax revenues, funds or moneys of the City. The City's obligations to pay Rental Payments and Additional Payments hereunder shall be from year to year only, and shall not constitute a mandatory payment obligation of the City in any ensuing Fiscal Year beyond the then current Fiscal Year. No provision of this Lease shall be construed or interpreted as creating a delegation of governmental powers nor as a donation by or a lending of the credit of the City within the meaning of the Constitution of the State of Missouri. This Lease shall not directly or indirectly obligate the City to levy or pledge any form of taxation or make any appropriation or make any payments beyond those appropriated for the City's then current Fiscal Year, but in each Fiscal Year, Rental Payments shall be payable solely from the amounts budgeted or appropriated therefor out of the income and revenue provided for such year, plus any unencumbered balances from previous years. The City shall be under no obligation whatsoever to exercise its option to purchase the Authority's interest in the Leased Property under **Article XI** hereof. No provision of this Lease shall be construed to pledge or to create a lien on any class or source of City moneys, nor shall any provision of this Lease restrict the future issuance of any bonds or obligations payable from any class or source of moneys of the City. Failure of the City to budget and appropriate said moneys on or before the expiration of the Original Term or any Renewal Term shall be deemed a conclusive determination of non-availability of funds for the purpose of this Lease.

(b) The parties hereto agree that upon the expiration or termination of the Original Term and any Renewal Term and failure by the City to renew this Lease, the City shall be wholly discharged from any liability to make Rental Payments or Additional Payments hereunder.

Section 5.5. Obligations Absolute and Unconditional.

(a) The City hereby agrees that its obligation to pay the Rental Payments from legally available funds appropriated for such purpose shall be absolute and unconditional and, except as expressly herein provided, shall not be subject to any defense or any right of set-off, counterclaim or recoupment arising out of any breach by the Authority or the Lender, as assignee of the Authority's interest herein, of any obligation to the City, whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to the City by the Authority or the Lender, as assignee of the Authority's interest herein. Notwithstanding any dispute between the City, the Authority or the Lender, as assignee of the Authority's interest herein, the City shall pay all Rental Payments and Additional Payments when due, and shall not withhold payment of any Rental Payments and Additional Payments pending the final resolution of such dispute.

(b) Nothing in this Lease shall be construed to release the Authority or the Lender, as assignee of the Authority's interest herein, from the performance of any agreement on its part herein contained or as a waiver by the City of any rights or claims which the City may have against the Authority or the Lender, as assignee of the Authority's interest herein, under this Lease or otherwise, but any recovery upon such rights and claims shall be had from the Authority or the Lender, as assignee of the Authority's interest herein, separately, it being the intent of this Lease that the City shall (except as provided in subsection (a) above) be unconditionally and absolutely obligated to perform fully all of its

obligations, agreements and covenants under this Lease (including the obligation to make Rental Payments and to make Additional Payments) for the benefit of the Authority or the Lender, as assignee of the Authority's interest herein. The City may, however, at its own cost and expense and in its own name or in the name of the Authority or the Lender, as assignee of the Authority's interest herein, prosecute or defend any action or proceeding or take any other action involving third persons which the City deems reasonably necessary in order to secure or protect its right of possession, occupancy and use of the Leased Property, and in such event the Authority hereby agrees to cooperate fully with the City and to take all action necessary to effect the substitution of the City for the Authority or the Lender, as assignee of the Authority's interest herein, in any such action or proceeding if the City shall so request.

Section 5.6. Event of Nonappropriation.

(a) If the governing body of the City does not budget and appropriate, specifically with respect to this Lease, on or before the end of each Fiscal Year, moneys sufficient to pay all Rental Payments and the reasonably estimated Additional Payments coming due for the then current Renewal Term, an Event of Nonappropriation shall be deemed to have occurred. If, during the Original Term or any Renewal Term, any Additional Payments become due that were not included in the City's current budget, or which exceeded the amounts that were included therefor in the City's current budget, then, in the event that moneys are not specifically budgeted and appropriated to pay such Additional Payments within 60 days subsequent to the date upon which such Additional Payments are due, an Event of Nonappropriation shall be deemed to have occurred.

(b) If an Event of Nonappropriation occurs, the City shall not be obligated to make payment of the Rental Payments or Additional Payments or any other payments provided for herein which accrue after the last day of the Original Term or Renewal Term during which such Event of Nonappropriation shall occur.

ARTICLE VI

MAINTENANCE, TAXES AND INSURANCE

Section 6.1. Maintenance, Repairs and Utilities.

(a) The City covenants and agrees that throughout the Lease Term and at its own expense it will (i) maintain, preserve and keep the Leased Property and all parts thereof in good repair, working order and operating condition, making from time to time all necessary and proper repairs thereto and renewals and replacements thereof, and (ii) keep the Leased Property and all parts thereof in safe condition and free from filth, nuisance or conditions unreasonably increasing the danger of fire or other casualty.

(b) The City shall contract in its own name and pay for all utilities and utility services used by the City in, on or about the Leased Property, and the City shall, at its sole cost and expense, procure any and all permits, licenses or authorizations necessary in connection therewith.

Section 6.2. Taxes, Assessments and Other Governmental Charges.

(a) The parties to this Lease contemplate that the Leased Property will be used for a governmental or proprietary purpose of the City and, therefore, that the Leased Property will be exempt from all taxes presently assessed and levied with respect to real or personal property. If the use, possession or acquisition of the Leased Property is found to be subject to taxation in any form (except for

income taxes of the Authority), the City will pay during the Lease Term, as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Leased Property and any facilities, equipment or other property acquired by the City in substitution for, as a renewal or replacement of, or a modification, improvement or addition to the Leased Property as well as all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Leased Property; provided that, with respect to any governmental charge that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are accrued during such time as this Lease is in effect.

(b) The City may, in its own name or in the Authority's name, contest the validity or amount of any tax, assessment or other governmental charge which the City is required to bear, pay and discharge pursuant to the terms of this Article by appropriate legal proceedings instituted at least 10 days before the contested tax, assessment or other governmental charge becomes delinquent, if the City (i) before instituting any such contest, gives the Authority and the Lender, as assignee of the Authority's interest herein, written notice of the City's intention to do so, (ii) diligently prosecutes any such contest, (iii) at all times effectively stays or prevents any official or judicial sale therefor, under execution or otherwise, (iv) promptly pays any final judgment enforcing the tax, assessment or other governmental charge so contested, and (v) thereafter promptly procures record release or satisfaction thereof. The Authority agrees to cooperate with the City in connection with any and all administrative or judicial proceedings related to any tax, assessment or other governmental charge. The City shall hold the Authority and the Lender, as assignee of the Authority's interest herein, whole and harmless from any costs and expenses the Authority may incur in relation to any of the above.

Section 6.3. Property and Casualty Insurance.

(a) The City shall, at its sole cost and expense, maintain or cause to be maintained at all times throughout the Lease Term, a policy or policies of insurance, or shall demonstrate to the satisfaction of the Authority that adequate self-insurance is provided, to keep the Leased Property constantly insured against loss or damage by fire, lightning and all other risks covered by the all risk extended coverage insurance endorsement then in use in the State of Missouri in an amount equal to the Full Insurable Value of the Leased Property (subject to reasonable loss deductible clauses). The Full Insurable Value of the Leased Property shall be determined from time to time at the request of the City, the Authority or the Lender (but not more frequently than once in every three years) by an engineer, architect, contractor, appraiser, appraisal company or one of the insurers, to be selected and paid for by the City, subject to the Authority's and Lender's approval. The insurance required pursuant to this **Section 6.3** shall be maintained at the City's sole cost and expense, and shall be maintained with a generally recognized responsible insurance company or companies authorized to do business in the State of Missouri as may be selected by the City. All such policies of insurance, and all renewals thereof, shall name the City, the Authority and the Lender, as insureds as their respective interests may appear, shall name the City, the Authority and the Lender, as additional loss payees as their respective interests may appear, and shall contain a provision that such insurance may not be cancelled by the issuer thereof without at least 30 days' advance written notice to the City, the Authority and the Lender, and shall be payable to the City, the Authority and the Lender.

(b) Originals or copies of the insurance policies required under this Section, or certificates evidencing such coverage, each bearing notations evidencing payment of the premiums or other evidence of such payment, shall be delivered to the Authority and the Lender throughout the Lease Term.

(c) The Net Proceeds of property and casualty insurance carried pursuant to this Section or self-insurance program of the City shall be applied as provided in **Section 8.1** hereof.

Section 6.4. Public Liability Insurance.

(a) The City shall, at its sole cost and expense, maintain or cause to be maintained at all times during the Lease Term general accident and public liability insurance (including but not limited to coverage for all losses whatsoever arising from the ownership, maintenance, operation or use of any automobile, truck or other motor vehicle), or shall demonstrate to the satisfaction of the Authority and the Lender that adequate self-insurance is provided, under which the Authority, the Lender and the City shall be named as insureds, properly protecting and indemnifying the Authority, the Lender and the City, in amounts equal to the City's customary insurance practice for bodily injury (including death), and for property damage arising out of or in any way relating to the condition or the operation of the Leased Property (subject to reasonable loss deductible clauses). Each insurance policy provided for in this Section shall contain a provision to the effect that the insurance company may not cancel or materially modify the policy without first giving at least 30 days' advance written notice to the Authority, the Lender and the City. Such policies or copies or certificates thereof shall be furnished to the Authority and the Lender.

(b) In the event of a public liability occurrence, the Net Proceeds of liability insurance carried pursuant to this Section or self-insurance program of the City shall be applied toward the extinguishment or satisfaction of the liability with respect to which such proceeds have been paid.

Section 6.5. Workers' Compensation Insurance. The City shall maintain or cause to be maintained worker's compensation insurance required by the laws of the State of Missouri covering all employees of the City working on, in, near or about the Leased Property, or shall demonstrate to the satisfaction of the Authority and the Lender that adequate self-insurance is provided, and shall require any other person or entity working on, in, near or about the Leased Property to carry such coverage, and will furnish to the Authority and the Lender certificates evidencing such coverage throughout the Lease Term.

Section 6.6. Title Insurance. The Net Proceeds of the title insurance policy obtained pursuant to **Section 5.1(c)** hereof, shall be applied in accordance with the provisions of **Article VIII** hereof.

Section 6.7. Blanket Insurance, Self-Insurance and Modifications.

(a) The City may satisfy any of the insurance requirements set forth in this Article by using blanket policies of insurance which cover not only the Leased Property but other properties, provided that the City complies with each and all of the requirements and specifications of this Article respecting insurance.

(b) The City may, with the written consent of the Authority and the Lender, make modifications to its insurance coverage, including provisions for the City to be self-insured, in whole or in part, for any such coverage, taking into account the cost and availability of insurance and the effect of the terms and rates of such insurance upon the City's costs and charges for its services. The Authority and the Lender may rely upon a report of an insurance consultant chosen by the Lender. The permission of the Authority and the Lender to make such modifications shall not be unreasonably withheld.

Section 6.8. Advances. If the City fails to maintain the full insurance coverage required by this Lease or shall fail to keep the Leased Property in good repair and operating condition, the Authority or the Lender may (but shall be under no obligation to) purchase the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof. All amounts so advanced therefor by the Authority or the Lender shall become

additional rent for the then current Original Term or Renewal Term, which amounts, together with interest thereon at the Prime Rate, the City agrees to pay as Additional Payments hereunder.

Section 6.9. Release and Indemnification Covenants. The City shall, to the extent permitted by law, indemnify, protect and hold the Authority and the Lender, as assignee of the Authority's interest herein, harmless from and against any and all liability, losses, claims and damages whatsoever, and expenses in connection therewith, including, without limitation, counsel fees and expenses arising out of or as the result of the entering into this Lease, the ownership, use, operation or condition of the Leased Property or any part thereof, or any accident in connection with the operation, use or condition of the Leased Property or any part thereof resulting in damage to property or injury to or death of any person. The City shall, to the extent permitted by law, indemnify and save the Authority and the Lender, as assignee of the Authority's interest herein, harmless against any loss, liability or expense, including reasonable attorneys' fees, resulting from all claims by or on behalf of any person, firm or corporation arising from the conduct or management of, or from any work or thing done on, the Leased Property, and against and from all claims arising after the date hereof, from (a) any condition of the Leased Property caused by the City, (b) any breach or default on the part of the City in the performance of any of its obligations hereunder, (c) any contract entered by the City in connection with the purchase, construction and installation of the Leased Property, (d) any act of negligence of the City or of any of its agents, contractors, servants, employees or licensees, and (e) any act of negligence of any assignee or sublessee of the City, or of any agents, contractors, servants, employees or licensees of any assignee or lessee of the City. The City shall, to the extent permitted by law, indemnify and save the Authority and the Lender, as assignee of the Authority's interest herein, harmless from and against all costs and expenses (except those which have arisen from the willful misconduct or negligence of the Authority or the Lender) incurred in or in connection with any action or proceeding brought thereon, and upon notice from the Authority and the Lender, the City shall defend them or either of them in any such action or proceeding. The indemnification arising under this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease or the termination of the Lease Term for any reason. The City agrees not to withhold or abate any portion of the payments required pursuant to this Lease by reason of any defects, malfunctions, breakdowns or infirmities of the Leased Property or any part thereof.

Section 6.10. Hazardous Materials. The City shall not cause or permit the Leased Property to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials (defined in this **Section 6.10** below), except in compliance with all applicable federal, state and local laws or regulations, nor shall the City cause or permit, as a result of any intentional or unintentional act or omission of the City or any tenant or subtenant, a release of Hazardous Materials onto the Leased Property. The City shall comply with and ensure compliance by all tenants and subtenants with all applicable federal, state and local laws, ordinances, rules and regulations, wherever and by whomever triggered, and shall obtain and comply with, and ensure that all tenants and subtenants obtain and comply with, any and all approvals, registrations or permits required thereunder. The City shall (a) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials, on, from or affecting the Leased Property (i) in accordance with all applicable federal, state and local laws, ordinances, rules, regulations and policies, (ii) to the satisfaction of the Authority and the Lender, and (iii) in accordance with the orders and directives of all federal, state and local governmental authorities, and (b) defend, indemnify and hold harmless the Authority and the Lender, as assignee of the Authority's interest herein, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of or in any way related to, (i) the presence, disposal, release or threatened release of any Hazardous Materials which are on, from or affecting the soil, water, vegetation, buildings, personal property, persons, animals or otherwise, (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, and/or (iii) any violation of laws, ordinances,

orders, regulations, requirements or demands of governmental authorities, which are based upon or in any way related to any such Hazardous Materials including, without limitation, attorney and consultant fees, investigation and laboratory fees, court costs and litigation expenses. If the Authority or the Lender, as assignee of the Authority's interest herein, elects to control, operate, sell or otherwise claim property rights in the Leased Property as a remedy hereunder or if this Lease is terminated, the City shall deliver the Leased Property free of any and all Hazardous Materials so that the conditions of the Leased Property shall conform with all applicable federal, state and local laws, ordinances, rules or regulations affecting the Leased Property. Prior to any such delivery of the Leased Property, the City shall pay the Authority and the Lender, from its own funds, any amounts then required to be paid under (b) above. Notwithstanding anything in this Lease to the contrary, the agreements in the preceding two sentences and in (b) above shall survive termination of this Lease. For purposes of this paragraph, "Hazardous Materials" includes, without limit, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials defined in the Comprehensive Materials Response, Compensation, and Liability Act of 1980, and amended (42 U.S.C. Sections 9601, *et seq.*), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801 *et seq.*), and in the regulations adopted and publications promulgated pursuant thereto, or any other federal, state or local environmental law, ordinance, rule or regulation.

ARTICLE VII

ADDITIONS, MODIFICATIONS AND IMPROVEMENTS TO THE LEASED PROPERTY

Section 7.1. Additions, Modifications and Improvements to the Leased Property. The City may, at its sole cost and expense, make such additions, modifications, replacements and improvements in and to any part of the Leased Property as the City from time to time may deem necessary or desirable for its business purposes; provided, however, the City shall not make any additions, modifications, replacements or improvements which will adversely affect the operation of the Leased Property or substantially reduce their value. All additions, modifications, replacements and improvements made by the City pursuant to the authority of this Section shall (a) be made in workmanlike manner and in strict compliance with all laws, ordinances and regulations applicable thereto, (b) when commenced, be prosecuted to completion with due diligence, and (c) when completed, be deemed a part of the Leased Property.

Section 7.2. Additional Improvements to the Leased Property. The City may, at its sole cost and expense, construct on portions of the Leased Property not theretofore occupied by buildings or improvements such additional buildings and improvements as the City from time to time may deem necessary or desirable for its business purposes; provided however, the City shall not make any additions, modifications, alterations or improvements which will adversely affect the operation of the Leased Property or substantially reduce their value. All additional buildings and improvements constructed on the Leased Property by the City pursuant to the authority of this Section shall, during the life of this Lease, be a part of the Leased Property, and the City may add to, alter or improve the same subject to the terms and conditions hereof. The City covenants and agrees (a) to make any repairs and restorations required to be made to the Leased Property because of the construction of, addition to, or alteration of said additional buildings or improvements, (b) to keep and maintain said additional buildings and improvements in good condition and repair, ordinary wear and tear excepted, and (c) to promptly and with due diligence either raze and remove from the Leased Property in a good workmanlike manner, or repair, replace or restore any of said additional buildings and improvements as may from time to time be damaged by fire or other casualty.

Section 7.3. Permits and Authorizations. Neither the Authority nor the City shall do or permit others to do any work on the Leased Property related to any repair, rebuilding, restoration, replacement, modification, improvement or addition to the Leased Property, or any part thereof, unless all requisite municipal and other governmental permits and authorizations of any jurisdiction to which the City is subject have been first procured and payment therefor made. All such work shall be done in a good and workmanlike manner and in compliance with all applicable building, zoning and other laws, ordinances, governmental regulations and requirements and in accordance with the requirements, rules and regulations of all insurers under the policies required to be carried under the provisions of **Article VI** hereof.

Section 7.4. Mechanics' and Materialmen's Liens.

(a) Neither the Authority nor the City shall do or suffer anything to be done whereby the Leased Property, or any part thereof, may be encumbered by any mechanics' or materialmen's or other similar lien. Whenever and as often as any mechanic's or materialman's or other similar lien is filed against the Leased Property, or any part thereof, purporting to be for or on account of any labor done or materials or services furnished in connection with any work in or about the Leased Property, the City shall discharge the same of record within 60 days after the date of filing. Notice is hereby given that neither the Authority nor the Lender, as assignee of the Authority's interest herein, shall be liable for any labor or materials furnished to the City or to anyone claiming by, through or under the City upon credit, and that no mechanics' or materialmen's or other similar lien for any such labor, services or materials shall attach to or affect the reversionary or other estate of the Authority or the Lender in and to the Leased Property or any part thereof.

(b) Both the Authority and the City, notwithstanding subsection (a) above, shall have the right (except as hereinafter provided) to contest any such mechanics' or materialmen's or other similar lien, if the City (i) within said 60-day period stated above notifies the Authority and the Lender, as assignee of the Authority's interest herein, in writing of the City's intention to do so, (ii) diligently prosecutes such contest, (iii) at all times effectively stays or prevents any official or judicial sale of the Leased Property, or any part thereof or interest therein, under execution or otherwise, (iv) promptly pays or otherwise satisfies any final judgment adjudging or enforcing such contested lien claim, and (v) thereafter promptly procures record release or satisfaction thereof. If the Authority or the Lender notifies the City that, in the opinion of counsel, by nonpayment of such items, the Authority's or the Lender's, as assignee of the Authority's interest herein, title or interest in the Leased Property will be endangered, or the Leased Property or any part thereof will be subject to loss or forfeiture, then the City shall promptly pay or cause to be satisfied and discharged all such unpaid items (provided, however, that such payment shall not constitute a waiver of the right to continue to contest such items). The City shall hold the Authority and the Lender whole and harmless from any loss, costs or expenses the Authority or the Lender may incur in relation to any such contest. The Authority will cooperate fully with the City in any such contest.

ARTICLE VIII

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 8.1. Damage and Destruction.

(a) If during the Lease Term, the Leased Property is damaged or destroyed, in whole or in part, by fire or other casualty, to such extent that the claim for loss (including any deductible amount

pertaining thereto) resulting from such damage or destruction is greater than \$10,000, the City shall promptly notify the Authority and the Lender, as assignee of the Authority's interest herein, in writing as to the nature and extent of such damage or loss and whether it is practicable and desirable to rebuild, repair, restore or replace such damage or loss.

(b) If the City determines that rebuilding, repairing, restoring or replacing is practicable and desirable, the City shall proceed promptly with and complete with reasonable dispatch such rebuilding, repairing, restoring or replacing of the property damaged or destroyed so as to place the Leased Property in substantially the same condition as existed prior to the event causing such damage or destruction, with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the City and as will not impair the operating utility or productive capacity of the Leased Property. The City, the Authority and the Lender, as assignee of the Authority's interest herein, shall cause the Net Proceeds of any insurance claim to be applied to the prompt repair, restoration, modification or improvement of the Leased Property. The City shall use any balance of the Net Proceeds remaining after such work has been completed for payment of Rental Payments hereunder. If said Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, rebuilding or restoration, the City shall nonetheless complete the work and shall, subject to **Sections 3.3** and **5.2** hereof, pay that portion of the costs thereof in excess of the amount of said Net Proceeds.

(c) If the City determines that rebuilding, repairing, restoring or replacing the Leased Property is not practicable and desirable, any Net Proceeds of casualty insurance required by **Section 6.3** hereof and received with respect to any such damage or loss to the Leased Property shall be used to prepay the Rental Payments due hereunder, or if the City has exercised its option to purchase the Leased Property, shall be used to pay the applicable Option Purchase Price as provided herein. The City agrees to be reasonable in exercising its judgment pursuant to this subsection (c).

(d) The City shall not, by reason of its inability to use all or any part of the Leased Property during any period in which the Leased Property are damaged or destroyed, or are being repaired, rebuilt, restored or replaced, or by reason of the payment of the costs of such rebuilding, repairing, restoring or replacing, be entitled to any reimbursement from the Authority or the Lender, or any abatement or diminution of the amounts payable by the City hereunder or of any other obligations of the City hereunder except as expressly provided in this Section.

Section 8.2. Condemnation or Deficiency of Title.

(a) If title to, or the temporary use of, all or a portion of the Leased Property is challenged or threatened by means of competent legal or equitable action, the City covenants that it will cooperate with the Authority and the Lender, as assignee of the Authority's interest herein, and will take all reasonable actions, including where appropriate the lawful exercise of the City's power of eminent domain, to quiet title to the Leased Property in the City. Any Net Proceeds of title insurance or other award from such a challenge or threat of legal or equitable action shall be used to prepay the Rental Payments due hereunder.

(b) If during the Lease Term title to, or the temporary use of, all or part of the Leased Property is condemned by any authority having the power of eminent domain, the condemnation proceeds shall be used to prepay the Rental Payments due hereunder.

(c) The Authority shall cooperate fully with the City in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Leased Property or any part thereof, and shall, to the extent the Authority may lawfully do so, permit the City to litigate in any such proceeding in the name and on behalf of the Authority. In no event will the Authority voluntarily settle or

consent to the settlement of any prospective or pending condemnation proceedings with respect to the Leased Property or any part thereof without the written consent of the City.

ARTICLE IX

SPECIAL COVENANTS

Section 9.1. Disclaimer of Warranties. THE AUTHORITY MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED PROPERTY, OR ANY OTHER WARRANTY OR REPRESENTATION WITH RESPECT THERETO. In no event shall the Authority or the Lender, as assignee of the Authority's interest herein, be liable for incidental, indirect, special or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or City's use of any item or products or services provided for in this Lease; provided, however, that nothing herein shall be construed as relieving the Authority from its covenants and obligations under this Lease.

Section 9.2. Vendor's Warranties. The Authority hereby irrevocably appoints the City as its agent and attorney-in-fact during the Lease Term, so long as the City is not in default hereunder, to assert from time to time whatever claims and rights including warranties of the equipment which the Authority or the Lender, as assignee of the Authority's interest herein, may have against the vendor of any equipment which is or becomes a part of the Leased Property. The City's sole remedy for the breach of such warranty, indemnification or representation shall be against the vendor of such equipment, and not against the Authority or the Lender, as assignee of the Authority's interest herein, nor shall such matter have any effect whatsoever on the rights and obligations of the Authority or the Lender with respect to this Lease, including the right to receive full and timely payments hereunder. The City expressly acknowledges that the Authority makes, and has made, no representation or warranties whatsoever as to the existence of availability of such warranties of the vendor of such equipment.

Section 9.3. Surrender of Possession. Upon accrual of the Authority's right of re-entry because of the City's default hereunder or upon the cancellation or termination of this Lease for any reason other than the City's purchase of the Leased Property pursuant to **Article XI** hereof, the City shall peacefully surrender possession of the Leased Property to the Authority or the Lender, as assignee of the Authority's interest herein, in good condition and repair, ordinary wear and tear excepted; provided, however, the City shall have the right within 120 days after the termination of this Lease to remove from the Leased Property any improvements, furniture, trade fixtures, machinery and equipment owned by the City and not constituting part of the Leased Property. All repairs to and restorations of the Leased Property which are required to be made because of such removal shall be made by and at the sole cost and expense of the City, and during said 120-day period the City shall bear the sole responsibility for and bear the sole risk of loss for said buildings, improvements, furniture, trade fixtures, machinery and equipment. All buildings, improvements, furniture, trade fixtures, machinery and equipment owned by the City and which are not so removed from the Leased Property prior to the expiration of said 120-day period shall be and become the separate and absolute property of the Authority or the Lender, as assignee of the Authority's interest herein.

Section 9.4. Granting of Easements. If no Event of Default or Event of Nonappropriation under this Lease has happened and is continuing, the City may at any time or times (a) grant easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property included in the Leased Property, or (b) release existing easements, licenses, rights-of-way and other rights or privileges, all with or without consideration and

upon such terms and conditions as the City shall determine. The Authority agrees that it will execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right-of-way or other right or privilege or any such agreement or other arrangement, upon receipt by the Authority of: (i) a copy of the instrument of grant or release or of the agreement or other arrangement, (ii) a written application signed by the City Representative requesting such instrument and (iii) a certificate executed by the City Representative stating that such grant or release is not detrimental to the proper conduct of the business of the City, will not impair the effective use or interfere with the efficient and economical operation of the Leased Property, and will not materially adversely affect the security intended to be given by or under the Leased Property Lease or this Lease. If the instrument of grant so provides, any such easement or right and the rights of such other parties thereunder shall be superior to the rights of the Authority under this Lease and shall not be affected by any termination of this Lease or by default on the part of the City hereunder. If no Event of Default or Event of Nonappropriation has happened and is continuing, any payments or other consideration received by the City for any such grant or with respect to or under any such agreement or other arrangement shall be and remain the property of the City, but, in the event of the termination of this Lease subsequent to an Event of Default or an Event of Nonappropriation, all rights of the City then existing with respect to or under such grant shall inure to the benefit of and be exercisable by the Authority.

Section 9.5. Authorized Authority and City Representatives. Whenever under the provisions hereof, the approval of the Authority or the City is required to take some action at the request of the other, unless otherwise provided, such approval or such request shall be given for the Authority by the Authority Representative and for the City by the City Representative and the Authority and the City shall be authorized to act on any such approval or request.

Section 9.6. Tax Covenants.

(a) The City and the Authority covenant and agree that they will comply with all provisions and requirements of the Tax Agreement, which is hereby incorporated as if set forth in full at this place. The Board of Aldermen of the City and the Board of Directors of the Authority will also adopt such other resolutions and take such other actions as may be necessary to comply with the Code and with other applicable future law, in order to ensure that the interest on the Bond will remain excluded from federal gross income, to the extent any such actions can be taken by the City or the Authority. The covenants in the Tax Agreement shall remain in full force and effect notwithstanding any other provision of this Lease, until the final payment of the Bond and any obligations refinancing such Bond.

(b) The Authority covenants that it shall: (i) maintain its status as an industrial development authority, with its activities and purposes limited to those permitted under Chapter 349 of the Revised Statutes of Missouri, as amended, (ii) not permit its income to inure to the benefit of any private person, (iii) use the original and investment proceeds of the Bond solely to prepay the Refunded Certificates, pay Project Costs and pay closing costs allocable thereto, and (iv) after the Bond has been paid, convey unencumbered fee title to the Leased Property to the City.

(c) The City covenants and warrants that: (i) it will use the proceeds of the Bond solely to prepay the Refunded Certificates, to pay Project Costs and to pay closing costs allocable to such purposes, and (ii) it will accept conveyance of unencumbered fee title to the Leased Property from the Authority when the Bond has been paid.

Section 9.7. City's Financial Statements; Additional Covenants of the Authority.

(a) So long as this Lease remains in effect, the City shall deliver to the Authority and the Lender, as assignee of the Authority's interest herein, as soon as available, a copy of the City's annual audited financial statements. Such audited financial statements will include the financial transactions of the City in accordance with generally accepted accounting principles.

(b) The Authority also covenants and agrees that upon payment of all the Rental Payments and Additional Payments and the exercise of the option granted in **Section 11.1** hereof, the Authority and its officers shall take all actions necessary to authorize, execute and deliver to the City any documents which may be necessary to vest in the City all of the Authority's interest in and to the Leased Property, including, if necessary, a release of any and all liens created under the provisions of this Lease, the Deed of Trust or otherwise by the Authority. The Authority agrees to defend or eliminate any claims adverse to such interest occurring after receipt by the Authority of its leasehold interest in the Leased Property; provided that the Authority's obligations under this provision shall not extend to claims arising out of actions by the City or persons asserting claims under it.

ARTICLE X

ASSIGNMENT AND SUBLEASING

Section 10.1. Assignment by the Authority.

(a) As of the date of this Lease, the Authority is entering into an Deed of Trust wherein the Authority is assigning and conveying to the Lender all of its rights under this Lease including its right to receive Rental Payments and certain other amounts under this Lease. The Authority's interest in, to and under this Lease may not be reassigned, in whole or in part, by the Authority. The City agrees to make all payments to the Lender and execute all documents, including chattel mortgages or financing statements that may be reasonably requested by the Authority or the Lender to protect their interests in this Lease and the Leased Property.

(b) Notwithstanding any provision in this Lease or the Deed of Trust to the contrary, the assignment by the Authority to the Lender under the Deed of Trust shall not constitute an assumption by the Lender of any of the Authority's duties, responsibilities or liabilities as lessor under this Lease.

Section 10.2. Assignment and Sublease by the City. The City may not assign its interest in this Lease for any reason. The City may, however, sublease the Leased Property as a whole or in part, without the necessity of obtaining the consent of the Authority, if the following conditions are satisfied:

(a) This Lease and the obligations of the City hereunder shall, at all times during the Original Term and any Renewal Term, remain obligations of the City, and the City shall maintain its direct relationship with the Authority, notwithstanding any sublease;

(b) Before entering into any sublease of the Leased Property or any portion thereof, the City shall obtain and file with the Authority and the Lender, as assignee of the Authority's interest herein, an Opinion of Special Tax Counsel to the effect that such sublease will not cause the interest payable on the Bond to be included in gross income for federal or Missouri income tax purposes; and

(c) The City shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Authority and the Lender, as assignee of the Authority's interest herein, a true and complete copy of each such sublease.

Section 10.3. Restrictions on Sale or Mortgage of the Leased Property by the Authority.

The City agrees that, except as set forth in **Section 7.1** and **Section 10.2** hereof or in other provisions of this Lease, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Leased Property during the Lease Term, nor otherwise create any encumbrance thereon other than Permitted Encumbrances. Except as expressly provided in this Article, the Authority shall promptly take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. The City shall reimburse the Authority for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

ARTICLE XI

OPTION AND OBLIGATION TO PURCHASE THE LEASED PROPERTY

Section 11.1. Option to Purchase the Authority's Interest in the Leased Property. At the option and request of the City, the Authority's interest in the Leased Property will be transferred, conveyed and assigned to the City and this Lease shall terminate:

(a) on any date, upon payment by the City of the then applicable Option Purchase Price plus all Rental Payments, Additional Payments and accrued interest on the outstanding principal amount of the Bond up to the date of purchase; or

(b) at the end of the Lease Term (including all Renewal Terms), upon payment in full of all Rental Payments and Additional Payments due hereunder and the payment of One Dollar (\$1.00).

To exercise the option under (a) above, the City shall give written notice to the Authority and the Lender, as assignee of the Authority's interest herein, and shall specify therein the date of closing such purchase, which shall be not less than 30 days from the date such notice is mailed to the Authority and the Lender (unless otherwise agreed by the Authority and the Lender).

Payment of the final Rental Payments and Additional Payments shall constitute exercise of the option granted hereunder without further action by the City.

Section 11.2. Conveyance of the Authority's Interest in the Leased Property. At the closing of any purchase of the Authority's interest in the Leased Property pursuant to this Article, the Authority upon payment by the City and receipt by the Authority of all amounts payable hereunder shall execute and deliver to the City all necessary documents terminating the Authority's interest in the Leased Property and conveying, transferring and assigning to the City all of the Authority's right, title and interest in and to the Leased Property.

Section 11.3. Relative Position of Option. The option granted to the City in this Article may be exercised whether or not the City is in default hereunder, provided that such default will not result in non-fulfillment of any condition to the exercise of any such option and further provided that all options herein granted shall terminate upon the termination of this Lease.

Section 11.4. Obligation to Purchase the Authority's Interest in the Leased Property. The City hereby agrees to accept conveyance of, and the Authority hereby agrees to convey, title to the Leased Property in consideration of the purchase price as set forth in **Section 11.1** hereof.

ARTICLE XII

DEFAULT AND REMEDIES

Section 12.1. Events of Default. If any one or more of the following events occurs and is continuing, it shall constitute an "Event of Default" under this Lease:

- (a) Failure by the City to pay any Rental Payment required to be paid hereunder at the time specified herein; or
- (b) Failure by the City to pay any Additional Payment or to observe or perform any other covenant, agreement, obligation or provision of this Lease on its part to be observed or performed, and such failure shall continue for 60 days after the Authority or the Lender, as assignee of the Authority's interest herein, has given the City written notice specifying such failure or such longer period as shall be reasonably required to cure such default; provided that (i) the City has commenced such cure within said 60-day period, and (ii) the City diligently prosecutes such cure to completion; or
- (c) Failure by the City to vacate the Leased Property within 30 days after the occurrence of an Event of Nonappropriation; or
- (d) The City shall vacate or abandon the Leased Property, and the same shall remain uncared for and unoccupied for a period of 60 days.

Section 12.2. Remedies on the Occurrence of an Event of Default or an Event of Nonappropriation. The City will immediately notify the Authority, the Lender and the Escrow Agent of any Event of Default or Event of Nonappropriation or any circumstance or event that, with the passage of time or the giving of notice or both, would qualify as an Event of Default. If an Event of Default or an Event of Nonappropriation has occurred and is continuing, then the Authority may at the Authority's election, then or at any time thereafter, and while such Event of Default or Event of Nonappropriation continues, take any one or more of the following actions:

- (a) cause the Rental Payments and any Additional Payments for the remainder of the Lease Term to become due and payable; or
- (b) give the City written notice of intention to terminate this Lease on a date specified in such notice, which date shall not be earlier than 30 days after such notice is given, and if all defaults have not then been cured, on the date so specified, the City's rights to possession of the Leased Property shall cease and this Lease shall thereupon be terminated, and the Authority may re-enter and take possession of the Leased Property; or
- (c) without terminating this Lease, re-enter the Leased Property or take possession thereof pursuant to legal proceedings or pursuant to any notice provided for by law, and having elected to re-enter or take possession of the Leased Property without terminating this Lease, the Authority shall use reasonable diligence to relet the Leased Property, or parts thereof, for such term or terms and at such rental and upon such other provisions and conditions as the Authority

may deem advisable, with the right to make alterations and repairs to the Leased Property, and no such re-entry or taking of possession of the Leased Property by the Authority shall be construed as an election on the Authority's part to terminate this Lease, and no such re-entry or taking of possession by the Authority shall relieve the City of its obligation to pay Rental Payments or Additional Payments (at the time or times provided herein), or of any of its other obligations under this Lease, all of which shall survive such re-entry or taking of possession, and the City shall continue to pay the Rental Payments and Additional Payments specified in this Lease until the end of the Lease Term, whether or not the Leased Property have been relet, less the net proceeds, if any, of any reletting of the Leased Property after deducting all of the Authority's reasonable expenses in or in connection with such reletting, including without limitation all repossession costs, brokerage commissions, legal expenses, expenses of employees, alteration costs and expenses of preparation for reletting.

Having elected to re-enter or take possession of the Leased Property without terminating this Lease, the Authority or the Lender, as assignee of the Authority's interest herein, may by notice to the City given at any time thereafter while the City is in default in the payment of Rental Payments or Additional Payments or in the performance of any other obligation under this Lease, elect to terminate this Lease on a date to be specified in such notice, which date shall be not earlier than 30 days after re-entry under subparagraph (c) above, and if all defaults have not then been cured, this Lease shall thereupon be terminated on the date so specified. If in accordance with any of the foregoing provisions of this Article the Authority has the right to elect to re-enter and take possession of the Leased Property, the Authority may enter and expel the City and those claiming through or under the City and remove the property and effects of both or either (forcibly if necessary) without being guilty of any manner of trespass and without prejudice to any remedies for arrears of rent or for preceding breach of covenant. The Authority may take whatever action at law or in equity which may appear necessary or desirable to collect rent then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the City under this Lease.

Section 12.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority or the Lender, as assignee of the Authority's interest herein, is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority or the Lender, as assignee of the Authority's interest herein, to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notices as may be expressly required in this Article.

Section 12.4. Attorneys' Fees and Expenses. If the City defaults under any of the provisions hereof, or if an Event of Nonappropriation has occurred, and the Authority or the Lender, as assignee of the Authority's interest herein, employs attorneys or incurs other expenses for the collection of Rental Payments or Additional Payments or the enforcement of performance of any obligation or agreement on the part of the City, then the City will on demand pay to the Authority and the Lender the reasonable fees of such attorneys and such other expenses so incurred.

Section 12.5. Waiver of Appraisal, Valuation, Stay, Extension and Redemption Laws. The City agrees, to the extent permitted by law, that in the case of a termination of the Lease Term by reason of an Event of Nonappropriation or an Event of Default, neither the City nor any one claiming through or under the City, shall or will set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption laws now or hereafter in force in order to prevent or hinder the

enforcement of this Lease; and the City, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully do so, the benefit of all such laws.

ARTICLE XIII

AMENDMENTS, CHANGES AND MODIFICATIONS

Section 13.1. Amendments, Changes and Modifications. This Lease may not be effectively amended, changed, modified, altered or terminated without the written consent of the parties hereto.

ARTICLE XIV

MISCELLANEOUS PROVISIONS

Section 14.1. Notices. All notices, certificates or other communications required to be given hereunder shall be in writing and shall be deemed duly given when delivered or mailed by first-class, certified or registered mail, postage prepaid, to the parties at their respective addresses addressed as follows:

(a) To the Authority:

The Industrial Development Authority of the City of Centralia, Missouri
114 South Rollins
Centralia, MO 65240
Attention: President of the Board of Directors

With a copy to:

Central Bank of Boone County
Box 678
Columbia, MO 65205
Attn: Mr. Mike Watson (Ref: Centralia 2015 Bond)

(b) To the Lender:

Central Bank of Boone County
Box 678
Columbia, MO 65205
Attn: Mr. Mike Watson (Ref: Centralia 2015 Bond)

(c) To the City:

City of Centralia, Missouri
114 South Rollins
Centralia, MO 65240
Attention: Mayor

All notices given by first-class, certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed. The Authority, the Lender and the City may from time to time

designate, by notice given hereunder to the other such parties, another address to which subsequent notices, certificates or other communications shall be sent.

Section 14.2. Authority Shall Not Unreasonably Withhold Consents and Approvals. Wherever in this Lease it is provided that the Authority shall, may or must give its approval or consent, or execute supplemental agreements or schedules, the Authority shall not unreasonably, arbitrarily or unnecessarily withhold or refuse to give such approvals or consents or refuse to execute such supplemental agreements or schedules.

Section 14.3. Security Interest. To secure the payment of all of the City's obligations under this Lease, to the extent permitted by law, the Authority retains a security interest in that portion of the Leased Property consisting of personal property or fixtures and on all additions, attachments, accessions thereto, substitutions therefor and on any proceeds therefrom. The City hereby authorizes the filing of financing statements and continuation of financing statements under the Uniform Commercial Code in connection with any security interest granted hereunder.

Section 14.4. Financing Statements and Other Filings. The City shall, on an ongoing basis, execute and deliver all documents, including financing statements, affidavits, notices and similar instruments, and make or cause to be made all filings and recordings necessary or desirable in order to perfect, preserve and protect the interest of the Authority in the Leased Property, to the extent possible under applicable law. The obligations under this Section shall survive any termination of this Lease.

Section 14.5. Limited Liability of Authority. No provision, covenant or agreement contained in this Lease or any obligation herein imposed upon the Authority or the Lender, as assignee of the Authority's interest herein, or the breach thereof, shall constitute or give rise to or impose any personal or pecuniary liability upon any director, officer or employee of the Authority or the Lender. Except with respect to any action for specific performance or any action in the nature of a prohibitory or mandatory injunction, neither the Authority, the Lender nor any director, officer or employee of the Authority or the Lender shall be liable to the City or any other person for any action taken by the Authority, the Lender or by its officers, servants, agents or employees, or for any failure to take action under this Lease except for its negligence or willful misconduct.

Section 14.6 Net Lease. The parties hereto agree that this Lease shall be deemed and construed to be a "net lease."

Section 14.7. Payments Due on Non-Business Days. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Lease, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Lease.

Section 14.8. Binding Effect. This Lease shall be binding upon and shall inure to the benefit of the Authority and the City and their respective successors and assigns.

Section 14.9. Severability. If for any reason any provision of this Lease is determined to be invalid or unenforceable, the validity and enforceability of the other provisions hereof shall not be affected thereby.

Section 14.10. Execution in Counterparts; Electronic Transaction. This Lease may be executed simultaneously in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument. The transactions described herein may be

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

Section 14.11. Governing Law. This Lease 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 parties hereto have caused this Lease to be executed in their respective corporate names by their duly authorized officers, all as of the date first above written.

**THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE CITY OF CENTRALIA,
MISSOURI,
as Lessor and Grantor**

By: _____
Name: David Hoppock
Title: President of the Board of Directors

(SEAL)

ATTEST:

Name: Gabe Martinez
Title: Secretary of the Board of Directors

**CITY OF CENTRALIA, MISSOURI,
as Lessee and Grantee**

By: _____
Name: Tim Grenke
Title: Mayor

(SEAL)

ATTEST:

Name: Heather Russell
Title: City Clerk

ACKNOWLEDGMENT

STATE OF MISSOURI)
) **SS.**
COUNTY OF BOONE)

On this _____ day of November, 2015, before me, the undersigned, a Notary Public in and for said State, personally appeared **DAVID HOPPOCK**, to me personally known, who, being before me duly sworn, did say that he is the President of **THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF CENTRALIA, MISSOURI**, a Missouri statutory industrial development authority, and that the seal affixed to the foregoing instrument is the seal of said entity, and that said instrument was signed on behalf of said entity by authority of its Board of Directors, and said official acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said entity.

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

Notary Public in and for said State
Commission Expires:

*PLEASE AFFIX SEAL FIRMLY AND
CLEARLY IN THIS BOX*

ACKNOWLEDGMENT

STATE OF MISSOURI)
) **SS.**
COUNTY OF BOONE)

On this _____ day of November, 2015, before me, the undersigned, a Notary Public in and for said State, personally appeared **TIM GRENKE**, to me personally known, who, being before me duly sworn, did say that he is the Mayor of the **CITY OF CENTRALIA, MISSOURI**, and that the seal affixed to the foregoing instrument is the seal of said City, and that said instrument was signed and sealed on behalf of said City by authority of its Board of Aldermen, and said official acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

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

Notary Public in and for said State
Commission Expires:

*PLEASE AFFIX SEAL FIRMLY AND
CLEARLY IN THIS BOX*

EXHIBIT A

THE LEASED PROPERTY

The Leased Property consists of the following-described real property situated in the County of Boone, State of Missouri, together with the existing improvements thereon, and all additions, modifications, improvements, replacements and substitutions made thereto pursuant to the Lease, as they may at any time exist:

A portion of a tract of land described by a warranty deed recorded in Book 413 at Page 152 being the same tract as shown by a survey recorded in Book 442 at Page 645, located in Block I of John C. Hitt's Subdivision in the northeast quarter of the southeast quarter of section 16, township 51 north, range 11 west, Centralia, Boone County, Missouri, described as follows:

Starting at the northwest corner of Block I of John C. Hitt's Subdivision; Thence with the north line of Block I of John C. Hitt's Subdivision, S88°-44'-15"E, 520.4 feet to the projection of the east line of the survey recorded in Book 442 at Page 645 being the same line as described by the warranty deed recorded in Book 413 at Page 152; Thence with the east line of said survey, S1°-31'W, 60.0 feet to the south right-of-way line of Lakeview Street, said point being the Point of Beginning; Thence continuing with the east line of said survey, S1°-31'W, 240.0 feet; Thence parallel with the south right-of-way line of Lakeview Street, N88°-44'-15"W, 210.0 feet; Thence parallel with the east line of the survey recorded in Book 442 at Page 645, N1°-31'E, 150.0 feet; Thence parallel with the south right-of-way line of Lakeview Street, N88°-44'-15"W, 120.0 feet; Thence parallel with the east line of the survey recorded in Book 442 at Page 645, N1°-31'E, 90.0 feet to the south right-of-way line of Lakeview Street; Thence with the south right-of-way line, S88°-44'-15"E, 330.0 feet to the Point of Beginning and containing 1.40 acres.

* * *

PROJECT ESCROW AGREEMENT

LESSOR

(BORROWER): THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF CENTRALIA, MISSOURI

LESSEE: CITY OF CENTRALIA, MISSOURI

LENDER: CENTRAL BANK OF BOONE COUNTY, Columbia, Missouri

ESCROW AGENT: CENTRAL BANK OF BOONE COUNTY, Columbia, Missouri

DATE: November 24, 2015

DEPOSIT TO

PROJECT FUND: \$2,390,000.00

THIS PROJECT ESCROW AGREEMENT (the “Escrow Agreement”), dated as of the date set forth above, among the Lessor named above (“Lessor”), the Lessee named above (“Lessee”), the Lender named above (“Lender”) and the Escrow Agent named above, as Escrow Agent (“Escrow Agent”):

In consideration of the mutual covenants and agreements herein set forth, the parties hereto do hereby covenant and agree as follows:

1. This Escrow Agreement relates to the Lease Purchase Agreement (the “Lease”), of even date herewith, between Lessor and Lessee, and a Public Facilities Lease Revenue Bonds (City of Centralia, Missouri, Projects), Series 2015, in the amount of \$2,390,000 (the “Bond”), the repayment of which is limited solely to Rental Payments (defined in the Lease) made by the City under the Lease, and assigned by the Authority to the Lender under a Leasehold Deed of Trust, Security Agreement and Assignment of Rents and Leases of even date herewith (the “Deed of Trust”), given by the Authority to a trustee in favor of Lender, on the Leased Property (defined in the Lease).

2. Except as otherwise defined herein, all capitalized terms in this Escrow Agreement that are not otherwise defined herein will have the meaning set forth in the Lease.

3. Lessor, Lessee, Lender and Escrow Agent agree that Escrow Agent will act as sole Escrow Agent under the Lease and this Escrow Agreement, in accordance with the terms and conditions set forth in this Escrow Agreement. Escrow Agent in its capacity as Escrow Agent hereunder will not be deemed to be a party to the Lease, and this Escrow Agreement will be deemed to constitute the entire agreement among Lessor, Lessee, Lender and Escrow Agent.

4. There is hereby established in the custody of Escrow Agent a special trust fund designated as the “City of Centralia, Missouri 2015 Project Fund” (the “Project Fund”) to be held and administered by Escrow Agent in trust in accordance with this Escrow Agreement.

5. Lessor or Lender will deposit the amount set forth above in the Project Fund at the time of the execution and delivery by Lessor and Lessee of the Lease and this Escrow Agreement and issuance of the Bond by Lessor. Moneys held by Escrow Agent hereunder will be invested and reinvested by Escrow Agent upon order of a representative of Lessee or Lessor in Qualified Investments (as hereinafter defined) meeting the requirements specified in the Tax Compliance Agreement of even date herewith (the “Tax

Compliance Agreement”), among Lessee and Lessor, and maturing or subject to redemption at the option of the holder thereof prior to the date on which it is expected that such funds will be needed. Such investments will be held by Escrow Agent in the Project Fund, and any interest earned on such investments will be deposited in the Project Fund. Escrow Agent may act as purchaser or agent in the making or disposing of any investment.

6. “Qualified Investments” means to the extent the same are at the time legal for investment of the funds being invested: (i) direct general obligations of the United States of America; (ii) obligations the timely payment of the principal of and interest on which is fully and unconditionally guaranteed by the United States of America; (iii) general obligations of the agencies and instrumentalities of the United States of America acceptable to Lessee and Lessor; (iv) certificates of deposit, time deposits or demand deposits with any bank or savings institution including Escrow Agent or any affiliate thereof, provided that such certificates of deposit, time deposits or demand deposits, if not insured by the Federal Deposit Insurance Authority, are fully secured by obligations described in (i), (ii) or (iii) above; (v) repurchase agreements with any state or national bank or trust company, including Escrow Agent or any affiliate thereof, that are secured by obligations of the type described in (i), (ii) or (iii) above, provided that such collateral is free and clear of claims of third parties and that Escrow Agent or a third party acting solely as agent for Escrow Agent has possession of such collateral and a perfected first security interest in such collateral; (vi) investment contracts with a bank, bank holding company, insurance company or financial institution whose unsecured long-term indebtedness or claims-paying ability are rated at least AA by S&P or Aa3 by Moody’s and (vii) money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAm-G, AAAm or AAAm.

7. Moneys in the Project Fund will be applied as follows:

- (a) \$1,433,243.75 will be paid to UMB Bank, N.A., pursuant to wiring instructions to be provided by the City, for deposit in an escrow trust fund to be applied, together with money on deposit in the reserve fund for the Refunded Certificates, to pay and redeem the Refunded Certificates on March 15, 2016; and
- (b) The remainder on deposit in the Project Fund will be used to pay Project Costs, including closing costs and the Lender’s origination fee, in the manner set forth below.

Payment will be made from the Project Fund for the Project Costs upon presentation to Escrow Agent of (a) a written request and certification in the form attached hereto as **Exhibit A**, signed by a City Representative and, except for costs incurred in connection with the execution and delivery of the Bond, the Base Lease and the Lease, approved for payment by Lender, and (b) certificates of insurance evidencing compliance with **Sections 6.3, 6.4 and 6.5** of the Lease.

Escrow Agent may rely conclusively on any such certificate and will not be required to make any independent investigation in connection therewith. Escrow Agent will make disbursements to pay Project Costs for which any such request is made within five business days of the receipt of that certificate.

8. The Project Fund will terminate upon the occurrence of the earlier of (a) the presentation to Lender and Escrow Agent of (i) a Completion Certificate, a form of which is attached hereto as **Exhibit B**, and (ii) final occupancy permit(s) respecting the Project issued by all appropriate governmental authorities; or (b) the presentation of written notification by Lessor that an Event of Default or an Event of Nonappropriation has occurred or that Lessee has terminated the Lease pursuant to **Section 5.6** of the Lease. The Completion Certificate may also state that it is given without prejudice to any rights of Lessee that then exist or may subsequently come into being against third parties. Upon termination as described in (a) or (b),

any amount remaining in the Project Fund will be promptly applied by Escrow Agent, without further authorization, as provided in **Section 4.1** of the Lease.

9. Lessee, Lessor and Escrow Agent will comply with the Tax Compliance Agreement. The Tax Compliance Agreement may be amended at any time without the consent of the parties hereto if in the opinion of Special Tax Counsel, such amendment is necessary or desirable to ensure that the interest components of Lease Payments will remain excluded from gross income for federal income tax purposes.

10. Escrow Agent may at any time resign by giving at least 30 days' written notice to Lessee, Lessor and Lender, but such resignation will not take effect until the appointment of a successor Escrow Agent. The substitution of another bank or trust company to act as Escrow Agent under this Escrow Agreement may occur by written agreement of Lessor and Lessee. In addition, Escrow Agent may be removed at any time, with or without cause, by an instrument in writing executed by Lessor and Lessee. In the event of any resignation or removal of Escrow Agent, a successor Escrow Agent will be appointed by an instrument in writing executed by Lessor and Lessee. Such successor Escrow Agent will indicate its acceptance of such appointment by an instrument in writing delivered to Lessor, Lessee, Lender, and the predecessor Escrow Agent. Thereupon such successor Escrow Agent will, without any further act or deed, be fully vested with all the trusts, powers, rights, duties and obligations of Escrow Agent under this Escrow Agreement, and the predecessor Escrow Agent will deliver all moneys and securities held by it under this Escrow Agreement to such successor Escrow Agent.

11. Escrow Agent incurs no liability to make any disbursements pursuant to this Escrow Agreement except from funds held in the Project Fund. Escrow Agent makes no representations or warranties as to the title to the Project or as to the performance of any obligations of Lessor or Lessee.

12. Escrow Agent makes no representation or admission and assumes no responsibility respecting the ownership, validity, genuineness or value of the fund, instruments, documents, matters or things, or any endorsement or assignment thereof, mentioned in this Escrow Agreement and the transaction between Lessee and its contractors relating to the Project.

13. Escrow Agent will be liable as a depository only and will not be responsible for the sufficiency or accuracy of the form, execution or validity of the documents herein referred to or deposited hereunder, nor will it be liable in any respect on account of the identity, authority or rights of the persons executing or delivering, or purporting to execute or deliver any such document, paper, matter or thing.

14. The decision of Escrow Agent reached by it in good faith by its officer and/or counsel that the stipulations in this Escrow Agreement have been complied with or not complied with will be binding upon the parties to this Escrow Agreement and upon all persons interested in the Project Fund, instrument, documents, matters or things, and Escrow Agent will not be liable for any loss, expense, claim or damage that may result or be claimed to result to any such part(ies) by reason of this Escrow Agreement acting upon the basis of such decision.

15. Escrow Agent is under no obligation whatsoever to superintend or monitor the Project.

16. Lessee, to the extent permitted by law, will indemnify and hold Escrow Agent harmless from any and all loss or damage of whatsoever kind and from any suits, claims or demands, including Escrow Agent's reasonable legal fees and expenses on account of any matter or thing arising out of this Escrow Agreement or in connection therewith, except for such suits, claims or demands resulting from Escrow Agent's own gross negligence or willful misconduct.

17. Lessee, Lessor and Lender, understand and agree that Escrow Agent is not the agent or representative of either party and this Escrow Agreement will not be construed to make Escrow Agent liable to materialmen, contractors, subcontractors, craftsmen, laborers or others for goods or services delivered or provided by them upon the Project or for debts or claims accruing to Lessee or Lessor against the Project, and it is distinctly understood and agreed that there is no contractual relationship, either express or implied, between Escrow Agent and any materialman, contractor, subcontractor, craftsman, laborer, or any other persons supplying any work, labor or material in the construction of the Project.

18. Lessee will pay any reasonable fee, if any, of Escrow Agent for its services under this Escrow Agreement.

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

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

21. This Escrow Agreement may not be amended except by a written instrument executed by Lessor, Lessee, Lender and Escrow Agent.

22. This Escrow Agreement may be executed in several counterparts, and each counterpart so executed will be an original. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents will be deemed to be authentic and valid counterparts of the original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. The transaction described herein may be conducted and related documents may be stored by electronic means.

23. This written agreement is a final expression of the agreement between the parties hereto and that agreement may not be contradicted by evidence of any prior oral agreement or of a contemporaneous oral agreement between the parties hereto. No unwritten oral agreement between the parties exists.

[Remainder of Page Intentionally Left Blank.]

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

**THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE CITY OF CENTRALIA,
MISSOURI,
as Lessor**

By: _____
Name: David Hoppock
Title: President of the Board of Directors

**CITY OF CENTRALIA, MISSOURI,
as Lessee**

By: _____
Name: Tim Grenke
Title: Mayor

**CENTRAL BANK OF BOONE COUNTY,
as Lender**

By: _____
Name: Mike Watson
Title: Community Bank President

**CENTRAL BANK OF BOONE COUNTY,
as Escrow Agent**

By: _____
Name: Mike Watson
Title: Community Bank President

**EXHIBIT A
TO ESCROW AGREEMENT**

Request No. _____

Date: _____

**WRITTEN REQUEST FOR DISBURSEMENT FROM
PROJECT FUND**

To: Central Bank of Boone County, as Escrow Agent and Lender
Box 678
Columbia, MO 65205
Attn: Mr. Mike Watson, Community Bank President

Ladies and Gentlemen:

Pursuant to **Section 7** of the Escrow Agreement, dated as of November 24, 2015 (the “Escrow Agreement”), among The Industrial Development Authority of the City of Centralia, Missouri (“Lessor”), the City of Centralia, Missouri (“Lessee”), and you, as Lender and as Escrow Agent, Lessee hereby requests payment in accordance with this request and **Section 7** and hereby states and certifies as follows:

(a) All terms in this request are used with the meanings used in that certain Lease Purchase Agreement dated as of November 24, 2015 (the “Lease”), between Lessee and Lessor.

(b) The names of the persons, firms or corporations to whom the payments requested hereby are due, the amounts to be paid and the general classification and description of the Project Costs for which each obligation requested to be paid hereby was incurred are as set forth on **Attachment I** hereto.

(c) The amounts requested either have been paid by Lessee or Lessor, or are justly due to vendors, contractors, subcontractors, materialmen, engineers, architects or other persons (whose names and addresses are stated on **Attachment I** hereto) who have performed necessary and appropriate work or furnished necessary and appropriate materials, equipment or furnishings in the acquisition, construction and installation of the Project.

(d) All such materials, equipment or furnishings have been delivered to, and are located on, the Leased Property.

(e) No part of the amounts requested has been or is being made the basis for the withdrawal of any moneys in any previous or pending request under the Escrow Agreement.

(f) The amount remaining to be paid from the Project Fund will, after payment of the amounts requested, be sufficient to pay all remaining Project Costs necessary to complete the acquisition, construction and installation of the Project in accordance with any related construction contract and Lessee’s estimate of cost of work not under contract, if any, all in accordance with the plans and specifications for the Project.

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

(h) There has not been filed with or served upon Lessee any notice of any lien, right to a lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts requested which has not been released or will not be released simultaneously with the payment of such obligation.

(i) Each of Lessee's representations contained in the Lease is true, correct and not misleading as though made as of the date hereof.

(j) No event exists that constitutes, or with the giving of notice of the passage of time or both would constitute, an Event of Default under the Lease.

(k) Invoices, statements, vouchers or bills for the amounts requested are attached hereto.

CITY OF CENTRALIA, MISSOURI

By: _____
(City Representative)

Name: _____

Title: _____

Approved by:

CENTRAL BANK OF BOONE COUNTY, as Lender

By: _____

Name: _____

Title: _____

ATTACHMENT I
TO WRITTEN REQUEST FOR DISBURSEMENT
FROM PROJECT FUND

SCHEDULE OF PAYMENTS REQUESTED

<u>Payee and Address</u>	<u>Amount</u>	<u>Description</u>
--------------------------	---------------	--------------------

**EXHIBIT B
TO ESCROW AGREEMENT**

FORM OF COMPLETION CERTIFICATE

To: Central Bank of Boone County, as Escrow Agent and Lender
Box 678
Columbia, MO 65205
Attn: Mr. Mike Watson, Community Bank President

Re: Lease Purchase Agreement, dated as of November 24, 2015 (the "Lease"), between The Industrial Development Authority of the City of Centralia, Missouri, as lessor ("Lessor"), and the City of Centralia, Missouri, as lessee ("Lessee")

Ladies and Gentlemen:

Pursuant to **Section 8** of the Escrow Agreement dated as of November 24, 2015 (the "Escrow Agreement"), among Lessor, Lessee and Central Bank of Boone County, as Escrow Agent and as Lender, the undersigned hereby certifies (a) all terms in this certificate are used with the meanings used in the Escrow Agreement, (b) the Project was completed on _____, 20__, (c) all other facilities necessary in connection with the Project have been acquired, constructed and installed, (d) the Project and such other facilities have been acquired, constructed and installed in accordance with their plans and specifications and in conformance with all applicable zoning, planning, building, environmental and other similar governmental regulations, (e) each of Lessee's representations contained in the Lease is true, correct and not misleading as though made as of the date hereof, (f) no event exists that constitutes, or with the giving of notice of the passage of time or both would constitute, an Event of Default thereunder, and (g) all Project Costs have been paid. This certificate is given without prejudice to any rights of Lessee that now exist or may subsequently come into being against third parties.

Date: _____, 20__.

CITY OF CENTRALIA, MISSOURI

By: _____
(City Representative)

Name: _____

Title: _____

DRAFT

TAX COMPLIANCE AGREEMENT

Dated as of November 24, 2015

Between

**THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF CENTRALIA, MISSOURI,**

And

CITY OF CENTRALIA, MISSOURI

\$2,390,000

**PUBLIC FACILITIES LEASE REVENUE BOND
(CITY OF CENTRALIA, MISSOURI, PROJECTS)
SERIES 2015**

TAX COMPLIANCE AGREEMENT

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Exhibit B - IRS Form 8038-G

Exhibit C - Resolution of Official Intent

Exhibit D - Description of the Financed Facility and Summary of Final Written Allocation for the Original Obligations

Exhibit E – Form of Annual Compliance Checklist

Exhibit F – Sample Final Written Allocation

* * *

TAX COMPLIANCE AGREEMENT

THIS TAX COMPLIANCE AGREEMENT (the “Tax Agreement”), entered into as of November 24, 2015, between **THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF CENTRALIA, MISSOURI**, a public corporation organized and existing under the laws of the State of Missouri (the “Authority”) and the **CITY OF CENTRALIA, MISSOURI**, a political subdivision organized and existing under the laws of the State of Missouri (the “City”).

RECITALS

1. This Tax Agreement is being executed and delivered in connection with the issuance by the Authority of its Public Facilities Lease Revenue Bond (City of Centralia, Missouri, Projects), Series 2015 in the original principal amount of \$2,390,000 (the “Bond”), payable to Central Bank of Boone County (the “Lender), and a Lease Purchase Agreement of even date herewith (the “Lease”), between the Authority, as grantor and lessor, and the City, as grantee and lessee, for the purposes described in this Tax Agreement, the Bond, 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 Bond proceeds and of certain other money relating to the Bond and set forth the conditions under which the interest on the Bond will be excluded from gross income for federal income tax purposes.

3. The Authority and the City are entering into this Tax Agreement in order to set forth certain facts, covenants, representations, and expectations relating to the use of Bond proceeds and the property financed or refinanced with those proceeds and the investment of the Bond proceeds and of certain other related money, in order to establish and maintain the exclusion of the interest on the Bond from gross income for federal income tax purposes.

4. The Authority adopted a Tax and Disclosure Compliance Procedure on November 16, 2015 (the “Tax Compliance Procedure”), for the purpose of setting out general procedures for the City to continuously monitor and comply with the federal income tax requirements set out in the Code and the Regulations.

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

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, covenants and agreements set forth in this Tax Agreement, the Authority and the City 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 Bond, and certain other words and phrases have the meanings assigned in Code §§ 103, 141-150 and the Regulations. The following words and terms used in this Tax Agreement have the following meanings:

“Annual Compliance Checklist” means a checklist for the Financed Facility 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**.

“Authority” means The Industrial Development Authority of the City of Centralia, Missouri, a Missouri public benefit nonprofit corporation, and its successors and assigns, and any other corporation succeeding to or charged with the powers, duties, and functions of the Authority.

“Base Lease” means the Base Lease of even date herewith, between the City, as grantor, and the Authority, as grantee.

“Bond” means any Bond or Bonds described in the recitals.

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

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

“City” means the City of Centralia, Missouri.

“Escrow Agent” means Central Bank of Boone County, Columbia, Missouri, 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 Escrow Agent under the Escrow Agreement.

“Escrow Agreement” means the Escrow Agreement of even date herewith, among the Authority, the City, the Lender, and the Escrow Agent.

“Final Written Allocation” means the written allocation of expenditures of proceeds of the Original Obligations, a summary of which is set forth on **Exhibit D** and the Final Written Allocation of expenditures prepared by the Bond Compliance Officer in accordance with the Tax Compliance Procedure and **Section 4.2(b)** of this Tax Agreement.

“Financed Facility” means the portion of the Project being financed or refinanced with the proceeds of the Bond and the Original Obligations as described on **Exhibit D**.

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

“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 November 24, 2015.

“Lease” means the Lease Purchase Agreement of even date herewith, between the City, as grantee and lessee, and the Authority, as grantor and lessor.

“Lender” means Central Bank of Boone County, Columbia, Missouri.

“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 Financed Facility or a portion thereof. 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), however, are not treated as Management Agreements.

“Measurement Period” means, with respect to each item of property financed by the New Money Portion as part of the Financed Facility, the period beginning on the later of (i) the Issue Date or (ii) the date the property is placed in service and ending on the earlier of (A) the final maturity date of the Bond or (B) the expected economic useful life of the Financed Facility. With respect to each item of property financed as part of the Financed Facility with proceeds of the Original Obligations, the term “Measurement Period” means the period beginning on the later of (i) the issue date of the Original Obligations or (ii) the date the property was or will be placed in service, and ending on the earlier of (A) the final maturity date of the Bond or (B) the end of the expected economic useful life of the property.

“Minor Portion” means 5% of the sale proceeds of the Bond.

“Net Proceeds” means, when used in reference to the Bond or the New Money Portion, the sale proceeds (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.

“New Money Portion” means the portion of the Bond described in **Section 3.6**.

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

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

“Opinion of Special Tax Counsel” means the written opinion of Gilmore & Bell, P.C. or other nationally recognized firm of special tax counsel. Unless otherwise specifically noted herein an Opinion of Special Tax Counsel must conclude 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 on the Bond from gross income for federal income tax purposes.

“Original Obligations” means the City’s Series 2008 Certificates, which was the first issue of tax-exempt governmental bonds 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 Bond, the use of the Financed Facility and the investment of Gross Proceeds after the Issue Date of the Bond.

“Project” means all of the property acquired, developed, constructed, renovated and equipped by the City using proceeds of the New Money Portion of the Bond and other money contributed by the City as described on **Exhibit D**.

“Project Fund” means the fund by that name established under the Escrow Agreement.

“Proposed Regulations” means the proposed arbitrage regulations REG 106143-07 (published at 72 Fed. Reg. 54606 (Sept. 26, 2007)).

“Qualified Use Agreement” means any of the following:

(1) 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 or the Authority’s governmental purposes.

(2) 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 (a) 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 (b) 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.

(3) 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 (a) 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, (b) 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 (c) 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.

(4) 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 City 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 \$1,555,000 currently outstanding principal amount of the Series 2008 Certificates.

“Refunding Portion” means the sale proceeds of the Bond identified in **Section 3.6** together with the remaining Gross Proceeds of the Bond properly allocable to the refunding of the Refunded Obligation.

“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 Bond.

“Series 2008 Certificates” means the City’s \$1,985,000 original principal amount Certificates of Participation (Recreation Center Projects), Series 2008, issued on August 28, 2008.

“Special Tax Counsel” means Gilmore & Bell, P.C., or other firm of nationally recognized special tax counsel acceptable to the Authority and 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 Authority’s Tax and Disclosure Compliance Procedure and Procedure dated as of November 16, 2015.

“Tax-Exempt Bond File” means documents and records for the Bond, the Refunded Obligations 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 issuance of the Bond.

“Yield” means yield on the Bond, 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 Authority. The Authority represents and covenants as follows:

(a) *Organization and Authority.* The Authority (1) is a public corporation duly organized and existing under the laws of the State of Missouri, and (2) has lawful power and authority to issue the Bond for the purposes described herein, to enter into, execute and deliver the Bond, the Lease, the Base Lease, the Escrow Agreement and this Tax Agreement and to carry out its obligations under this Tax Agreement and under such documents, and (3) by all necessary action has been duly authorized to execute and deliver the Bond, the Lease, the Base Lease, the Escrow Agreement and this Tax Agreement, acting by and through its duly authorized officials.

(b) *Tax-Exempt Status of Bond—General Representation and Covenants.* In order to maintain the exclusion of the interest on the Bond 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 Bond proceeds, other money held in the Project Fund under the Escrow Agreement, 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 any portion of the Bond to become a “private activity bond” as defined in Code § 141.

(c) *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 Authority and the City contained in this Tax Agreement or otherwise provided by the Authority and the City. Special Tax Counsel will sign the return as a paid preparer following completion and will then deliver a copy to the Authority for execution and for the Authority’s records. The Authority 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” copy along with proof of filing will be included as **Exhibit B**.

(d) *Registered Bond.* Pursuant to its terms, the Bond will be issued and held in registered form within the meaning of Code § 149(a), or is not a “registration required bond” as that term is used in Code § 149(a).

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

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

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

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

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

(h) *Authority Reliance on Other Parties.* The expectations, representations and covenants of the Authority described in this Tax Agreement and other matters are based in whole or in part upon covenants, representations and certifications of the City and other parties set forth in this Tax Agreement or exhibits to this Tax Agreement. Although the Authority has made no independent investigation of the representation of other parties, the Authority is not aware of any facts or circumstances that would cause it to question the accuracy or reasonableness of any representation made in this Tax Agreement or exhibits to this Tax Agreement.

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

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

(b) *Tax-Exempt Status of Bond—General Representation and Covenants.* In order to maintain the exclusion of the interest on the Bond 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 Bond proceeds, 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 Bond to become a “private activity bond” as defined in Code § 141.

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

(d) *Governmental Obligations—Private Security or Payment.* As of the Issue Date, the City expects that none of the principal and interest on the Bond will be (under the terms of the Bond or any underlying arrangement), and the payment of principal of and interest on the Refunded Obligation and on all other obligations which directly or indirectly refinanced the Original Obligations has not been (under the terms of the Bond or any underlying arrangement), directly or indirectly:

(1) secured by (i) any interest in property used or to be used for a private business use, or (ii) 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 private business 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 Bond without first obtaining an Opinion of Special Tax Counsel.

(e) *No Private Loan.* Not more than 5% of the Net Proceeds of the Bond 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 or renew any Management Agreement with any Non-Qualified User without first obtaining an Opinion of Special Tax Counsel.

(g) *Leases.* As of the Issue Date, other than the Lease and the Base Lease, the City has not entered into any subleases or other use agreements with respect to any portion of the Financed Facility other than Qualified Use Agreements. During the Measurement Period, the City will not enter into or renew any lease or similar agreement or arrangement other than a Qualified Use Agreement without first obtaining an Opinion of Special Tax Counsel.

(h) *Limit on Maturity of Bond.* 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 D**. Based on this computation, the “average maturity” of the Bond, 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. The “average maturity” of the Bond, as computed by Special Tax Counsel, does not exceed the average reasonably expected economic life of the Financed Facilities, as such terms are used in Code § 147(b).

(i) *Expenditure of Bond Proceeds.*

(1) Reimbursement of Expenditures; Official Intent. On October 19, 2015, the governing body of the City adopted a resolution declaring the intent of the City to finance the New Money Portion of the Financed Facility with tax-exempt obligations and to reimburse the City for expenditures made for the New Money Portion of the Financed Facility prior to the issuance of such obligations. A copy of the resolution is attached to this Tax Agreement as **Exhibit C**. No portion of the Net Proceeds of the New Money Portion of the Bond will be used to reimburse an expenditure paid by the City prior to the Issue Date. The City will evidence each allocation of the proceeds of the New Money Portion of the Bond to an expenditure in writing. No reimbursement allocation will be made for an expenditure made more than 3 years before the date of the reimbursement allocation. In addition no reimbursement allocation will be made more than 18 months following the later of (1) the date of the expenditure or (2) the date the Financed Facility was placed in service.

(2) Final Allocation of Bond Proceeds to Expenditures. The City understands that, under Regulations § 1.148-6(d), the City is required to account for the allocation of the New Money Portion of the Bond proceeds to Project expenditures (including expenditures made before

and after the Issue Date of the Bond) within 18 months after the later of (A) the date the expenditure is made, or (B) the date the Project is placed in service, and in any event not later than the date that is 60 days after the fifth anniversary of the Issue Date or the date the Bond is retired, if earlier (a “Final Written Allocation”). The City will maintain accurate records of all expenditures made for the Project, including the amount, the date paid, a description of the purpose, and the source of funds (whether Bond proceeds or other money) allocated to each Project expenditure. Not later than the time limit set forth above, the City will prepare a Final Written Allocation, showing the allocation of Bond proceeds and other money to all Project costs and identifying the Financed Facility, and will maintain the Final Allocation in its books and records in accordance with **Section 4.2**. The City reserves the right to make modifications to the expected allocation of Bond proceeds and other money for purposes of compliance with the limitations on Non-Qualified Use following completion of the Financed Facility in accordance with, and within the time limits prescribed in, the Regulations. In the absence of such subsequent allocation, the Bond proceeds will be deemed allocated as shown on **Exhibit D**.

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

(k) *Hedge Bond.* At least 85% of the net sale proceeds of the New Money Portion of the Bond will be used to carry out the governmental purpose of the New Money Portion of the Bond within three years after the Issue Date, and not more than 50% of the proceeds of the New Money Portion of the Bond will be invested in Investments having a substantially guaranteed Yield for four years or more. At least 85% of the net sale proceeds of the Original Obligations were used to carry out the governmental purpose of the Original Obligations within three years after the issue date of the Original Obligations, and not more than 50% of the proceeds of the Original Obligations were invested in Investments having a substantially guaranteed Yield for four years or more.

(l) *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 on the Bond from gross income for federal income tax purposes.

(m) *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 Bond. The City will not enter into any such arrangement in the future without obtaining an Opinion of Special Tax Counsel.

(n) *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 Bond. The City will be responsible for complying with the requirements set forth in **Section 4.4(d)** if it decides to enter into a Guaranteed Investment Contract at a later date.

(o) *Bank Qualified Tax-Exempt Obligation.* The City acknowledges that the Authority has designated the Bond as a “qualified tax-exempt obligation” under Code § 265(b)(3). To support the validity of this designation, the City certifies as follows:

(1) the City reasonably anticipates that the amount of tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) that will be issued by or on

behalf of the City (and all subordinate entities of the City) during the calendar year that the Bond is executed and delivered, including the Bond, will not exceed \$10,000,000; and

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

Section 2.4. Survival of Representations and Covenants. All representations, covenants and certifications of the Authority and the City contained in this Tax Agreement or in any certificate or other instrument delivered by the Authority and the City under this Tax Agreement, will survive the execution and delivery of such documents and the issuance of the Bond, 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 Bond.

ARTICLE III

ARBITRAGE CERTIFICATIONS AND COVENANTS

Section 3.1. General. The purpose of this **Article III** is to certify, under Regulations § 1.148-2(b), the Authority’s and the City’s expectations as to the sources, uses and investment of Bond proceeds and other money, in order to support the Authority’s and the City’s conclusion that no portion of the Bond is an arbitrage bond. The person executing this Tax Agreement on behalf of the Authority is a director of the Authority, and the person executing this Tax Agreement on behalf of the City is an officer of the City.

Section 3.2. Reasonable Expectations. The facts, estimates and expectations set forth in this **Article III** are based upon and in reliance upon the Authority’s and 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 Authority’s and the City’s knowledge, the facts and estimates set forth in this Tax Agreement are accurate, and the expectations of the Authority and the City set forth in this Tax Agreement are reasonable. Neither the Authority nor the City has any 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 Bond is being issued for the purpose of providing funds to (a) refund the Refunded Obligation, (b) finance the cost of the Project and (c) pay certain costs of issuance relating thereto. The purpose of the refunding of the Refunded Obligations is to achieve debt service savings and to provide for an orderly plan of finance.

Section 3.4. Project Fund. The Project Fund has been established under the Escrow Agreement in connection with the issuance of the Bond.

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

(a) *Amount of Bond Proceeds.* The total proceeds to be received by the Authority from the sale and assignment of the Bond will be as follows: \$2,390,000.00.

(b) *Use of Bond Proceeds.* Proceeds of the Bond and other amounts are expected to be allocated to expenditures as follows:

(i) \$55,410.00 of Bond proceeds will be used to pay costs of issuance relating to the issuance of the Bond, including the origination fee.

(ii) \$1,433,243.75 of Bond proceeds, together with \$162,112.50 of money in the reserve fund for the Refunded Obligations, will be used to prepay the Refunded Obligations on the Issue Date.

(iii) \$901,346.25 of Bond proceeds will be deposited in the Project Fund and used to pay costs of the Financed Facility.

Section 3.6. Multipurpose Issue. Pursuant to Regulations § 1.148-9(h), the Authority and the City are applying the arbitrage rules to separate financing purposes of the issue that have the same initial temporary period as if they constitute a single issue for purposes of applying the arbitrage rules. Under Regulations § 1.148-9(h), the Bond will be treated as two separate issues (a New Money Portion and a Refunding Portion for purposes of applying certain of the arbitrage restrictions under Code § 148. The sale proceeds of the Bond allocable to the Refunding Portion is \$1,465,000.00. The sale proceeds of the Bond allocable to the New Money Portion is \$925,000.00.

Section 3.7. No Advance Refunding. No proceeds of the Bond will be used more than 90 days following the Issue Date to pay principal or interest on any other debt obligation.

Section 3.8. Current Refunding.

(a) *Proceeds Used For Current Refunding.* Proceeds of the Bond will be used to pay principal and interest on the Refunded Obligation. All such proceeds shall be spent on the Issue Date.

(b) *Transferred Proceeds.* As of the Issue Date the following unspent proceeds of the Refunded Obligations remain: approximately \$162,112.50 in the reserve fund for the Refunded Obligations. This amount will be spent on March 15, 2016 to refund the Refunded Obligations. Therefore, as of March 15, 2016, there will be no transferred proceeds of the Bonds.

Section 3.9. Project Completion – New Money Portion. The City, on behalf of the Authority, has incurred, or will incur within six months after the Issue Date, a substantial binding obligation to a third party to spend at least 5% of the Net Proceeds of the New Money Portion of the Bond on the Financed Facility. The completion of the Financed Facility and the allocation of the Net Proceeds of the New Money Portion of the Bond to expenditures will proceed with due diligence. At least 85% of the Net Proceeds of the New Money Portion of the Bond will be allocated to expenditures on the Financed Facility within three years after the Issue Date.

Section 3.10. No Sinking Funds. No sinking fund or other similar fund that is expected to be used to pay debt service on the Bond has been established or is expected to be established.

Section 3.11. Reserve, Replacement and Pledged Funds.

(a) *No Debt Service Reserve Fund.* No reserve or replacement fund has been established with respect to the Bond.

(b) *No Other Replacement or Pledged Funds.* None of the Bond 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 Obligation, and that instead has been or will be used to acquire higher yielding Investments. Neither the City nor the Authority has established or expects to establish any separate funds with respect to the Bond or that are otherwise pledged or committed in a manner that provides a reasonable assurance that such funds would be available for payment of the principal of or interest on the Bond if the Authority or the City encounters financial difficulty.

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

Section 3.13. Offering Price and Yield on the Bond.

(a) *Offering Price.* In the Investment Letter included as a part of the Transcript, the Lender has certified that it has purchased the Bond as principal for its own account and has not acted as agent for any person or entity. As of the Issue Date, the Lender has not sold and has no present intention to sell any portion of the Bond to any person. The aggregate initial offering price of the Bond is \$2,390,000, without accrued interest.

(b) *Yield.* Based on the offering price above, the Yield on the Bond is 3.6904515%, as computed by Special Tax Counsel and shown on **Exhibit A**. Neither the Authority nor the City has entered into an interest rate swap agreement with respect to any portion of the proceeds of the Bond.

Section 3.14. Miscellaneous Arbitrage Matters.

(a) *No Abusive Arbitrage Device.* The Bond is not and will not be part of a transaction or series of transactions that has the effect of (1) enabling the Authority or 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 Bond, together with expected Investment earnings thereon and other money contributed by the Authority or the City, do not exceed the cost of the governmental purpose of the Bond as described above.

Section 3.15. Conclusion. On the basis of the facts, estimates and circumstances set forth in this Tax Agreement, neither the Authority nor the City expect that the Bond proceeds will be used in a manner that would cause any portion of the Bond to be an “arbitrage bond” within the meaning of Code § 148 and the Regulations.

ARTICLE IV

POST-ISSUANCE TAX COMPLIANCE REQUIREMENTS POLICIES AND PROCEDURES

Section 4.1. General.

(a) *Purpose of Article.* The purpose of this **Article IV** is to supplement the Tax Compliance Procedure and to set out specific policies and procedures governing compliance with the federal income tax requirements for the Bond that apply after the Bond is issued. The Authority and the City recognize that the interest on the Bond will remain excludable from gross income only if the Post-Issuance Tax Requirements are followed after the Issue Date. The Authority and the City further acknowledge that written evidence substantiating compliance with the Post-Issuance Tax Requirements must be retained in order to permit the Bond to be refinanced with tax-exempt obligations and substantiate the position that the interest on the Bond is exempt from gross income in the event of an audit of the Bond by the IRS.

(b) *Written Policies and Procedures.* The Authority is issuing the Bond on behalf of the City. The Authority was formed and will be controlled by the City during the term of the Bond. The Authority and the City have each adopted tax compliance procedures and the City agrees to act as the Authority's agent for monitoring compliance with the Post Issuance Tax Requirements for tax-exempt obligations issued by the Authority. The Authority and the City intend for the Tax Compliance Procedure, as supplemented by this Tax Agreement, to be the primary written policies and procedures for monitoring compliance with the Post-Issuance Tax Requirements for the Bond and to supplement any other formal policies and procedures related to the Post-Issuance Tax Requirements that the Authority or 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 Authority, when necessary to fulfill the Post-Issuance Tax Requirements, will, through the 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 Bond or related proceedings under a voluntary compliance agreement procedures (VCAP) or undertake a remedial action procedure pursuant to Regulations § 1.141-12. In each case, all costs and expenses incurred by the Authority shall be treated as a reasonable cost of administering the Bond or the Lease, and the Authority shall be entitled to reimbursement and recovery of its costs by the City to the same extent as provided in the Lease or State law.

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

(a) *Record Keeping.* The Bond Compliance Officer will maintain the Tax-Exempt Bond File for the Bond in accordance with the Tax Compliance Procedure. Unless otherwise specifically instructed in a written Opinion of Special Tax Counsel or to the extent otherwise provided in this Tax Agreement, the Bond Compliance Officer shall retain records related to the Post-Issuance Tax Requirements until 3 years following the final maturity of (i) the Bond or (ii) any obligation issued to refinance the Bond. Any records maintained electronically must comply with Section 4.01 of Revenue Procedure 97-22, which generally provides that an electronic storage system must (1) ensure an accurate and complete transfer of the hardcopy records which indexes, stores, preserves, retrieves and reproduces the electronic records, (2) include reasonable controls to ensure integrity, accuracy and reliability of the electronic storage system and to prevent unauthorized alteration or deterioration of electronic records, (3) exhibit a high degree of legibility and readability both electronically and in hardcopy, (4) provide support for other books and

records of the City and (5) not be subject to any agreement that would limit the ability of the IRS to access and use the electronic storage system on the Authority's premises.

(b) *Accounting and Allocation of Bond Proceeds to Expenditures.* The Bond Compliance Officer will account for the investment and expenditure of the proceeds of the New Money Portion of the Bond in the level of detail required by the Tax Compliance Procedure. The Bond Compliance Officer will supplement the expected allocation of the New Money Portion to expenditures with a Final Written Allocation as required by the Tax Compliance Procedure. A sample form of Final Written Allocation is attached as **Exhibit F**. Proceeds of the Refunding Portion of the Bond and other money will be used as described in **Sections 3.5, 3.7 and 3.8**. The Bond Compliance Officer will maintain accounting records showing the investment and expenditure of this money as part of the Tax-Exempt Bond File. The Bond Compliance Officer has prepared written substantiation records of the allocation of proceeds of the Original Obligations to the Financed Facility. This allocation is summarized on **Exhibit D** and is intended to constitute the Final Written Allocation for the Original Obligations.

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

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

Section 4.3. Investment Yield Restriction. Except as described below, neither the Authority nor the City will invest Gross Proceeds at a Yield greater than the Yield on the Bond:

(a) *Project Fund.* Bond proceeds remaining in the Project Fund after payment of the Refunded Obligation on the Issue Date, and Investment earnings on those proceeds may be invested without Yield restriction for up to three years following the Issue Date. If any unspent proceeds remain in the Project Fund after three years, those amounts may continue to be invested without Yield restriction so long as the Authority or the City pays to the IRS all Yield reduction payments in accordance with Regulations § 1.148-5(c). These payments are required whether or not the Bond is exempt from the arbitrage rebate requirements of Code § 148.

(b) *Proceeds Allocable to a Current Refunding.* Bond proceeds 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) *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 Authority and the City are applying Regulations § 1.148-5(d)(6)(iii)(A) as amended by the Proposed Regulations (relating to electronic bidding of Guaranteed Investment Contracts) to the Bond. 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 Authority, the City or the Escrow Agent 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.

(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 Authority, the City, the Escrow Agent 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 Authority, the City, the Escrow Agent 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 Authority's and 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. For example, no potential provider is given the opportunity to review other bids (*i.e.*, a last look) before providing a bid.

(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 Authority, the City and the Escrow Agent retain the following records with the Lease documents until three years after the Bond is prepaid:

(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 Authority, the City or the Escrow Agent, and the certification as to fees paid, described in paragraph (d)(4) above.

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

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

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

(1) at least three bids on the Investment must be received from persons with no financial interest in the Bond (*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 Certain Gross Proceeds Exempt from the Rebate Requirement.

(a) *The New Money Portion Qualifies as a Rebate-Exempt Small Issue.*

(1) the Authority is issuing the Bond on behalf of the City which is a governmental unit under State law with general taxing powers;

(2) the City reasonably believes and hereby irrevocably agrees that it will receive benefits from the Financed Facility commensurate with the \$2,390,000 original principal amount of the Bond;

(3) the City hereby irrevocably allocates \$2,390,000 principal amount of its 2015 calendar year \$5,000,000 small-issuer rebate exception under Code § 148(f)(4)(D)(i) and (iv) to the Authority;

(4) the Bond is not a “private activity bond” as defined in Code § 141;

(5) 95% or more of the Net Proceeds of the New Money Portion of the Bond are to be used for local governmental activities of the Authority and the City;

(6) the aggregate face amount of all tax-exempt bonds (other than private activity bonds) to be issued by the Authority and the City during the current calendar year is not reasonably expected to exceed \$5,000,000. The Authority and the City understand that, for this purpose; (a) the Authority and the City and all entities which issue bonds on behalf of the City are treated as one issuer; (b) all bonds issued by an entity subordinate to the City such as the Authority are treated as issued by the City; and (c) bonds issued by the City or the Authority to currently refund any other bond are not taken into account to the extent that the amount of the refunding bonds does not exceed the outstanding amount of the refunded obligations;

(b) *Refunding Portion Rebate Instructions.* All of the sale proceeds of the Refunding Portion will be used on the Issue Date to refund the Refunded Obligations and to pay an allocable share of the costs of issuance. No separate sinking, debt service, pledge, reserve, or other similar fund or account has been or is expected to be established for the Bond. Therefore, the Authority and the City expect that the

Refunding Portion will qualify for the six-month spending exception (Code § 148(f)(4)(B) and Regulations § 1.148-7(c)).

(c) *Conclusion.* Based on these certifications, Special Tax Counsel has advised the Authority and the City that (i) the New Money Portion of the Bond is exempt from the arbitrage rebate requirements of Code § 148(f), under the small-issuer exception set forth in Code § 148(f)(4)(D), and (ii) the Refunding Portion of the Bond is subject to the arbitrage rebate requirements of Code § 148(f), but a rebate calculation is not necessary for the Bond so long as the certifications and expectations made as of the Issue Date and contained in **Section 4.5** remain accurate after the Issue Date. If the certifications contained in **Section 4.5** are inaccurate, the Authority or the City will engage Special Tax Counsel, an independent certified public accountant or a rebate analyst to compute arbitrage rebate on the Bond and to pay rebate to the United States at least once every five years, and within 60 days after the discharge of the Bond, in accordance with Code § 148(f).

(d) *Filing Requirements.* The Authority or the City will file or cause to be filed with the IRS such reports or other documents as are required by the Code in accordance with an Opinion of Special Tax Counsel.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.1. Term of Tax Agreement. This Tax Agreement will be effective concurrently with the issuance of the Bond and will continue in force and effect until the principal, redemption premium, if any, and interest on the Bond have been fully paid and the Bond is cancelled; provided that, the provisions of **Article IV** of this Tax Agreement 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.

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 the Lender, 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 on the Bond to be included in gross income for federal income tax purposes. No such amendment will become effective until the Authority and the City receive this Opinion of Special Tax Counsel.

Section 5.3. Opinion of Special Tax Counsel. The Authority and the City 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 interest on the Bond from gross income for federal income tax purposes. The Authority and the City will comply with any further or different instructions provided in an Opinion of Special Tax Counsel to the effect that the further or different instructions need to be complied with in order to maintain the validity of the Bond and the exclusion from gross income of interest on the Bond.

Section 5.4. Reliance. In delivering this Tax Agreement, the Authority and the City are making only those certifications, representations and agreements as are specifically attributed to them in this Tax Agreement. Neither the Authority nor the City 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 Bond and the exclusion from federal gross income of the interest on the Bond.

Section 5.5. Severability. If any provision in this Tax Agreement or in the Bond 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 Authority and the City and their respective successors and assigns, and inures to the benefit of the parties to this Tax Agreement. Nothing in this Tax Agreement or in the Escrow Agreement, the Lease, the Base Lease, or the Bond, express or implied, gives to any person, other than the parties to this Tax Agreement, and their successors and assigns, 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 may be pursued by the Lender 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 stored, by electronic means.

[Remainder of page intentionally left blank.]

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

**THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE CITY OF CENTRALIA,
MISSOURI**

By: _____
Title: President of the Board of Directors

CITY OF CENTRALIA, MISSOURI

By: _____
Title: Mayor

Acknowledged by the Bond Compliance Officer:

City Administrator
City of Centralia, Missouri

EXHIBIT A

**DEBT SERVICE SCHEDULE, PROOF OF YIELD
AND
COMPUTATION OF WEIGHTED AVERAGE MATURITY**

EXHIBIT B

IRS FORM 8038-G

[to be provided]

ATTACHMENT TO IRS FORM 8038-G:

**\$2,390,000
PUBLIC FACILITIES LEASE REVENUE BOND
(CITY OF CENTRALIA, MISSOURI, PROJECTS)
SERIES 2015**

PART II: Type of Issue

Line 11-18 Users of Bond Proceeds:

Form 8038-G Line Number	User Name	Employer Identification Number	Governmental or Nongovernmental Entity	Summary of Use
18	City of Centralia, Missouri	43-6000692	Governmental	Recreational Center and Swimming Pool

EXHIBIT C

RESOLUTION OF OFFICIAL INTENT

EXHIBIT D

DESCRIPTION OF THE FINANCED FACILITY

New Money Portion of Bond:

Description	Year Placed in Service	Estimated Useful Life	Total Cost	Amount Financed From New Money Portion of Bond
City's community swimming pool	2016	20 years	\$900,000	\$900,000

Refunding Portion of Bond:

Description	Year Placed in Service	Estimated Useful Life	Total Cost	Amount Financed From Original Obligations	Issue Date of Original Obligation
Community Recreation Center	2009	40 years	\$1,835,051	\$1,735,051	8/28/2008

EXHIBIT E

FORM OF ANNUAL COMPLIANCE CHECKLIST

Name of tax-exempt bonds (“Bonds”) financing the Financed Facility:	\$2,390,000 The Industrial Development Authority of the City of Centralia, Missouri Public Facilities Lease Revenue Bond (City of Centralia, Missouri, Projects) Series 2015
Issue Date of Bonds:	November 24, 2015
Name of Bond Compliance Officer:	_____
Period covered by request (“Annual Period”):	_____

Description of Financed Facility:

(Bond: in lieu of completing the table below, the City may attach a copy of the Preliminary Cost Allocation or Final Written Allocation, as may be updated from time to time)

Description	Actual Date Placed in Service	Estimated Useful Life	Actual Total Cost	Actual Amount Financed From Bonds
Community Recreation Center	2009	40 years	\$1,835,051	\$1,735,051
City’s community swimming pool	2016	20 years		\$900,000

Item	Question	Response
1 Ownership	For federal income tax purposes, were all of the Financed Facilities owned by the City during the entire Annual Period?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was “No,” was an Opinion of Special Tax Counsel obtained prior to the transfer? If Yes, include a copy of the Opinion in the Tax-Exempt Bond File. If No, contact Special Tax Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

2 Leases & Other Rights to Possession	During the Annual Period, was any portion of any Financed Facility subleased at any time pursuant to a lease or similar agreement for more than 50 days (i.e., did the City lease space in the building to any third party)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
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	<p>If answer above was “Yes,” was an Opinion of Special Tax Counsel obtained prior to entering into the lease or other arrangement?</p> <p>If Yes, include a copy of the Opinion in the Tax-Exempt Bond File.</p> <p>If No, contact Special Tax Counsel and include description of resolution in the Tax-Exempt Bond File.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
3 Management or Service Agreements	<p>During the Annual Period, has the management of all or any part of the operations of any Financed Facility been assumed by or transferred to another entity?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<p>If answer above was “Yes,” was an Opinion of Special Tax Counsel obtained prior to entering into the management agreement?</p> <p>If Yes, include a copy of the Opinion in the Tax-Exempt Bond File.</p> <p>If No, contact Special Tax Counsel and include description of resolution in the Tax-Exempt Bond File.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No

4 Other Use	<p>Was any other agreement entered into with an individual or entity that grants special legal rights (leases, management agreements, etc.) to all or any portion of a Financed Facility?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<p>If answer above was “Yes,” was an Opinion of Special Tax Counsel obtained prior to entering into the agreement?</p> <p>If Yes, include a copy of the Opinion in the Tax-Exempt Bond File.</p> <p>If No, contact Special Tax Counsel and include description of resolution in the Tax-Exempt Bond File.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No

5 Arbitrage & Yield Reduction Calculation	<p>Has the Authority or City set aside money in any fund or account in excess of an amount needed to pay debt service on the Bond within the next 12 months (i.e. more than one year of debt service is pre-funded)?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<p>If Yes, contact Special Tax Counsel and incorporate report or include description of resolution in the Tax-Exempt Bond File.</p>	

Bond Compliance Officer: _____
Date Completed: _____

EXHIBIT F

SAMPLE FINAL WRITTEN ALLOCATION

\$2,390,000

**THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF CENTRALIA, MISSOURI
PUBLIC FACILITIES LEASE REVENUE BOND
(CITY OF CENTRALIA, MISSOURI, PROJECTS)
SERIES 2015**

The undersigned is the Bond Compliance Officer of the City of Centralia, Missouri (the “City”), and in that capacity is authorized to execute federal income tax returns required to be filed by the City and to make appropriate elections and designations regarding federal income tax matters on behalf of the City. This allocation of the proceeds of the tax-exempt obligation referenced above (the “Bond”) is necessary for the City to satisfy ongoing reporting and compliance requirements under federal income tax laws.

Purpose. This document, together with the schedules and records referred to below, is intended to memorialize allocations of Bond proceeds to expenditures for purposes of §§ 141 and 148 of the Internal Revenue Code (the “Code”). All allocations are or were previously made no later than 18 months following the date the expenditure was made by the City or, if later, the date the “project” was “placed in service” (both as defined below), and no later than 60 days following the 5th anniversary of the issue date of the Bond.

Background. The Bond was issued on November 24, 2015 (the “Issue Date”), by The Industrial Development Authority of the City of Centralia, Missouri, a Missouri public corporation and subordinate entity of the City (the “Authority”). The Bond was issued in order to provide funds to (i) refinance the Series 2008 Certificates that financed the City’s Community Recreation Center, and (ii) finance improvements to the City’s community swimming pool in Centralia, Missouri (the “Project”). Proceeds of the Bond were deposited to the Project Fund (as defined in the Tax Compliance Agreement).

Sources Used to Fund Project Costs and Allocation of Bond Proceeds to Project Costs. A portion of the costs of the Project were paid from sale proceeds of the Bond and the remaining portion of the costs of the Project was paid from earnings from the investment of Bond proceeds and from other money of the City as shown on **Schedule 1** to this Final Written Allocation.

Identification of Financed Facility. The portions of the Project financed from Bond proceeds (i.e., the “Financed Facility” referenced in the Tax Compliance Agreement) are listed on page 1 of **Schedule 2** to this Final Written Allocation.

Identification and Timing of Expenditures for Arbitrage Purposes. For purposes of complying with the arbitrage rules, the City allocates the proceeds of the Bond to the various expenditures described in the invoices, requisitions or other substantiation attached as **Schedule 2** to this Final Written Allocation. In each case, the cost requisitioned was either paid directly to a third party or reimbursed the City for an amount it had previously paid or incurred. Amounts received from the sale of the Bond and retained as purchaser’s discount are allocated to that purpose and spent on the Issue Date. Amounts allocated to interest expense are treated as paid on the interest payment dates for the Bond.

Placed In Service. The Project was “placed in service” on the date set out on **Schedule 2** to this Final Written Allocation. For this purpose, the assets are considered to be “placed in service” as of the date on which, based on all the facts and circumstances: (1) the constructing and equipping of the asset

has reached a degree of completion which would permit its operation at substantially its design level; and (2) the asset is, in fact, in operation at that level.

This allocation has been prepared based on statutes and regulations existing as of this date. The City reserves the right to amend this allocation to the extent permitted by future Treasury Regulations or similar authorities.

CITY OF CENTRALIA, MISSOURI

By: _____

Title: _____

Dated: _____

Name of Legal Counsel/Law Firm Reviewing Final Written Allocation:

Date of Review: _____

**SCHEDULE 1
TO FINAL WRITTEN ALLOCATION**

ALLOCATION OF SOURCES AND USES

**SCHEDULE 2
TO FINAL WRITTEN ALLOCATION**

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

[Attach Spreadsheet after Project is completed.]

(Space above reserved for Recorder's use)

TITLE OF DOCUMENT:	LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT AND ASSIGNMENT OF RENTS AND LEASES
DATE OF DOCUMENT:	NOVEMBER 24, 2015
GRANTOR:	THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF CENTRALIA, MISSOURI
GRANTOR'S MAILING ADDRESS:	114 South Rollins Street Centralia, MO 65240 Attention: President of the Board of Directors
GRANTEE:	CENTRAL BANK OF BOONE COUNTY
GRANTEE'S MAILING ADDRESS:	Box 678 Columbia, Missouri 65205 Attention: Mike Watson
RETURN DOCUMENTS TO:	Central Bank of Boone County Box 678 Columbia, Missouri 65205 Attention: Mike Watson
LEGAL DESCRIPTION:	See Exhibit A
BOOK AND PAGE OF SOURCE OF TITLE:	N/A

THIS LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT AND ASSIGNMENT OF RENTS AND LEASES SECURES, AMONG OTHER THINGS, FUTURE ADVANCES AND FUTURE OBLIGATIONS AND IS A SECURITY INSTRUMENT GOVERNED BY SECTION 443.055 OF THE REVISED STATUTES OF MISSOURI. THE FACE AMOUNT OF THIS SECURITY INSTRUMENT IS \$2,390,000.00.

**LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT
AND ASSIGNMENT OF RENTS AND LEASES**
Secures Future Advances and Future Obligations up to \$2,390,000.00
Governed by Section 443.055 of Revised Statutes of Missouri.

THIS LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT AND ASSIGNMENT OF RENTS AND LEASES (this “Deed of Trust”) is granted as of November 24, 2015, by **THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF CENTRALIA , MISSOURI**, whose mailing address is set out on the cover page (the “Grantor”), to James M. Powell, whose address is 601 East Broadway, Columbia, Missouri 65201 (the “Trustee”), for the benefit of **CENTRAL BANK OF BOONE COUNTY** a Missouri state-chartered bank, whose mailing address is set out on the cover page (“Lender”).

WITNESSETH:

Grantor has entered into a Base Lease of even date herewith (the “Base Lease”), with the City of Centralia, Missouri (the “City”), a fourth class city and political subdivision of the State of Missouri, pursuant to which the City has conveyed to Grantor a leasehold interest in the real estate situated, lying and being in Boone County, Missouri described in **Exhibit A** hereto (together with all existing improvements thereon, and all additions, modifications, improvements, replacements and substitutions made thereto pursuant to the hereinafter defined Lease, as they may at any time exist, the “Leased Property”), in consideration of the payment by the Grantor to the City of \$2,390,000.00, to be used to (a) pay and prepay the City’s outstanding Certificates of Participation (Recreation Center Project), Series 2008 (the “Refunded Certificates”), a portion of the proceeds of Refunded Certificates the having been used to purchase or improve the Leased Property, (b) pay costs of renovating and improving the City’s community pool (the “Project”), and (c) pay closing costs related to the Base Lease, the Lease and the Debt Instrument (described below).

Grantor and the City have also entered into an annually renewable Lease Purchase Agreement of even date herewith (the “Lease”), pursuant to which the City has agreed, subject to annual appropriation, to pay Rental Payments (defined therein) to Grantor, in consideration for Grantors sublease of the Leased Property back to the City.

This Deed of Trust initially secures the Public Facilities Lease Revenue Bond (City of Centralia, Missouri, Projects), Series 2015, issued by the Grantor in the original principal amount of \$2,390,000 (such instrument, and any and any extensions, modifications, substitutions, refinancings, consolidations or renewals thereof is referred to herein as the “Debt Instrument”), payable to the order of or for the benefit of Lender. In addition to the Debt Instrument, this Deed of Trust shall also secure all future advances and all future obligations of Grantor, pursuant to Section 443.055 of the Revised Statutes of Missouri or any successor or substitute therefor. The total amount secured by this Deed of Trust shall not exceed at any one time the greater of the principal amount of the Debt Instrument set out above, or the amount set out in the heading to this Deed of Trust, plus all amounts described in clauses (c) and (d) of the definition of “Liabilities” below.

The execution and delivery of this Deed of Trust by Grantor is a condition to Lender’s making of the loan evidenced by the Debt Instrument, and the leasing of the Leased Property by the City to Grantor.

To secure the payment of the indebtedness evidenced by the Debt Instrument and all other Liabilities, and in consideration of the loan evidenced by the Debt Instrument, and in consideration of the sum of One Dollar (\$1.00) paid by Trustee to Grantor, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged:

LEASEHOLD DEED OF TRUST FOR REAL PROPERTY

GRANTOR DOES BY THESE PRESENTS HEREBY IRREVOCABLY AND FOREVER GRANT, BARGAIN, SELL, CONVEY AND CONFIRM unto the Trustee, in trust, with power of sale, all of Grantor's estate, right, title and interest, now owned or hereafter acquired, in the Leased Property, together with all improvements, buildings, easements benefiting such property, tenements, rents, leases, hereditaments, fixtures, appurtenances, gas, oil, minerals, and all hereafter-acquired right, title and interest therein (collectively called the "Premises").

PLEDGE AND SECURITY INTEREST

GRANTOR DOES HEREBY PLEDGE, AND ASSIGN TO LENDER, AND GRANT TO LENDER a security interest in the following whether now owned or hereafter acquired (collectively called the "Personal Property"): (a) the Lease and all present and future leases, written or verbal, rents, issues and profits of the Premises, including, without limitation, all rents, issues, profits, revenues, royalties, bonuses, rights and benefits due, payable or accruing, and all deposits of money as advance rent or for security, under the Lease and any and all present and future leases of the Premises, together with the right, but not the obligation, to collect, receive, demand, sue for and recover the same when due or payable with or without taking possession of the Premises; (b) all property, furniture, machinery, equipment and fixtures now or hereafter forming a part of the Premises which are not deemed to be real property; (c) all articles of personal property and all materials delivered to the Premises for use and operation of the Premises or for use in any construction being conducted thereon and owned by Grantor and (d) all contract rights (but not obligations) and other intangible personal property (including, without limitation, management contracts, all plans, specifications, drawings, plats and permits with respect to any actual or planned improvements to the Premises).

This instrument constitutes both a real property deed of trust and a security agreement within the meaning of the Uniform Commercial Code.

In addition to any other instruments specifically identified in this Deed of Trust, and without limiting this Deed of Trust to such specifically identified instruments, this Deed of Trust also secures the following, which are called the "Liabilities": (a) all amounts payable under any Debt Instrument (including any extensions, modifications, substitutions or renewals thereof) or this Deed of Trust; and (b) any amounts advanced by Lender for the protection of the security interest herein granted; and (c) all costs incurred by the Lender in enforcing any indebtedness secured hereby or this Deed of Trust. Notwithstanding the foregoing, Lender shall not be required to lend or advance any additional funds to the Grantor. The fact that this Deed of Trust secures future advances and future obligations does not require or obligate the Lender to make any additional loans or advances to the Grantor. Notwithstanding the foregoing, this Deed of Trust shall not secure a future indebtedness if the Lender would be required by law or regulation to give a notice of right to rescind such future obligation as a result of this Deed of Trust, unless Lender does, in fact, give such notice of right to rescind.

THE GRANTOR HEREBY FURTHER REPRESENTS, WARRANTS, COVENANTS AND AGREES AS FOLLOWS:

1. TITLE OF GRANTOR AND AGREEMENT TO DEFEND; NO FURTHER CONVEYANCE OR ENCUMBRANCE. Grantor is lawfully seized of the Premises in fee simple absolute and has good right and lawful authority to convey the same subject only to encumbrances, easements, reservations and restrictions of record as of the date hereof. Grantor has good and marketable title to the Personal Property, free and clear of any liens, charges, encumbrances, security interests and adverse claims of any nature (the Personal Property, together with the Premises, is collectively referred to herein as the "Pledged Property"). Grantor shall: (a) at Grantor's cost, keep the Pledged Property free from all other liens and claims of every kind and shall defend the title to such Pledged Property against the claims of any other persons and Grantor agrees to execute any

further assurances of title; and (b) indemnify, hold harmless and reimburse Trustee and Lender for any and all losses, damages, expenses or costs arising out of or incurred in connection with any claims that are adverse to the rights and interest of Lender or Trustee hereunder. Lender consents to the lease of the Premises to the City, pursuant to the Lease. No other sale, lease, mortgage, trust deed, encumbrance, conveyance, transfer of occupancy or possession, contract to sell, or transfer of the Pledged Property, or any part thereof, shall be made without the prior written consent of Lender, which Lender may or may not grant in its sole and absolute discretion; any such purported transaction made without Lender's written consent shall be voidable at Lender's option.

2. TAXES AND ASSESSMENTS. Grantor shall pay, when due and before any penalty attaches, all taxes, assessments, utility service charges, and other charges against the Pledged Property. If Grantor desires to contest any such charges, Grantor shall pay such amounts under protest or take such other actions as may be acceptable to Trustee and Lender in their sole discretion to secure Grantor's obligations to make any such payments.

3. INSURANCE. Grantor shall keep the Pledged Property constantly insured against loss or damage by fire, earthquake, extended coverage perils and such other hazards (including boiler insurance if applicable). Each insurance policy shall be in an amount not less than the full cost of replacing or repairing the buildings and improvements on the Premises, and in no event less than the principal amount of the Liabilities, with no co-insurance clauses in the policies of insurance. Grantor shall keep all buildings and improvements now or hereafter situated on the Premises insured against loss or damage by flood if the Premises are located in a flood plain. In the event of loss, Grantor shall immediately give Lender written notice thereof. Grantor shall also at all times maintain comprehensive general liability insurance with respect to the Pledged Property, in amounts and with insurers acceptable to the Lender. All insurance shall be carried by companies authorized to insure in Missouri and which are acceptable to Lender. All such policies of insurance shall be nonassessable and shall require a minimum of 30 days' prior written notice to Lender of any cancellation thereof or any changes reducing Lender's coverage. All such policies shall include a standard lender's endorsement in favor of and in form acceptable to Lender, which shall name Lender as additional insured and mortgage loss payee. If any such insurance is maintained under a blanket policy of insurance, such policy shall specify the amount of the total insurance that is allocated exclusively to the Pledged Property. Each insurance company is authorized to make payments directly to Lender instead of to Lender and Grantor jointly and, Lender may make proofs of loss and collect all insurance proceeds resulting from the damage or destruction of the Pledged Property or unearned premiums on any policy of insurance that is canceled. Lender is expressly authorized and empowered by Grantor to endorse Grantor's name upon any checks or vouchers given in payment of said amounts so that the signature of the Lender shall be taken with the like effect as if the Grantor had individually signed or endorsed said checks or vouchers. Any property insurance proceeds shall be applied as provided in Paragraph 19 hereof. In the event of foreclosure hereunder, Trustee shall have power to assign to the purchaser at such foreclosure sale any and all policies of insurance which may then be in force and effect upon the Pledged Property for the full unexpired term of such policy or policies and Grantor shall not be entitled to have said insurance canceled nor receive the unearned premium thereon.

So long as the Lease is in effect, the above requirement to provide insurance shall be deemed satisfied if the City is in compliance with the insurance requirements under the Lease.

4. RESERVE FOR TAXES AND INSURANCE. Lender shall have the right to require Grantor to pay to Lender, at such frequency as the Lender shall direct, a pro rata portion of the premiums for the insurance which is required to be carried by Grantor hereunder, and for the yearly taxes and assessments on the Pledged Property as estimated by Lender. Lender shall be entitled to hold said funds without interest and without any obligation to segregate such funds. Lender shall not be required to make any payments of insurance premiums, or taxes or assessments, if the amount held by Lender is insufficient to make such payments in full.

5. IMPROVEMENTS AND CHANGES. Grantor shall not construct, remove, demolish or substantially or structurally alter any building and improvements now or hereafter situated upon the Premises without the prior written consent of the Lender. Grantor shall not permit any waste on the Pledged Property, and shall keep all buildings and improvements now or hereafter situated thereon in sound condition and in good and substantial repair and shall not take or permit any action whereby the Pledged Property shall become less valuable.

6. COMPLIANCE WITH LAWS; INSPECTION; POSSESSION. Grantor shall comply at all times with all federal, state laws and local laws, rules and regulations relating to the Pledged Property. Lender and any persons authorized by Lender shall have the right to enter and inspect the Pledged Property at all reasonable times. Such inspection shall include, without limitation, the right to drill and make other invasive inspections for hazardous materials provided that any damage to the Pledged Property shall be repaired by Lender. If Lender reasonably believes that Grantor (or the City, as lessee under the Lease) has permanently or temporarily abandoned the Pledged Property, then Lender may (but shall not be required to), through its representatives, enter upon the Pledged Property, change locks, make repairs, secure the Pledged Property and protect it against waste and damage, all without liability or obligation to the Grantor or the City and without the need for prior notice to Grantor and without the obligation of having a receiver appointed. To the extent permitted by law, Grantor hereby grants to Lender an easement onto the Premises for the foregoing purposes, which easement shall automatically expire with the release of this Deed of Trust.

7. ADVANCEMENTS BY LENDER; REIMBURSEMENT OF LENDER. Upon any failure by Grantor to make any payment to a third party, or to take any action required hereunder, Lender may, but shall not be required to, make such payment, or take such action. All amounts paid for or in connection with any of the purposes herein authorized and all expenses incurred in connection therewith, including reasonable attorneys' fees and any other funds advanced on or behalf of Lender to protect the Pledged Property or the lien hereof, plus compensation to Lender for any costs incurred with respect to any action taken by Lender, any amounts payable to Lender by Grantor hereunder, shall be immediately due and payable, with interest thereon at a per annum rate equivalent to the highest post-maturity rate set forth in the Liabilities, upon demand made by the Lender and shall be deemed to be additional indebtedness secured hereby.

8. MECHANICS LIENS. Grantor shall promptly pay or cause to be paid all costs for labor and material incurred in connection with the construction, maintenance, repair and operation of the Pledged Property, and shall never permit a lien or encumbrance for such labor and material to remain against the Premises. Notwithstanding the foregoing, Grantor may contest any such liens provided that the Grantor deposits with the Lender a bond or other security reasonably acceptable to Lender securing full payment of such liens, and provided further that Grantor diligently proceeds with the defense of such lien claim.

9. LEASES AND RENTS. Without the prior written consent of Lender, Grantor shall not: (i) modify or in any way alter the terms of the Base Lease, the Lease or any other leases of the Pledged Property; (ii) terminate or accept a surrender of the Lease or any other lease of the Pledged Property; (iii) accept any rents with respect to the Lease or any other lease of any Pledged Property more than 30 days prior to accrual thereof (except with respect to any prepayment of Rental Payments may be allowed under the terms of the Lease); (iv) enter into any new leases of the Pledged Property after the date hereof; (v) execute any assignment or pledge of any rents or any leases of the Pledged Property except in favor of Lender; or (vi) waive any rights against or in any manner release any lessees from any obligations under the Lease or any other leases of the Pledged Property. Grantor shall, at its sole cost and expense: (a) promptly and faithfully abide by all of Grantor's obligations under the Lease or any other leases of the Pledged Property; (b) enforce all obligations of any lessee under the Lease or any other lease of the Pledged Property; (c) prosecute or defend any action or proceeding arising under, or connected with such leases; (d) separately assign, transfer or pledge any lease of the Pledged Property heretofore or hereafter entered into; (e) furnish Lender, within 10 days after a request by Lender, a written statement containing the status of each lease and the names of all tenants and the terms of all leases of the Pledged Property and the rentals

payable thereunder; and (f) exercise within 5 days after any demand therefor by Lender, any right to request from the tenant under any lease a certificate with respect to the status of the lease. Nothing contained in the Deed of Trust or in any other documents relating to the Debt Instrument or the Liabilities shall be construed to obligate Lender, expressly or by implication, to perform any of the obligations of Grantor under any lease, or to pay any sum of money or damages therein provided to be paid by the landlord.

10. TRUSTEES. Grantor agrees that Trustee and any successor or substitute trustee may be an officer, agent, attorney or employee of the Lender and any objections to such fact which might be made by the Grantor, its heirs, successors or assigns, are hereby waived. In case of the death, inability, refusal to act or absence of the Trustee from the State of Missouri, or in case the Lender shall desire for any reason to remove the then serving Trustee, Lender is hereby granted full power to appoint in writing a successor trustee and the successor trustee shall become vested with all of the powers, duties and obligations of the original Trustee. Failure of Lender to record notice of appointment of a substitute trustee prior to notice of foreclosure or holding the foreclosure sale shall not invalidate any such foreclosure and Grantor waives any rights or remedies that may otherwise result from failure to record such notice.

11. SUBROGATION. Lender and the purchasers at any foreclosure sale held hereunder, shall be subrogated to the lien of any prior encumbrance or vendor's lien, if any, on the Pledged Property paid by Lender or such purchaser, whether or not said prior lien has been released.

12. TAXATION OF DEED OF TRUST. If there is any law, ordinance or other regulation deducting from the value of the land for the purpose of taxation any liens thereon or changing in any way the laws for the taxation of deeds of trust or debts secured thereby, or the manner of the operation of any such taxes, so as to affect the interest of Lender under this Deed of Trust, Grantor, at its expense, shall pay such tax within 30 days after written notice from Lender.

13. EMINENT DOMAIN. If any part of the Pledged Property is taken or damaged by eminent domain or condemnation, or any transfer in lieu thereof, then all awards or payments made as a result thereof shall be applied as provided in Paragraph 19 hereof. Any such payment shall be deemed to be in substitution for, and in lieu of, that portion of the Pledged Property that is taken or damaged, and shall not be deemed to be related to any change in value of the Pledged Property before and after such taking. Lender is hereby authorized in the name of Grantor to execute and deliver acquittance for any such award or payment and to collect the same. If the Pledged Property is sold by foreclosure of this Deed of Trust before the receipt by Lender of any such award or repayment, Lender shall have the right to receive said award or payment to the extent any deficiency is due on such sale, with interest on such deficiency at the highest post maturity rate applicable to any secured Liability. Lender shall be entitled to participate in any eminent domain or condemnation proceedings, and Lender shall be entitled to collect its costs and attorneys' fees incurred in such proceedings from any award made in such proceedings.

14. EVENTS OF DEFAULT; RIGHT TO ACCELERATE. Any default hereunder or under any Debt Instrument or Liability, including a default by reference to any other instrument, shall be a default hereunder ("Default"). On the happening of any Default, Lender, at its sole option, shall have the right to exercise all remedies available hereunder.

15. REMEDIES. (a) If an event of Default hereunder shall occur the Lender shall have the right to direct the Trustee to sell the Premises, or any part thereof, at public sale to the highest bidder for cash, at the customary location in the county in which the Premises is located, first giving notice of such sale by advertisement and mail as required by law. The Trustee may postpone any such sale from time to time and more than one time for up to a total of 60 days after the originally scheduled date of foreclosure, in the Trustee's sole discretion, without being required to give any additional notice pursuant to Section 443.355 of the Revised Statutes of Missouri (or any successor thereto). Notwithstanding the foregoing, the Trustee shall mail notice to

the Grantors giving notice of each postponement after the first, which notice shall set out the new date and time of the foreclosure. Such notice shall be sufficient if mailed by certified mail, return receipt requested to the last known address of the Grantor at least 5 calendar days prior the new date of foreclosure. The Grantor hereby consents to the postponement of the foreclosure sale as described above, without the necessity of readvertisement or mailing additional notice and without the necessity of further consent or waiver by Grantor. Trustee shall receive the proceeds of said sale.

(b) If an event of Default shall occur, the Lender, in addition to any other rights and remedies which the Lender may have, the Lender shall also have all rights and remedies granted to a secured party upon default under the Uniform Commercial Code and any other applicable laws with respect to Personal Property. Upon demand of the Lender, the Grantor shall, at the expense of Grantor, assemble all Personal Property and make it available to the Lender at a convenient place acceptable to Lender. The Grantor shall pay to the Lender on demand any and all reasonable expenses, including reasonable attorney's fees, incurred or paid by the Lender in protecting Lender's interests in the Personal Property and in enforcing its rights hereunder with respect to the Personal Property. Any notice of sale, disposition or other intended action by the Lender with respect to the Personal Property sent to the Grantor at least 10 calendar days (including holidays and weekends) prior to such action shall constitute reasonable notice to the Grantor, unless the Personal Property is likely to decline in value during that period of time.

(c) In addition to the rights of sale granted herein, upon the occurrence of any Default, then the Lender may, but without obligation to do so and without notice to or demand on the Grantor, and without releasing the Grantor from any obligations herein, either in person or by agent, and without bringing any action or proceeding: (i) enter upon, take possession of, and rent, lease or operate the Premises; (ii) make, enforce, modify and accept the surrender of any lease of the Pledged Property; (iii) obtain and evict any tenants of the Pledged Property; (iii) fix or modify any rents under any leases of the Pledged Property; (iv) do any acts which the Lender deems proper to protect the security interest of the Lender in any leases of the Pledged Property; (v) in Lender's name, or in the name of the Grantor, sue for or otherwise collect and receive all rents, issues and profits, including those past due and unpaid, under any leases of the Pledged Property with or without entry onto the Premises; and exercise any rights granted under Paragraph 6 hereof.

(d) The proceeds of the sale or operation of any of the Pledged Property shall be applied to pay: first, the costs of executing this Deed of Trust, including compensation to Trustee and to any attorneys and legal assistants employed by Trustee, for their services, and the cost of procuring evidence of title; second, to Lender for all amounts paid for insurance, taxes, lien claims and other charge necessary or desirable for the protection or maintenance of the Pledged Property and interest thereon as herein provided; third, to the outstanding Liabilities whether or not the same are due or accrued in such order as the Lender elects in its sole discretion; fourth, to the holders of any lien on the Premises junior to this Deed of Trust as their interest may appear; and, fifth the remainder of such proceeds, if any, to Grantor. No remedy or right of Lender hereunder shall be exclusive. Each right or remedy of Lender with respect to Liabilities, this Deed of Trust or the Pledged Property shall be in addition to every other remedy or right now or hereafter existing at law or in equity. No delay by Lender in exercising, or omitting to exercise, any remedy or right accruing on an event of Default shall impair any such remedy or right, or shall be construed to be a waiver of any such event of Default, or acquiescence therein, or shall affect any subsequent event of Default of the same or a different nature and the rights of Lender to exercise its remedies as a result of such event of Default. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by Lender.

16. COSTS OF ENFORCEMENT. Grantor agrees, to the extent permitted by law, to pay all costs, expenditures and expenses which may be paid or incurred by or on behalf of Lender or Trustee for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs of procuring all abstracts of title, title searches and examination, title insurance policies, tax and lien searches, and similar data and assurances with respect to title as Lender or Trustee may deem to be reasonably necessary either

to prosecute the foreclosure or to evidence to bidders at any sale. All of the foregoing items, which may be expended after the foreclosure or sale, may be estimated by Lender. All such expenses shall become additional indebtedness secured hereby and shall be immediately due and payable, with interest thereon at a rate equivalent to the highest post-maturity interest rate set forth in any Debt Instrument or Liability.

17. TENANCY OF GRANTOR; RELEASE OF DEED OF TRUST. Nothing contained herein shall cause Lender to be deemed a mortgagee in possession. Trustee hereby lets to the Grantor the Premises until the Liabilities shall be fully paid or until a sale of the Pledged Property hereunder, at a rental of one cent per month, payable monthly on demand. Grantor agrees to surrender peaceable possession of the Premises and every part thereof sold or conveyed by the Trustee under the terms hereof to the purchaser at such sale upon the day of such sale, without notice or demand. If Grantor pays the Liabilities in full then this trust shall cease and be void and the Pledged Property shall be released at the cost of Grantor.

18. HAZARDOUS MATERIALS. Based solely upon representations of the City, there are not located on the Premises any substances (“Hazardous Substances”) which are categorized or defined as hazardous or toxic under any local, state or federal law, rule or regulation pertaining to environmental regulation, contamination, cleanup or disclosure (“Environmental Laws”). The term “Hazardous Substances” shall also include asbestos and products containing asbestos. There are not located on the Premises any underground storage tanks or receptacles that are regulated by any local, state or federal law, rule or regulation (“Regulated Receptacles”). Grantor shall not permit any Hazardous Substance or Regulated Receptacle to be brought onto, or to be attached to or incorporated in, or remain on, the Premises or on the Pledged Property, and if any Hazardous Substances or Regulated Receptacles are so brought on, or attached to, or are present on, the Premises or the Pledged Property, Grantor shall promptly notify the Lender and shall promptly cause such Hazardous Substances or Regulated Receptacle to be removed. Whenever any consent of Lender is required under this paragraph, Lender may grant or withhold such consent in its sole discretion, without liability to Grantor or any other person. Grantor shall abide by all Environmental Laws relating to the operation, use and maintenance of the Premises. Grantor shall give to the Lender immediate notice of any violation or potential violation of the provisions of this Paragraph. Grantor shall defend, indemnify and hold harmless the Lender, and the Lender’s officers, directors, agents, successors and assigns from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses (including, without limitation, attorney, engineer and consultant fees, court costs and litigation expenses) of every kind and nature, known or unknown, contingent or otherwise, arising out of or in any way related to the presence, disposal, removal, maintenance, release or threatened release of any Hazardous Substances or Regulated Receptacles or from the violation of any Environmental Law.

19. APPLICATION OF INSURANCE AND EMINENT DOMAIN PROCEEDS. Except as otherwise provided in this paragraph, as long as there is then no Default hereunder, nor any event or omission that with the passage of time or the giving of notice would constitute a Default hereunder, then notwithstanding anything else contained in this Deed of Trust any proceeds of property insurance received by the Grantor and any eminent domain or condemnation awards (or payments in lieu thereof) with respect to the Pledged Property, will be applied by the Lender to the reconstruction, restoration or replacement of the Pledged Property if, within 45 days after damage or destruction of the Pledged Property, or the taking of the Pledged Property by eminent domain or condemnation: (a) an independent engineer acceptable to the Lender certifies to the Lender that the Pledged Property can be restored to substantially its former condition or use within 180 days after such damage, destruction or taking; (b) an architect or contractor acceptable to the Lender certifies to the Lender the full cost of restoring the Pledged Property to substantially its former condition and use; (c) the Grantor deposits with the Lender the difference between the insurance proceeds or condemnation or eminent domain proceeds, and the certified cost of replacement or restoration of the Pledged Property; (d) the Grantor provides the Lender with security satisfactory to the Lender for the payments on the Liabilities to become due during the period of replacement and/or restoration; and (e) Grantor provides the Lender with plans, specifications, construction contracts and other documents or assurances that the Lender may request. Within 60 days after the date of damage or taking the Grantor must commence construction and such repair or replacement must be completed

within 180 days after the date of damage or taking. The Lender shall have the right to establish such procedures as it deems appropriate to disburse any such proceeds. If such proceeds are not applied to the reconstruction or replacement or restoration of the Pledged Property, or if such restoration or replacement is not commenced and completed within the required time, then such proceeds, or however much shall remain, shall be applied at the Lender's discretion to completion of repair or to payment of the Liabilities. This paragraph shall not apply if there is any Default hereunder at the time of such damage or taking or any time thereafter, or if any liability would mature, by its terms, within 12 months after the end of the period permitted for repair or replacement as provided above, in which event the Lender may apply any such proceeds or awards to payment of the Liabilities.

20. SEVERABILITY; SUCCESSORS AND ASSIGNS; GOVERNING LAW; MISCELLANEOUS. All rights, powers and privileges herein granted to Lender shall become vested in any subsequent holder of the Liabilities. The rights and obligations of the parties hereto shall be construed and enforced according to the internal laws of the State of Missouri without regard to choice of law rules. Except as otherwise provided by law for suits to enforce any rights under a deed of trust, any lawsuits arising under this Deed of Trust will be brought only in the state or federal courts having jurisdiction over the home office of the Lender, and Grantor hereby consents to the exclusive jurisdiction of such courts. If any provision of this Deed of Trust is prohibited by any applicable laws or regulations, such provision shall not be enforceable but the remainder of this Deed of Trust shall remain fully enforceable and any unenforceable provision shall be deemed to be amended to the extent necessary to be enforceable. The paragraph headings of this Deed of Trust are for convenience only and shall not limit or define the meaning or content hereof. All pronouns and variations thereof shall be deemed to refer to masculine, feminine, neuter, singular or plural, as the identity of the person or persons may require.

21. AMENDMENTS AND MODIFICATIONS. The holder of this Deed of Trust may modify any terms of this Deed of Trust, or the terms of any indebtedness which this Deed of Trust secures, or take any actions with respect to the Pledged Property, in any manner (including, without limitation increasing the rate of interest applicable to any indebtedness, or increasing the length of time to pay any indebtedness, or modifying any other agreements with the Grantor which may affect in any way this Deed of Trust and the rights of the holder hereof under this Deed of Trust) without the prior consent of, or notice to, any other person or entity who has any interest in the Pledged Property and no such modification shall in any way impair the priority of this Deed of Trust or the rights of the holder of this Deed of Trust, even if such modification is prejudicial to the rights or interests of any other person or entity.

22. APPOINTMENT OF RECEIVER. Upon the occurrence of a Default hereunder, the Lender shall be entitled to have a receiver appointed to manage the Pledged Property. The Lender, or any employee or affiliate of the Lender, shall be qualified to serve as receiver. The right to obtain a receiver shall not exclude any other rights that the Lender has hereunder.

23. NO OTHER AGREEMENTS: Oral agreements or commitments to loan money, extend credit or to forbear from enforcing repayment of a debt including promises to extend or renew such debt are not enforceable, regardless of the legal theory upon which it is based, that is in any way related to this Deed of Trust. To protect the undersigned and the Lender from misunderstanding or disappointment, any agreements we reach covering such matters are contained in this writing, and in other writings that secure this Deed of Trust or pursuant to which this Deed of Trust is made, which documents are the complete and exclusive statement of the agreement between the undersigned and the Lender, except as the undersigned and Lender may later agree in writing to modify them.

24. LIMITED OBLIGATIONS. Notwithstanding anything to the contrary herein, the Grantor's obligations under this Deed of Trust are limited obligations of Grantor, payable or performable solely from moneys furnished by the City under the Lease.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the undersigned has executed this Deed of Trust the day and year first above written.

**THE INDUSTRIAL DEVELOPMENT AUTHORITY OF
THE CITY OF CENTRALIA, MISSOURI**

By: _____
Print Name: David Hoppock
Title: President of the Board of Directors

(SEAL)

ATTEST:

By: _____
Name: Gabe Martinez
Title: Secretary of the Board of Directors

ACKNOWLEDGMENT

STATE OF MISSOURI)
)
COUNTY OF BOONE) **SS.**

On November____, 2015, before me appeared **DAVID HOPPICK**, to me personally known, who, being by me duly sworn, did say that such person is the President of the Board of Directors of **THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF CENTRALIA, MISSOURI**, a Missouri statutory industrial development authority, and that the seal affixed to the foregoing instrument is the seal of said entity and that said instrument was signed on behalf of said entity by authority of its Board of Directors, and said official acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said entity.

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

Notary Public in and for said State
Commission Expires:

*PLEASE AFFIX SEAL FIRMLY AND
CLEARLY IN THIS BOX*

EXHIBIT A

Legal Description of Real Property

The Leased Property consists of the following-described real property situated in the County of Boone, State of Missouri, together with the existing improvements thereon, and all additions, modifications, improvements, replacements and substitutions made thereto pursuant to the Lease, as they may at any time exist:

A portion of a tract of land described by a warranty deed recorded in Book 413 at Page 152 being the same tract as shown by a survey recorded in Book 442 at Page 645, located in Block I of John C. Hitt's Subdivision in the northeast quarter of the southeast quarter of section 16, township 51 north, range 11 west, Centralia, Boone County, Missouri, described as follows:

Starting at the northwest corner of Block I of John C. Hitt's Subdivision; Thence with the north line of Block I of John C. Hitt's Subdivision, S88°-44'-15"E, 520.4 feet to the projection of the east line of the survey recorded in Book 442 at Page 645 being the same line as described by the warranty deed recorded in Book 413 at Page 152; Thence with the east line of said survey, S1°-31'W, 60.0 feet to the south right-of-way line of Lakeview Street, said point being the Point of Beginning; Thence continuing with the east line of said survey, S1°-31'W, 240.0 feet; Thence parallel with the south right-of-way line of Lakeview Street, N88°-44'-15"W, 210.0 feet; Thence parallel with the east line of the survey recorded in Book 442 at Page 645, N1°-31'E, 150.0 feet; Thence parallel with the south right-of-way line of Lakeview Street, N88°-44'-15"W, 120.0 feet; Thence parallel with the east line of the survey recorded in Book 442 at Page 645, N1°-31'E, 90.0 feet to the south right-of-way line of Lakeview Street; Thence with the south right-of-way line, S88°-44'-15"E, 330.0 feet to the Point of Beginning and containing 1.40 acres.

* * *