
SECOND SUPPLEMENTAL CITY LEASE AGREEMENT

between

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

and

**CITY OF SEDALIA, MISSOURI,
as Lessee**

Dated as of February 1, 2017

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SECOND SUPPLEMENTAL CITY LEASE AGREEMENT

THIS SECOND SUPPLEMENTAL CITY LEASE AGREEMENT (the “Second Supplemental City Lease”) dated as of February 1, 2017, by and between **UMB BANK, N.A.**, a national banking association (the “Lessor” or “Trustee”), as trustee and lessor, and the **CITY OF SEDALIA, MISSOURI**, a third class city and political subdivision of the State of Missouri (the “Lessee”).

WITNESSETH:

WHEREAS, the City and the Lessor entered into a City Ground Lease, dated as of December 1, 2001 (the “Original City Ground Lease”; the Original City Ground Lease as supplemented by the First Supplemental City Ground Lease dated as of April 1, 2007 and the Second Supplemental City Ground Lease dated as of February 1, 2017, collectively being the “City Ground Lease”), pursuant to which the City, as lessor, leased to the Trustee, as lessee, certain real property, together with all improvements situated thereon, including all the City’s present or hereafter acquired interests therein (the “County Project Site” and the “City Property,” collectively being the “Leased Property”) as legally described in **Exhibit A** hereto; and

WHEREAS, pursuant to the terms of a Lease Purchase Agreement dated as of December 1, 2001 (the “Original City Lease Agreement”; the Original City Lease Agreement as supplemented by the First Supplemental City Lease Agreement dated as of April 1, 2007 (the “First Supplemental City Lease”) and this Second Supplemental City Lease, collectively being the “City Lease Agreement”), the Lessor leased the Leased Property to the Lessee upon the terms and conditions and for the purposes set forth therein; and

WHEREAS, pursuant to a Declaration and Indenture of Trust dated as of December 1, 2001 (the “Original Indenture”; the Original Indenture as supplemented by the First Supplemental Declaration and Indenture of Trust dated as of April 1, 2007 and the Second Supplemental Declaration and Indenture of Trust dated as of February 1, 2017 (the “Second Supplemental Indenture”), collectively being the “Indenture”) the Trustee delivered the Certificates of Participation (City of Sedalia, Missouri) Series 2001 (the “Series 2001 Certificates”), evidencing interests in the right of the registered owners thereof in Original City Lease Agreement Revenues (as defined therein), including the right to receive a proportionate share of City Base Rentals under the Lease, in order to provide funds to finance the costs related to the Public Safety Project and the County Renovation Project; and

WHEREAS, the City previously delivered \$8,140,000 principal amount of its City of Sedalia, Missouri Refunding Certificates of Participation, Series 2007 (the “Series 2007 Certificates”) pursuant to the First Supplemental Indenture to provide funds, together with other available funds of the City, to (a) current refund the Series 2001 Certificates, (b) fund a debt service reserve fund, and (c) pay certain costs related to the delivery of the Series 2007 Certificates, in consideration of the City Base Rentals paid by the City pursuant to the City Lease Agreement.

WHEREAS, the City desires to authorize and deliver \$3,638,100 principal amount of its City of Sedalia, Missouri, Refunding Certificates of Participation, Series 2017 (the “Series 2017 Certificates”) under the Indenture to provide funds, together with other available funds of the City, to (a) current refund the Series 2007 Certificates and (b) pay certain costs related to the delivery of the Series 2017 Certificates and prepayment of the Series 2007 Certificates, in consideration of the City Base Rentals paid by the City pursuant to the City Lease Agreement.

NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. In addition to any words and terms defined elsewhere in the City Lease Agreement, capitalized words and terms used in the City Lease Agreement shall have the meanings given to such words and terms in **Section 1.01** of the Indenture.

Section 1.02. Rules of Construction.

(a) Words of the masculine gender shall 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 shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

(c) Wherever in this Second Supplemental City 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 shall 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 Second Supplemental City Lease to designated “Articles,” “Sections” and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this instrument as originally executed. The words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Second Supplemental City 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 Second Supplemental City Lease shall not be treated as a part of this Second Supplemental City 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

BASE RENTALS AND OPTION PAYMENT PRICE

Section 2.01. Base Rentals Schedule. The schedules of Base Rentals contained in **Schedule I** attached to the Original City Lease Agreement and in **Schedule I** attached to the First Supplemental City Lease are hereby deleted and replaced in their entirety with **Schedule I** attached to this Second Supplemental City Lease.

Section 2.02. Option Price Schedule. The Option Price Schedule contained in **Schedule II** to the Original City Lease Agreement and in **Schedule II** to the First Supplemental City Lease are hereby

deleted and replaced in their entirety with **Schedule II** attached to this Second Supplemental City Lease Agreement.

Section 2.03. Commencement of the Term of the City Lease Agreement. The current term of the City Lease Agreement shall expire on March 31, 2017, subject to the Lessee's option to extend the term of the City Lease Agreement for successive one-year renewal terms commencing April 1, 2017, and a final renewal term ending March 31, 2026 (herein referred to individually as a "City Lease Agreement Renewal Term" and collectively as the "City Lease Agreement Renewal Terms"). The terms and conditions of the City Lease Agreement during any City Lease Agreement Renewal Term shall be the same as the terms and conditions during the City Lease Agreement Initial Term, except that the City Base Rentals and the Option Price will be as specified in **Schedule I** and **Schedule II** attached hereto, respectively, for each City Lease Agreement Renewal Term. Each option shall be exercised by the appropriation by the City Council of the Lessee, in accordance with applicable law, of sufficient moneys (after taking into account any moneys legally available for such purpose) specifically designated for the payment of City Base Rentals required under the City Lease Agreement and adequate moneys to pay the reasonably estimated City Supplemental Rent (calculated as provided in **Section 3.01(b)** of the Original City Lease Agreement) for the next succeeding City Lease Agreement Renewal Term as provided herein. Such appropriation shall automatically extend the term of this City Lease Agreement for the succeeding City Lease Agreement Renewal Term without any further action required by any officers or officials of the Lessee.

During the Term of the City Lease Agreement, the Lessee covenants and agrees that the officials and officers of the City will include in the budget proposals submitted to the City Council of the Lessee, in each year during the Term of the City Lease Agreement, a request or requests for an appropriation equal to the City Base Rentals and reasonably estimated City Supplemental Rent to become due during the next succeeding City Lease Agreement Renewal Term. It is the intention of the Lessee that the decision to appropriate the City Base Rentals and reasonably estimated City Supplemental Rent pursuant to the City Lease Agreement shall be made solely by the City Council of the Lessee, and not by any officer or official of the Lessee. The Lessee presently expects to, in each City Fiscal Year of the Lessee during the Term of the City Lease Agreement, appropriate funds for the City Base Rentals and the reasonably estimated City Supplemental Rent so that the City Base Rentals and City Supplemental Rent to be paid during the succeeding City Fiscal Year will be available for such purposes.

If, by the date on which the Lessee is required by law to have adopted a budget for the current fiscal year, sufficient funds are not appropriated by the City Council for the payment of the City Base Rentals and the reasonably estimated City Supplemental Rent during such fiscal year and funds are not otherwise legally available for such purpose, the Lessee shall vacate the Leased Property as of the expiration of the City Lease Agreement Initial Term or City Lease Agreement Renewal Term for which funds have been appropriated.

Section 2.04. Expiration or Termination of the Term of the City Lease Agreement. The term of the City Lease Agreement will expire or terminate, as appropriate, as to the Lessee's right of possession of the Leased Property, upon the first to occur of any of the following events: (a) the expiration of the City Lease Agreement Initial Term or any City Lease Agreement Renewal Term for which there occurs an Event of Nonappropriation (which is not thereafter waived by the Lessor as herein provided); (b) on the Optional Prepayment Date on which the Lessee has purchased the Lessor's interest in the Leased Property pursuant to **Section 12.01** of the Original City Lease Agreement; (c) an Event of Default and a termination of the Term of the City Lease Agreement as to the possessory interest of the Lessee as herein provided; (d) discharge of the Indenture as therein provided; or (e) March 31, 2026.

ARTICLE III

DELIVERY OF SERIES 2017 CERTIFICATES; TAX COVENANTS

Section 3.01. Delivery of Series 2017 Certificates. For the purpose of providing funds to (a) current refund the City's outstanding Series 2007 Certificates and (c) pay costs and expenses incidental to the delivery of the Series 2017 Certificates and the prepayment of the Series 2007 Certificates, the Lessor shall cause the Series 2017 Certificates to be executed and delivered pursuant to the Indenture and shall cause the proceeds from the sale thereof to be applied as provided in the Indenture.

ARTICLE IV

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 4.01. Representations, Covenants and Warranties of the Lessee. The Lessee hereby represents, covenants and warrants for the benefit of the Lessor as follows:

(a) The Lessee has the power and authority to enter into the transactions contemplated by this Second Supplemental City Lease and the other documents contemplated hereby to which it is a party and to carry out its obligations hereunder and thereunder. The Lessee has been duly authorized to execute and deliver this Second Supplemental City Lease and such other documents and agrees that it will do or cause to be done all things necessary to preserve and keep this Second Supplemental City Lease (to the extent herein provided and subject to the limitations expressed herein, including but not limited to the limitations provided in **Section 3.04** of the Original City Lease Agreement) in full force and effect.

(b) The Lessee is not subject to any legal or contractual limitation or provision of any nature whatsoever that in any way limits, restricts or prevents the Lessee from entering into this Second Supplemental City Lease and the other documents contemplated hereby to which it is a party or performing any of its obligations hereunder and thereunder.

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting the Lessee, nor to the best knowledge of the Lessee is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Second Supplemental City Lease or any other agreement or instrument to which the Lessee is a party and which is used or contemplated for use in the consummation of the transactions contemplated by this Second Supplemental City Lease. All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by the Lessee of this Second Supplemental City Lease or any such other agreement or instruments in connection with the carrying out by the Lessee of its obligations hereunder or thereunder have been obtained.

(d) The entering into and performance of this Second Supplemental City Lease or any other document or agreement contemplated hereby to which the Lessee is or is to be a party will not violate any judgment, order, law or regulation applicable to the Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any asset of the Lessee or on the Leased Property except as herein or in the Indenture provided.

(e) During the term hereof, the Leased Property will be used by the Lessee only for the purpose of performing one or more governmental or proprietary functions (including related functions) of the Lessee or such other bodies consistent with the permissible scope of the Lessee's authority.

(f) The Lessee will comply with all applicable laws, rules, regulations, orders, directions and requirements of all governmental departments, bodies, bureaus, agencies and officers.

(g) Until the payment in full of the Certificates, the Lessee will from time to time, record, register and file all such notices, statements and other documents and take such other steps, including without limitation the amendment to any of the City Ground Lease, the City Lease Agreement, the Indenture and any other documents related to the Certificates and any instruments perfecting interests thereunder, as may be necessary or advisable to render fully valid and enforceable under all legal requirements the rights, liens and priorities of the Lessor with respect to all security from time to time furnished under this Second Supplemental City Lease or intended to be so furnished and to preserve the excludability from gross income for federal and State of Missouri income tax purposes of the interest on the Series 2017 Certificates, in each case in such form and at such times as shall be satisfactory to the Lessor.

(h) The Lessee hereby agrees to comply with and punctually perform all of its obligations under the City Ground Lease, including all obligations imposed by law.

Section 4.02. Representations, Covenants and Warranties of the Lessor. The Lessor represents, covenants and warrants for the benefit of the Lessee and the Owners of the Certificates as follows:

(a) The Lessor has the power and authority to enter into the transactions contemplated by this Second Supplemental City Lease and to carry out its obligations hereunder. The Lessor has been duly authorized to execute and deliver this Second Supplemental City Lease.

(b) The Lessor is not subject to any legal or contractual limitation or provision of any nature whatsoever that in any way limits, restricts or prevents the Lessor from entering into this Second Supplemental City Lease or performing any of its obligations hereunder, except to the extent that such performance may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting the Lessor, nor to the best knowledge of the Lessor is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Second Supplemental City Lease or any other agreement or instrument to which the Lessor is a party and which is used or contemplated for use in the consummation of the transactions contemplated by this Second Supplemental City Lease. All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by the Lessor of this Second Supplemental City Lease or in connection with the carrying out by the Lessor of its obligations under this Second Supplemental City Lease have been obtained.

(d) The Lessor will not pledge the City Base Rentals, the Option Price, or any of its other rights hereunder and will not sell, assign, mortgage or encumber the Leased Property, except as provided herein and under the Indenture. All property and moneys received by the Lessor from the Lessee hereunder and under the Indenture for the Owner or Owners of the Certificates will be applied for the benefit of such Owner or Owners.

Notwithstanding anything herein or in the Indenture or the City Ground Lease to the contrary, during the term of this Second Supplemental City Lease the Trustee shall not be deemed to exercise control over or be an operator or owner of the Leased Property and shall not be responsible or liable for the operation, use and maintenance of the Leased Property.

ARTICLE V

MISCELLANEOUS

Section 5.01. Applicability of the Original City Lease Agreement. Except as otherwise provided in this Second Supplemental City Lease, the provisions of the City Lease Agreement are hereby ratified, approved and confirmed and incorporated herein. This Second Supplemental City Lease shall be construed as having been authorized, executed and delivered under the provisions of **Section 6.01** of the Original Indenture.

Section 5.02. Audited Financial Statements. So long as any of the Series 2017 Certificates are Outstanding, the City shall deliver to the Trustee and the Purchaser, as soon as available but in no event later than 270 days after the end of the most recent Fiscal Year, a copy of the City's annual audited financial statements, which shall include: (a) a balance sheet; (b) a statement of revenues, expenses and changes in fund balances for budget and actual; (c) a statement of cash flows; (d) notes, schedules and any attachments to said financial statements; and (e) such other financial information as the Purchaser may reasonably request.

Section 5.03. Governing Law. This Second Supplemental City Lease is made in the State of Missouri under the Constitution and laws of such State and is to be so construed.

Section 5.04. Execution in Counterparts. This Second Supplemental City Lease may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all together shall constitute but one and the same Second Supplemental City Lease. Separate counterparts of this Second Supplemental City Lease may be separately executed by the Lessor and Lessee, all with the same full force and effect as though the same counterpart had been executed simultaneously by the Lessor and the Lessee.

Section 5.05. Severability. If any one or more of the terms, provisions, promises, covenants or conditions of this Second Supplemental City Lease, or the application thereof to any person or circumstance, is to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Second Supplemental City Lease, and the application thereof to other persons or circumstances, shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

Section 5.06. Captions and Headings. The captions and headings used throughout this Second Supplemental City Lease are for convenience of reference only, and the words contained therein shall not be deemed to affect the meaning of any provision or the scope or intent of this Second Supplemental City Lease, nor in any way affect this Second Supplemental City Lease.

Section 5.07. Amendments, Changes and Modifications. This Second Supplemental City Lease may be amended, changed or modified only in the manner provided in **Article VI** of the Original Indenture.

Section 5.08. Electronic Transactions. The transaction described herein may be conducted and related documents may be received, delivered or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Second Supplemental City Lease to be signed by their respective officers hereunto duly authorized, all as of the day and year first above written.

LESSOR:

UMB BANK, N.A.

By _____
Name:
Title:

ATTEST:

Name:
Title:

ACKNOWLEDGMENT

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

On this __ day of _____, 2017, before me, the undersigned, a Notary Public in and for said State, personally appeared _____ and _____, who acknowledged themselves to be the _____ and _____, respectively, of **UMB BANK, N.A.**, and that as such officers being authorized so to do executed the foregoing instrument for the purposes therein contained by signing the name of the corporation as such officers.

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

Notary Public - State of Missouri
Commissioned in _____ County

My Commission Expires:

LESSEE:

CITY OF SEDALIA, MISSOURI

By: _____

Name: Stephen Galliher

Title: Mayor

(SEAL)

ATTEST:

Name: Arlene Silvey

Title: City Clerk

ACKNOWLEDGMENT

STATE OF MISSOURI)
) SS.
COUNTY OF _____)

On this ___ day of _____, 2017, before me, the undersigned, a Notary Public in and for said State, personally appeared **STEPHEN GALLIHER** and **ARLENE SILVEY**, who acknowledged themselves to be the Mayor and City Clerk, respectively, of the **CITY OF SEDALIA, MISSOURI**, and that as such officers being authorized so to do executed the foregoing instrument for the purposes therein contained by signing their names as such officers.

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

Notary Public - State of Missouri
Commissioned in _____ County

My Commission Expires:

EXHIBIT A
LEGAL DESCRIPTION OF THE LEASED PROPERTY

The following described real estate situated in the County of Pettis, State of Missouri:

County Project Site:

TRACT 1:

ALL OF BLOCK ELEVEN (11) OF SARAH E. SMITH AND MARTHA E. MARTIN'S FIRST ADDITION TO THE CITY OF SEDALIA, PETTIS COUNTY, MISSOURI.

TRACT 2:

ALL OF LOTS NUMBER (1) AND TWO (2), EXCEPTING THE WEST EIGHTY (80) FEET OF THE NORTH THIRTY (30) FEET THEREOF, IN BLOCK NUMBER TEN (10) OF SARAH E. SMITH AND MARTHA E. MARTIN'S FIRST ADDITION TO THE CITY OF SEDALIA, PETTIS COUNTY, MISSOURI. SUBJECT, HOWEVER, TO AN EASEMENT FOR ALLEY PURPOSES OVER THE EAST NINE (9) FEET AND TEN (10) INCHES OF THE NORTH THIRTY (30) FEET OF SAID LOTS (1) AND TWO (2).

TRACT 3:

LOT THREE (3) AND THE WEST 14.56 FEET OF LOT FOUR (4) IN BLOCK TEN (10) OF SARAH E. SMITH AND MARTHA E. MARTIN'S FIRST ADDITION TO THE CITY OF SEDALIA, PETTIS COUNTY, MISSOURI.

City Property:

TRACT 4:

LOT FOUR (4), EXCEPT THE WEST 14.56 FEET THEREOF, AND LOTS FIVE (5) AND SIX (6) IN BLOCK NUMBER TEN (10) OF SARAH E. SMITH AND MARTHA E. MARTIN'S FIRST ADDITION TO THE CITY OF SEDALIA, PETTIS COUNTY, MISSOURI.

SCHEDULE I

BASE RENTAL PAYMENT SCHEDULE

<u>Rental Payment Date</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Option Purchase Price on Certificate Payment Date through but excluding next Certificate Payment Date*</u>
09/15/2017	-	\$52,570.55	N/A
03/15/2018	\$359,300.00	46,385.78	N/A
09/15/2018	-	41,804.70	N/A
03/15/2019	374,600.00	41,804.70	N/A
09/15/2019	-	37,028.55	N/A
03/15/2020	384,200.00	37,028.55	N/A
09/15/2020	-	32,130.00	N/A
03/15/2021	394,000.00	32,130.00	\$2,126,000
09/15/2021	-	27,106.50	2,126,000
03/15/2022	404,000.00	27,106.50	1,722,000
09/15/2022	-	21,955.50	1,722,000
03/15/2023	414,400.00	21,955.50	1,307,600
09/15/2023	-	16,671.90	1,307,600
03/15/2024	424,900.00	16,671.90	882,700
09/15/2024	-	11,254.43	882,700
03/15/2025	435,800.00	11,254.43	446,900
09/15/2025	-	5,697.98	446,900
03/15/2026	446,900.00	5,697.98	1.00

*The Option Purchase Price in the event of damage, casualty, condemnation or deficiency of title shall be determined as follows:

<u>Rental Payment Date</u>	<u>Option Purchase Price on Rental Payment Date through but excluding next Rental Payment Date*</u>
09/15/2017	\$3,638,100
03/15/2018	3,278,800
09/15/2018	3,278,800
03/15/2019	2,904,200
09/15/2019	2,904,200
03/15/2020	2,520,000
09/15/2020	2,520,000
03/15/2021	2,126,000
09/15/2021	2,126,000
03/15/2022	1,722,000
09/15/2022	1,722,000
03/15/2023	1,307,600
09/15/2023	1,307,600
03/15/2024	882,700
09/15/2024	882,700
03/15/2025	446,900
09/15/2025	446,900
03/15/2026	1.00