
TAX COMPLIANCE AGREEMENT

Dated as of February 1, 2017

Between

CITY OF SEDALIA, MISSOURI

and

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

**\$3,638,100
City of Sedalia, Missouri
Refunding Certificates of Participation
Series 2017**

TAX COMPLIANCE AGREEMENT

TABLE OF CONTENTS

	<u>Page</u>
PARTIES AND RECITALS	1
 <u>ARTICLE I</u> 	
DEFINITIONS	
Section 1.1. Definitions of Words and Terms	2
 <u>ARTICLE II</u> 	
GENERAL REPRESENTATIONS AND COVENANTS	
Section 2.1. Representations and Covenants of the City	6
Section 2.2. Representations and Covenants of the Trustee	9
Section 2.3. Survival of Representations and Covenants	10
 <u>ARTICLE III</u> 	
ARBITRAGE CERTIFICATIONS AND COVENANTS	
Section 3.1. General	10
Section 3.2. Reasonable Expectations	10
Section 3.3. Purpose of Financing	10
Section 3.4. Funds and Subaccounts	10
Section 3.5. Amount and Use of Certificate Proceeds and Other Money	11
Section 3.6. Multipurpose Issue	11
Section 3.7. No Advance Refunding	12
Section 3.8. Current Refunding	12
Section 3.9. Completion of Financed Facility	12
Section 3.10. Sinking Funds	12
Section 3.11. Reserve, Replacement and Pledged Funds	12
Section 3.12. Purpose Investment Yield.....	12
Section 3.13. Offering Prices and Yield.....	13
Section 3.14. Miscellaneous Arbitrage Matters.....	13
Section 3.15. Conclusion.....	13
 <u>ARTICLE IV</u> 	
ARBITRAGE INVESTMENT AND REBATE INSTRUCTIONS	
Section 4.1. General	13
Section 4.2. Record Keeping; Use of Proceeds and Use of Financed Facility	14
Section 4.3. Temporary Periods/Yield Restriction	15
Section 4.4. Procedures for Establishing Fair Market Value.....	15
Section 4.5. Rebate Instructions	17
Section 4.6. Filing Requirements	18

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.1. Term of Tax Agreement 18
Section 5.2. Amendments 18
Section 5.3. Opinion of Special Counsel 18
Section 5.4. Reliance 18
Section 5.5. Severability 19
Section 5.6. Benefit of Agreement 19
Section 5.7. Default; Breach and Enforcement 19
Section 5.9. Execution in Counterparts 19
Section 5.10. Governing Law 19
Section 5.11. Electronic Transaction 19

Signatures..... S-1

Exhibit A – Debt Service Schedule and Proof of Yield

Exhibit B – IRS Form 8038-G

Exhibit C – Description of Property Comprising the Financed Facility

Exhibit D – Sample Annual Compliance Checklist

* * *

TAX COMPLIANCE AGREEMENT

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

RECITALS

1. This Tax Agreement is being executed and delivered in connection with the delivery by the City of \$3,638,100 principal amount of the City’s Refunding Certificates of Participation, Series 2017 (the “Certificates”), under a Declaration and Indenture of Trust dated as of December 1, 2001, as amended and 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 the date of this Tax Agreement (collectively, the “Indenture”) between the City and the Trustee, for the purposes described in this Tax Agreement and in the Indenture.

2. The Internal Revenue Code of 1986, as amended (the “Code”), and the applicable Regulations and rulings issued by the U.S. Treasury Department (the “Regulations”), impose certain limitations on the uses and investment of the Certificate proceeds and of certain other money relating to the Certificates and set forth the conditions under which the Interest Component of City Base Rentals made with respect to Certificates will be excluded from gross income for federal income tax purposes.

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

4. The City adopted a Tax-Exempt Financing Compliance Policy and Procedure on January 17, 2012 (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 Certificates.

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

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. Except as otherwise provided in this Tax Agreement or unless the context otherwise requires, capitalized words and terms used in this Tax Agreement have the same meanings as set forth in the Indenture, and 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 D**.

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

“Certificate” or **“Certificates”** means the City’s Refunding Certificates of Participation, Series 2017 described in the recitals, authenticated and delivered under the Indenture.

“Certificate Payment Fund” means the Series 2017 Subaccount of the Certificate Payment Fund established under the Indenture.

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

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

“City Base Rentals” means the City Base Rentals payable by the City pursuant to the City Lease Agreement with respect to the Certificates, consisting of a Principal Component and Interest Component.

“City Ground Lease” means the City Ground Lease dated as of December 1, 2001, as amended and supplemented by the First Supplemental City Ground Lease and the Second Supplemental City Ground Lease.

“City Lease Agreement” means the City Lease Purchase Agreement dated as of December 1, 2001, as amended and supplemented by the First Supplemental City Lease and the Second Supplemental City Lease.

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

“Compliance Officer” means the person named in the Tax Compliance Procedure.

“Computation Date” means each date on which arbitrage rebate for the Certificates is computed. The City may treat any date as a Computation Date, subject to the following limits:

- (a) the first rebate installment payment must be made for a Computation Date not later than 5 years after the Delivery Date;
- (b) each subsequent rebate installment payment must be made for a Computation Date not later than five years after the previous Computation Date for which an installment payment was made; and
- (c) the date the last Certificate is discharged is the final Computation Date.

The City selects February 1, 2022, as the first Computation Date but reserves the right to select a different date consistent with the Regulations.

“Construction Fund” means the Series 2017 Subaccount of the Construction Fund established under the Indenture.

“Delivery Date” means February 21, 2017.

“Final Written Allocation” means the written allocation of expenditures of proceeds of the Original Obligations prepared by the Bond Compliance Officer and maintained as part of the Tax-Exempt Certificate File. The allocation of the proceeds of the Original Obligations is summarized on **Exhibit C**.

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

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

- Construction Fund.
- Certificate Payment Fund.
- Prepayment Fund.
- Rebate Fund (to the extent funded with sale proceeds or Investment proceeds of the Certificates).

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

“Indenture” means the Declaration and Indenture of Trust dated as of December 1, 2001, as amended and supplemented by the First Supplemental Indenture and the Second Supplemental Indenture.

“Interest Component” means the interest component of City Base Rentals as provided in the City Lease Agreement.

“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.

“Management Agreement” means a legal agreement defined in Regulations § 1.141-3(b) as a management, service, or incentive payment contract with an entity that provides services involving all or a portion of any function of the Financed Facility, such as a contract to manage the entire Financed Facility or a portion of the Financed Facility. 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 as part of the Financed Facility with proceeds of the Original Obligations, the period beginning on the later of (i) the delivery 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 Certificates or (B) the expected economic useful life of the property.

“Minor Portion” means \$100,000.

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

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

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

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

“Original Obligations” means the Series 2001 Certificates, which was the first issue of tax-exempt governmental obligations that financed or refinanced a portion of the Financed Facility.

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

“Prepayment Fund” means the Series 2007 Subaccount of the Prepayment Fund established under the Indenture.

“Principal Component” means the principal component of City Base Rentals as provided for by the City Lease Agreement.

“Purchaser” means Capital One Public Funding, LLC, the original purchaser of the Certificates.

“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 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 District of Columbia, or any political subdivision thereof, or any instrumentality of such entity, but it does not include the United States or any agency or instrumentality of the United States.

“Rebate Fund” means the Series 2017 Subaccount of the Rebate Fund established under the Indenture.

“Refunded Obligations” means \$4,860,000 outstanding principal amount of the Series 2007 Certificates originally scheduled to mature March 15 in the years 2017 through 2023, inclusive.

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

“**Series 2001 Certificates**” means the Certificates of Participation (City of Sedalia, Missouri) Series 2001, issued December 12, 2001, in the original principal amount of \$8,420,000, the proceeds of which financed the Financed Facility.

“**Series 2007 Certificates**” means the City of Sedalia, Missouri Refunding Certificates of Participation Series 2007, issued April 2, 2007, in the original principal amount of \$8,140,000, the proceeds of which current refunded the Series 2001 Certificates.

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

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

“**Tax Compliance Procedure**” means the City’s Tax-Exempt Financing Compliance Policy and Procedure dated January 17, 2012.

“**Tax-Exempt Certificate File**” means documents and records for the Certificates and the Refunded Obligations maintained by the Compliance Officer pursuant to the Tax Compliance Procedure. This term is synonymous with the term “Tax Compliance File” as used under the Tax Compliance Procedure.

“**Transcript**” means the Transcript of Proceedings relating to the authorization and delivery of the Certificates.

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

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

ARTICLE II

GENERAL REPRESENTATIONS AND COVENANTS

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

(a) *Organization and Authority.* The City (1) is a political subdivision organized and existing under the laws of the State of Missouri, and (2) has lawful power and authority to deliver the Certificates for the purposes set forth in the Indenture, to enter into, execute and deliver the Indenture, the Certificates, 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 Indenture, the Lease, the Certificates, and this Tax Agreement, acting by and through its duly authorized officials.

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

(c) *Governmental Obligations–Use of Proceeds.* Throughout the Measurement Period, all of 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 Counsel.

(d) *Governmental Obligations–Private Security or Payment.* As of the Delivery Date, the City expects that none of the Principal Component or Interest Component on the Certificates will be, and the payment of principal of and interest on the Refunded Obligations has not been (under the terms of the Certificates or any underlying arrangement), directly or indirectly:

- (1) secured by (i) any interest in property used or to be used for a Non-Qualified 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 Non-Qualified Use.

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

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

(f) *Management Agreements.* As of the Delivery 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 Counsel.

(g) *Leases.* As of the Delivery Date, the City has not entered into any leases of any portion of the Financed Facility other than Qualified Use Agreements. During the Measurement Period, the City has not and will not enter into or renew any lease or similar agreement or arrangement other than the agreements listed in this paragraph or a Qualified Use Agreement without first obtaining an Opinion of Special Counsel.

(h) *General Allocation and Accounting.* The Public Safety Project and the County Renovation Project (herein the “Project”) were financed in part with proceeds of the Original Obligations and in part with other funds of the City. The portion of the Project financed with proceeds of the Certificates is referred to herein as the “Financed Facility.” Attached as **Exhibit C** is a schedule showing the Project financed in part with proceeds of the Certificates. For purposes of determining Non-Qualified

Use, if any, of the Financed Facility during the Measurement Period, the City will allocate Non-Qualified Use first to the portion of the Project financed with other funds of the City, and second to the Financed Facility. During the Measurement Period, the City will, on an annual basis, determine the extent to which Non-Qualified Use exceeds the portion of the Project financed with other funds of the City and determine the extent to which the proceeds of the Certificates and the Financed Facility are used in a Non-Qualified Use.

(i) *Limit on Maturity of Certificates.* A list of the assets included in the Financed Facility and a computation of the “average reasonably expected economic life” is attached to this Tax Agreement as **Exhibit C**. Based on this computation, the “average maturity” of the Certificates, as computed by Special 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 Delivery Date of the Original Obligations was first multiplied by 120%, then reduced by the number of years elapsed from the Delivery Date of the Original Obligations to the Delivery Date.

(j) *Expenditure of Proceeds – Reimbursement.* No portion of the Net Proceeds of the Original Obligations was used to reimburse an expenditure paid by the City more than 60 days prior to the date the respective authorizing ordinances were adopted. A summary of the City’s allocation of the proceeds of the Refunded Obligations is set forth on **Exhibit C**.

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

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

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

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

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

(p) *Single Issue; No Other Issues.* The City Lease Agreement and Certificates constitute a single “issue” under Regulations § 1.150-1(c). No other debt obligations of the City (1) are being sold within 15 days of the sale of the Certificates, (2) are being sold under the same plan of financing as the

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

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

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

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

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

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

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

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

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

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

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

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 City’s expectations as to the sources, uses and investment of Certificate proceeds and other money, in order to support the City’s conclusion that the Certificates and the City Lease Agreement are not arbitrage bonds. The person executing this Tax Agreement on behalf of the City is an officer of the City responsible for delivering the Certificates.

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

Section 3.3. Purpose of Financing. The City Lease Agreement is being executed and the Certificates are being delivered for the purpose of providing funds to refund the Refunded Obligations and pay the costs of executing the City Lease Agreement and delivering the Certificates and refunding the Refunded Obligations. The purpose of the refunding of the Refunded Obligations is to achieve debt service savings.

Section 3.4. Funds and Subaccounts. The following funds and subaccounts have been established under the Indenture with respect to the Certificates:

- Construction Fund.
- Certificate Payment Fund.

- Prepayment Fund.
- Rebate Fund

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

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

Principal Amount	\$3,638,100.00
Net Original Issue Premium/(Discount)	<u>0.00</u>
Total Proceeds Received by Issuer	<u>\$3,638,100.00</u>

(b) *Use of Certificate Proceeds.* The Certificate proceeds are expected to be allocated to expenditures as follows:

(1) \$83,841.72 of Certificate proceeds will be deposited in the Construction Fund and used to pay the costs related to the delivery of the Certificates and prepayment of the Refunded Obligations.

(2) \$3,554,258.28 of Certificates proceeds will be transferred to the Trustee for deposit in the Prepayment Fund and used together with other money of the City as described in **Section 3.5(c)** to prepay the Refunded Obligations when due and when called for prepayment on March 15, 2017.

(c) *Use of Other Money.* Amounts held by the City in accounts established for the Refunded Obligations and other money contributed by the City are expected to be allocated to expenditures as follows:

(1) \$1,733.66 of City money from the Certificate Payment Fund (Series 2007 Subaccount) will be transferred to the Trustee for deposit in the Prepayment Fund and used together with proceeds of the Certificates and other money described in this **Section 3.5(c)** to prepay the Refunded Obligations when due and when called for prepayment on March 15, 2017.

(2) \$814,008.06 of proceeds of the Refunded Obligations from the Reserve Fund (Series 2007 Subaccount) will be transferred to the Trustee for deposit in the Prepayment Fund and used together with proceeds of the Certificates and other money described in this **Section 3.5(c)** to prepay the Refunded Obligations when due and when called for prepayment on March 15, 2017.

(3) \$594,956.25 from other available moneys of the City will be transferred to the Trustee for deposit in the Prepayment Fund and used together with proceeds of the Certificates and other money described in this **Section 3.5(c)** to prepay the Refunded Obligations when due and when called for prepayment on March 15, 2017.

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

Section 3.7. No Advance Refunding. No proceeds of the Certificates will be used more than 90 days following the Delivery 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 Certificates will be used to pay the Principal Components of and Interest Components on the Refunded Obligations on March 15, 2017, which is not later than 90 days after the Delivery Date.

(b) *Transferred Proceeds.* As of the Delivery Date, approximately \$814,008.06 of proceeds of the Refunded Obligations remains on deposit in the reserve fund established for the Refunded Obligations. This amount will be used on March 15, 2017 together with proceeds of the Certificates and other money of the City to refund the Refunded Obligations. Therefore, as of the Delivery Date, the City does not expect that there will be any unspent proceeds of the Refunded Obligations after March 15, 2017, the redemption date of the Refunded Obligations, therefore, there are not expected to be any transferred proceeds of the Certificates.

Section 3.9. Allocation of Proceeds of Original Obligations. The Project has previously been completed.

Section 3.10. Sinking Funds. The City is required to make periodic payments in amounts sufficient to pay the City Base Rentals with respect to the City Lease Agreement and Certificates. These payments will be deposited into the Certificate Payment Fund. Except for the Certificate Payment Fund, no sinking fund or other similar fund that is expected to be used to pay Principal Components or Interest Components relating to the Certificates has been established or is expected to be established. The Certificate Payment Fund will be used primarily to achieve a proper matching of revenues with City Base Rentals relating to the Certificates within each Certificate Year, and the City expects that the Certificate Payment Fund will qualify as a Bona Fide Debt Service Fund.

Section 3.11. Reserve, Replacement and Pledged Funds.

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

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

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

Section 3.13. Purchase Price and Yield.

(a) *Purchase Prices.* The Purchaser has certified that it has purchased all of the Certificates at fair market value without regard to any other products or services offered to the City, if any, as principal for its own account as an investment and has not acted as agent for any person or entity. As of the Delivery Date, the Purchaser has not sold and has no present intention to sell the Certificates to any person. The aggregate initial purchase price of the Certificates is \$3,638,100, without accrued interest.

(b) *Yield.* Based on the offering prices, the Yield on the City Lease Agreement is 2.549749%, as computed by Special Counsel and shown on **Exhibit A** attached hereto. The City has not entered into an interest rate swap agreement with respect to any portion of the proceeds of the Certificates.

Section 3.14. Miscellaneous Arbitrage Matters.

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

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

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

ARTICLE IV

POST-ISSUANCE TAX REQUIREMENTS, POLICIES AND PROCEDURES

Section 4.1. General.

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

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

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

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

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

(a) *Record Keeping.* The Compliance Officer will maintain the Tax-Exempt Certificate File for the Certificates in accordance with the Tax Compliance Procedure. Unless otherwise specifically instructed in a written Opinion of Special Counsel or to the extent otherwise provided in this Tax Agreement, the Compliance Officer shall retain records related to the Post-Issuance Tax Requirements until 3 years following the final maturity of (i) the Certificates or (ii) any obligation delivered or issued to refund the Certificates. Any records maintained electronically must comply with Section 4.01 of Revenue Procedure 97-22, which generally provides that an electronic storage system must (1) ensure an accurate and complete transfer of the hardcopy records that 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 City's premises.

(b) *Accounting and Allocation of Proceeds to Expenditures.* Proceeds of the Certificates and certain other money will be used as described in **Sections 3.5** and **3.8**. The Compliance Officer will maintain accounting records showing the investment and expenditure of this money as part of the Tax-Exempt Certificate File. The Compliance Officer will prepare written records substantiating the allocation of proceeds the Original Obligations to the Financed Facility. The allocation of the proceeds of the Original Obligations is summarized on **Exhibit C**.

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

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

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

(a) *Proceeds Allocable to Current Refunding.* Certificate proceeds allocable to a current refunding of the Refunded Obligations may be invested without Yield restriction for up to 90 days after the Delivery Date. Other money deposited in the Prepayment Fund may be invested at a Yield that does not exceed the Yield on the Refunded Obligations.

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

(c) *Construction Fund.* Amounts held in the Construction Fund may be invested without Yield restriction for 13 months.

(d) *Rebate Fund.* Money other than sale proceeds or Investment proceeds of the Certificates on deposit in the Rebate Fund may be invested without Yield restrictions.

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

Section 4.4. Procedures for Establishing Fair Market Value.

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

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

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

(d) *Guaranteed Investment Contracts.* The City is applying Regulations § 1.148-5(d)(6)(iii)(A) (relating to electronic bidding of Guaranteed Investment Contracts) to the Certificates.

The purchase price of a Guaranteed Investment Contract is treated as its fair market value on the purchase date if all of the following requirements are met:

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

(A) The bid specifications are in writing and are timely forwarded to potential providers.

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

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

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

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

(F) All potential providers have an equal opportunity to bid. 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 Delivery Date of the issue, (ii) any entity acting as a financial advisor with respect to the purchase of the Guaranteed Investment Contract at the time the bid specifications are forwarded to potential providers has a material financial interest in the issue, and (iii) a provider that is a related party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.

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

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

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

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

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

(A) A copy of the Guaranteed Investment Contract.

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

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

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

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

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

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

Section 4.5. Rebate Instructions. All sale proceeds of the Certificates and Investment earnings thereon will be (1) deposited in the Prepayment Fund and invested at a Yield below the Yield on the Certificates until spent on March 15, 2017, to prepay the interest components and principal components of rental payments on the Refunded Obligations or (2) deposited in the Construction Fund and used to pay costs of delivering the Certificates and prepaying the Refunded Obligations within 6 months of the Delivery Date. Any unspent sale or Investment proceeds of the Certificates deposited in the Prepayment Fund and Construction Fund on hand after September 15, 2017 will be transferred to the Certificate Payment Fund and used to pay the Interest Components with respect to the Certificates. In addition, the District expects that the Certificate Payment Fund will qualify as a Bona Fide Debt Service

Fund and the City does not expect to establish any other sinking fund or replacement fund for the Certificates. Based on these representations and certifications, Special Counsel has advised the City that no rebate computations are required with respect to the Certificates, so long as the sale and Investment proceeds are spent as described in this paragraph, the Certificate Payment Fund qualifies as a Bona Fide Debt Service Fund, and no other sinking fund or replacement fund is established for the Certificates. If the conditions are not satisfied, then the City is obligated to engage Special Counsel, an independent certified public accountant or a rebate analyst to compute arbitrage rebate on the Certificates and to pay rebate to the United States at least once every five years, and within 60 days after the discharge of the City Lease Agreement and Certificates, in accordance with Code § 148(f).

Section 4.6. Filing Requirements. 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 Counsel.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.1. Term of Tax Agreement. This Tax Agreement will be effective concurrently with the delivery of the Certificates and will continue in force and effect until the City Base Rentals on all Certificates have been fully paid and all such Certificates and the City Lease Agreement are canceled; 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 any of the Registered Owners of the Certificates, but only if such amendment is in writing and is accompanied by an Opinion of Special 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 Component to be included in gross income for federal income tax purposes. No such amendment will become effective until the City and the Trustee receive this Opinion of Special Counsel.

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

Section 5.4. Reliance. In delivering this Tax Agreement, the City and the Trustee are making only those certifications, representations and agreements as are specifically attributed to them in this Tax Agreement. Neither the City nor the Trustee is aware of any facts or circumstances that 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 its certifications will be relied upon by the law firm of Gilmore & Bell, P.C., in rendering its opinion as to the validity of the Certificates and the exclusion from federal gross income of the Interest Component.

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

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

Section 5.7. Default; Breach and Enforcement. Any misrepresentation of a party contained herein or any breach of a covenant or agreement contained in this Tax Agreement may be pursued by the owners of the Certificates or the other party or parties to this Tax Agreement pursuant to the terms of the Indenture or any other document that 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 Transaction. The parties agree that the transaction described in this Tax Agreement may be conducted and related documents may be sent, received or stored by electronic means. 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.

The parties to this Tax Agreement have caused this Tax Agreement to be duly executed by their duly authorized officers as of the date first stated above.

CITY OF SEDALIA, MISSOURI

By: _____
Title: Mayor

UMB BANK, N.A., as Trustee

By: _____

Name:

Title:

Tax Compliance Agreement

EXHIBIT A

DEBT SERVICE SCHEDULE AND PROOF OF YIELD

EXHIBIT B

IRS FORM 8038-G

EXHIBIT C

DESCRIPTION OF PROPERTY COMPRISING THE FINANCED FACILITY

EXHIBIT D

ANNUAL COMPLIANCE CHECKLIST

Name of tax-exempt issue (“Certificates”)	Refunding Certificates of Participation, Series 2017
financing Financed Facility:	
Delivery Date of Certificates:	February 21, 2017
Placed in service date of Financed Facility:	
Name of Compliance Officer (Finance Manager):	
Period covered by request (“Annual Period”):	

Item	Question	Response
1	Was the entire Financed Facility owned by the City during the entire Annual Period?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Ownership	If answer above was “No,” was advice of Special Counsel obtained prior to the transfer? If “Yes,” include a description of the advice in the Tax-Exempt Certificates File. If “No,” contact Special Counsel and include description of resolution in the Tax-Exempt Certificates File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

2	Other than the City Ground Lease and the City Lease Agreement, during the Annual Period, was any part of the Financed Facility leased at any time pursuant to a lease or similar agreement for more than 50 days?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Leases & Other Rights to Possession	If answer above was “Yes,” was advice of Special Counsel obtained prior to entering into the lease or other arrangement? If “Yes,” include a description of the advice in the Tax-Exempt Certificates File. If “No,” contact Special Counsel and include description of resolution in the Tax-Exempt Certificates File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

Item	Question	Response
3 Management or Service Agreements	During the Annual Period, has the management of all or any part of the operations of the Financed Facility (e.g., cafeteria, garages, etc.) been assumed by or transferred to another entity?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," was advice of Special Counsel obtained prior to entering into the management agreement? If "Yes," include a description of the advice in the Tax-Exempt Certificates File. If "No," contact Special Counsel and include description of resolution in the Tax-Exempt Certificates File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
4 Other Use	Was any other agreement entered into with an individual or entity that grants special legal rights to the Financed Facility (e.g., agreements with the State of Missouri or any of its agencies or political subdivisions, the federal government (i.e., the U.S. Marshal Service, Homeland Security, FBI, etc.) or others allowing said parties to house prisoners at or otherwise use the Financed Facility)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," was advice of Special Counsel obtained prior to entering into the agreement? If "Yes," include a description of the advice in the Tax-Exempt Certificates File. If "No," contact Special Counsel and include description of resolution in the Tax-Exempt Certificates File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
5 Arbitrage & Rebate	(1) Were any proceeds of the Certificates on deposit in the Construction Fund 13 months after the Issue Date?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	(2) Were any sale proceeds of the Bonds deposited in the Prepayment Fund NOT invested and spent in accordance with the Tax Compliance Agreement?	<input type="checkbox"/> Yes <input type="checkbox"/> No
(3) Was the balance in the Certificate Payment Fund NOT reduced to zero at some point during the annual period?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
(4) Other than the Certificate Payment Fund, did the District establish any sinking fund for the Bonds?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
If the answer to any of these questions is "Yes", contact Special Counsel and incorporate report or include description of resolution in the Tax-Exempt Certificate File.		

Item	Question	Response
6 Audited Financial Statements	Has the City provided Capitol One Public Funding, LLC with the City's most recent audited financial statements by December 26th (i.e., 270 days after the City's fiscal year end)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If "No," contact Special Counsel and include description of resolution in the Tax-Exempt Certificates File.	

Compliance Officer: _____

Date Completed: _____